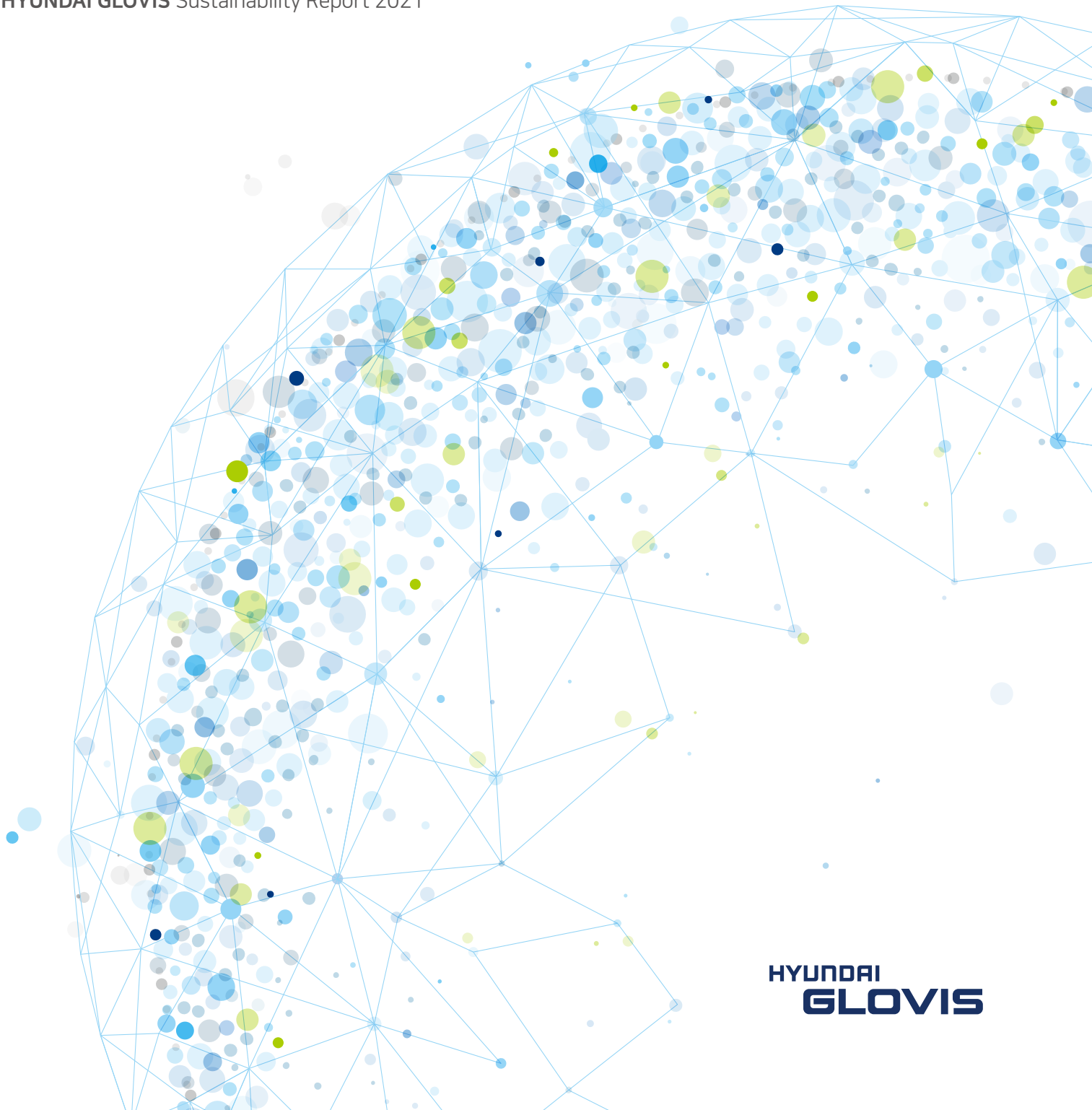


GLOBAL SMART SCM PROVIDER

HYUNDAI GLOVIS Sustainability Report 2021



HYUNDAI
GLOVIS

About this Report

Hyundai Glovis has issued its 2021 annual sustainability report to update internal and external stakeholders on the company's activities and achievements in the area of sustainability. The Hyundai Glovis Sustainability Report(hereafter referred to as "the report") has been compiled based on the criteria and procedures recommended by the Global Reporting Initiative(GRI) Standards. We are opening our response methods to stakeholders through our sustainability report.

Reporting Period

The report covers the company's performance for the fiscal year 2020, from Jan. 1 to Dec. 31, 2020. Relevant information from FY 2020 Q1, however, have been included in the report when recognized as relevant to our shareholder's interests. Quantitative analysis in the report includes the data of three consecutive years since 2018, as the report aims to show trend changes over the past three years. Unless otherwise noted, data contained in this report have been collected and reported as of Dec. 31, 2020, the end date of the fiscal year. This report is issued in annual basis.

Scope

The scope of this report covers Hyundai Glovis' head office in Seoul and domestic/overseas worksites, while qualitative and quantitative data reports 99% of sales. Moving forward, Hyundai Glovis will try to present social and environmental data and aim to expand the geographical coverage of the sustainability report to include all offices and facilities worldwide.

Principle for Reporting and Verification

The report has been prepared in accordance with the Core Option suggested by the GRI Standards. To ensure its credibility, this report has been reviewed by BSI Korea, an independent verification agency, and detailed opinions can be viewed in page 106-107 of this report.

Additional Information

The Hyundai Glovis Sustainability Report can be downloaded from the company's website(<http://www.glovis.net>). For further information, please contact us as below. We look forward to receiving various opinions from our stakeholders.

HYUNDAI GLOVIS

Address 83-21, Wangsimni-ro, Seongdong-gu, Seoul, Republic of Korea

Phone +82-2-6191-9099

E-mail smhong@glovis.net

Website <http://www.glovis.net>

This report is published as an interactive PDF including the features such as navigating
To related pages in the report and shortcuts to related web pages.

Contents

CEO Message	04
Introduction of Hyundai Glovis	06
Expert Interview	08
Major Achievements in 2020	10
Global Network	14

Business Performance

16

Our Business - 01. Logistics	18
Our Business - 02. Maritime Transport	24
Our Business - 03. Distribution	25
Business Performance Achievements	27

Sustainability Commitments

28

Sustainability Commitments	30
Environmental Management	32
Differentiation of Supply Chain for the Future	44
Organization for People	50

Sustainability Management

62

Corporate Governance	64
Ethical Management	68
Risk Management	71
Human Rights Management	73
Corporate Social Responsibility	76
Safety and Health Management	79
Participation of Stakeholders	85

Appendix

86

Financial Data	88
Materiality Assessment	90
GRI Content Index	94
WEF Content Index	96
TCFD & UNGC	98
Hyundai Glovis Charter for Human Rights	99
Greenhouse Gas Emissions Verification Description	104
Greenhouse Gas Emissions Verification Statement for Ships	105
Third-party Assurance Report	106

CEO Message

Hyundai Glovis aims to move forward based on
this year's management policy,
“Creating Tangible Outcome for the Great New Leap Forward.”

Dear Hyundai Glovis stakeholders,

We want to express our sincere gratitude to the stakeholders who have sent us their support and encouragement last year for Hyundai Glovis' growth.

The year of 2020 has been a difficult year for the global economy and companies around the world due to the unprecedented situation of the COVID-19 pandemic. As the economy slumped, manufacturing and sales in the automotive industry showed negative growth compared to the previous year, and thus resulted in a reduced quantity of transported goods as well as an unstable global logistics network.

Despite this difficult situation, Hyundai Glovis has tried its best to provide a stable and effective logistics service, recording KRW 16.5199 trillion worth of sales and KRW 662.2 billion worth of operating profit.

Despite global economic uncertainty and sluggish demand in the front industry in 2020, Hyundai Glovis has tried to provide efficient logistics services based on an optimized logistics system. In order to increase its competitiveness beyond sluggish demand, it also worked to increase sales of non-affiliated companies such as signing global OEM maritime transport contracts and winning orders for EV OEM logistics overseas, while laying the foundation for future growth. In addition, it entered the green ecosystem as a logistics and distribution provider by applying for a patent for the hydrogen supply chain optimization platform in line with the paradigm shift in the automotive industry, such as switching to electric vehicles and hydrogen cars. Also, we have expanded our business by signing partnerships with global companies, establishing JV and subsidiaries.

As a result of these efforts, Hyundai Glovis has been listed in the Asia-Pacific Index and Korea Index of the Dow Jones Sustainability Index(DJSI) for six consecutive years. Among logistics and shipping companies across the world, Hyundai Glovis has most highly been recognized for its competitiveness in sustainable management.

In 2021, global uncertainty and variability in global economy, exchange rates, the complete vehicle market, and logistics networks are likely to persist due to the COVID-19 pandemic. This year, Hyundai Glovis has announced its management policy to be “Creating Tangible Outcome for the Great New Leap Forward.” Based on this principle, we will try to foster future business, expand core business, strengthen our management system, and achieve innovation in our organizational culture to meet the expectations of our stakeholders.

In order to achieve these goals,

First, we will continue with ESG management by strengthening the SCR.

Hyundai Glovis will make contributions to resolving various social issues in both domestic and overseas areas and actively carry out its environmental, social, and corporate governance. To achieve this goal, Hyundai Glovis has joined United Nations Global Compact(UNGC). We will be supporting 10 major principles in four areas—human rights, labor, environment, and anti-corruption—suggested by the UNGC and strengthening the implementation of the Sustainable Development Goals(SDGs). Furthermore, by participating in KEV100 and being listed in the DJSI, we will continue to create brighter future for everyone as a responsible member of society. To keep pace with the regulations and investment relevant to ESG, we will strengthen the advanced sustainable management system by establishing related organizations within the company and operating a dedicated commission under the board of directors.

Second, we will foster future-growth business and pioneer the eco-friendly market.

As transformation into digitalization has become essential element in the post-COVID-19 era, we will be moving forward with a digital-based logistics platform business in different fields, such as living logistics. To create innovative products for the future logistics industry, including autonomous vehicles and AI robots, Hyundai Glovis will try to commercialize its business in smart logistics and expand its logistics market into new growth industries such as B2C logistics while also focusing on the e-commerce, cold chain, and other core industries specialized in each region all over the world. To prepare for the eco-friendly society of the future, we will work to find business opportunities for an electric vehicle(EV) comprehensive solution business, such as hydrogen logistics/distribution, the operation of EV charging stations, battery distribution, and a service platform for performance information.

Third, we will expand our core global business.

By focusing on the expansion of overseas networks and service areas, we will expand business opportunities while finding global strategic shippers and expanding our business areas in global forwarding. Continuing with our 2020 achievement of becoming the No. 1 in finished vehicle shipping, we will try to maintain the No. 1 position by increasing global OEM orders. In preparation for the use of liquefied hydrogen carriers with bulk carriers, we will be advancing into the eco-friendly LNG carrier business and increasing the number of long-term contracts in order to expand our maritime transportation business. Based on JV, M&A, and platform development with local logistics companies in overseas markets, we will expand our global logistics business in finished vehicles while consolidating our competitive advantage in complete vehicle logistics. In addition, by revitalizing exports of the Auto-Biz(pre-owned cars) business and deploying optimized models for each country, we will grow and leap forward in the global market.

Dear stakeholders of Hyundai Glovis,

Hyundai Glovis will open the sustainable future while aiming for the promotion of a balanced increase in rights based on the trust of every stakeholder of Hyundai Glovis, including stockholders, customers, employees, and our suppliers. We wish for continuous support from our stakeholders in the year of 2021. Hyundai Glovis will make do its utmost to establish the foundation for ESG management and sustainable growth for the next 20 years and create tangible outcomes.

Thank you.

CEO of Hyundai Glovis

Kim Jung-hoon



Introduction of Hyundai Glovis

Hyundai Glovis, reaching out to the world

Hyundai Glovis is a global integrated logistics company, providing the best service in a range of industries such as maritime transport, KD, trading, used cars, and EV/hydrogen/logistics platform, along with the strategy encompassing entire logistics process.

(As of Dec. 31, 2020)

Company Name	Hyundai Glovis Co., Ltd.	Sales	KRW 16.5199 trillion
Headquarter	83-21, Wangsimni-ro, Seongdong-gu, Seoul, Korea	Operating profit	KRW 662.1 billion
CEO	Kim Jung-hoon	Net income	KRW 606.1 billion
Major business	Integrated logistics, distribution and sales, shipping	Credit rating	Baa1(Moody's) BBB+(S&P)
Established	Feb. 22, 2001	No. of employees	Korea: 1,450 / Overseas: 8,177

Management Philosophy of Hyundai Motor Group

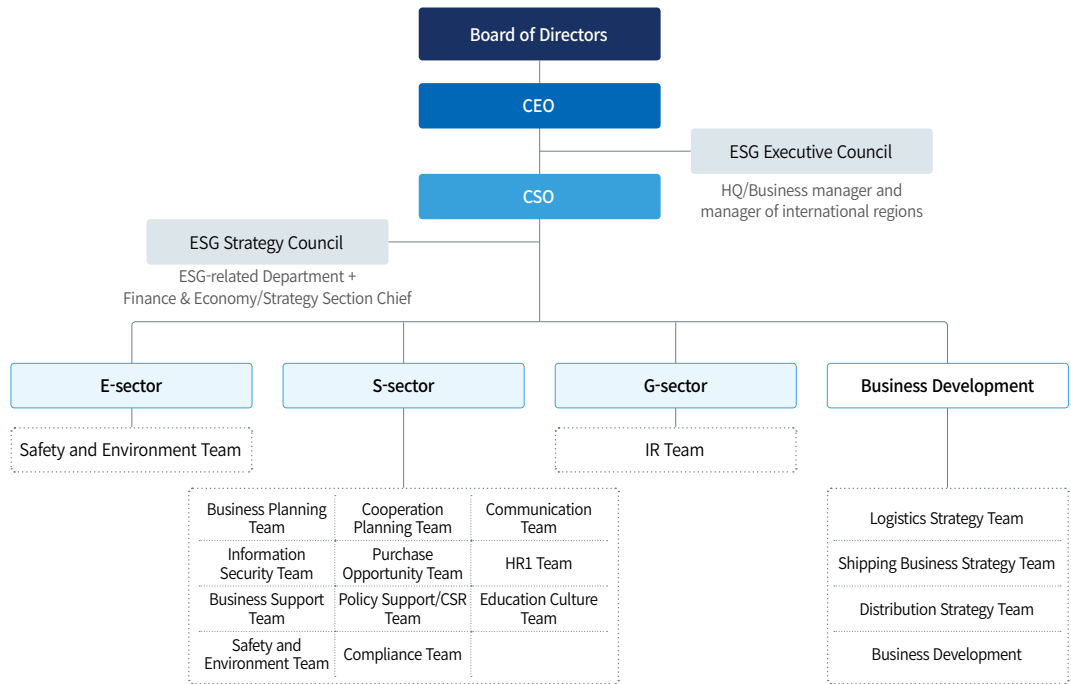


Core Values of Hyundai Motor Group

Vision of Hyundai Glovis



Hyundai Glovis Organization Chart / Organization related to ESG



History

2001 - 2005		2006 - 2010	
Feb. 2001	Established as Hankook Logitech Co., Ltd.	Mar. 2006	Received the grand prize at the Korea Logistics Awards
Dec. 2002	Established local logistics network in China and launched service	Nov. 2006	Received the grand prize at the Korea SCM Awards
Jun. 2003	Changed the company's name to Glovis Co., Ltd.	Nov. 2007	Certified as an integrated logistics company
Jul. 2003	Started used car auction service	Dec. 2007	Certified for the ISO Environmental Management System
Apr. 2004	Started HMMA CKD business	Jun. 2008	Rated by international credit rating agencies(S&P, Moody's) for the first time in Korean logistics company
Dec. 2004	Certified for ISO Quality Management System	Feb. 2009	Certified for ISO 27001(Information Security Management Standards)
Dec. 2005	Listed on the Korean Stock Exchange	Nov. 2009	Received the presidential prize at the Korea Logistics Awards
		Dec. 2010	Received the USD 1 Billion Export Tower Award
2011 - 2015		2016 - 2020	
Nov. 2011	Changed the company's name to Hyundai Glovis Co., Ltd.	Nov. 2016	Awarded the Grand Prize at the Korean Ethical Management Awards
Dec. 2011	Received the USD 2 Billion Export Tower Award	Jan. 2017	Established Chongqing Corporation(Chongqing GLOVIS)
Feb. 2012	Acquired "GLOVIS CENTURY," a newly built vehicle carrier	Oct. 2017	Received the "Best IRO Award" at Korea IR Awards
Dec. 2012	Received the USD 3 Billion Export Tower Award	Jun. 2018	Acquired ISO 37001, Anti-Bribery Management Systems Certification
Sep. 2013	Operated trial voyage of an Arctic Shipping Route for the first time in Korea	Dec. 2018	Acquired ISO 13485,(Medical Device Quality Management Systems Certification)
Dec. 2013	Established the Foundation of Korea Logistics Industry Promotion Received the USD 4 Billion Export Tower Award	Jul. 2019	Established Hyundai Glovis Vietnam Co., Ltd. In Northern Hanoi, Vietnam
Aug. 2014	Selected as one of Forbes Asia Fab 50 stars in the making for five consecutive years	Oct. 2020	Awarded Green Management Grand Prize for three consecutive years and commendation of the Ministry of Trade, Industry, and Energy
Oct. 2015	Certified for ISO 18001(Safety and Health Management System)	Oct. 2020	Awarded Safety Management Grand Prize for two consecutive years
Dec. 2015	Received the USD 5 Billion Export Tower Award Launched a rugby team	Nov. 2020	Listed in Dow Jones Sustainability Index(DJSI) for Asia Pacific and Korea Indices for six consecutive years
		Nov. 2020	Acquired Grade A in CDP Leadership and Won the Carbon Management "Honors Club"
		Nov. 2020	Certified for Global Integrated ISO 45001(Safety and Health Management System)

Expert Interview



UNGC

Lee Eun-kyung

Head of Department

We welcome Hyundai Glovis' UNGC membership.

Hyundai Glovis joined the UNGC this year.

The United Nations Global Compact(UNGC) is the world's largest voluntary corporate citizen initiative that promotes sustainability and participates in corporate civic movements by internalizing the ten principles of human rights, labor, environment and anti-corruption into corporate management and business strategies.

Hyundai Glovis is committed to full-fledged ESG implementation and internalization by carrying out more responsible businesses at the global level in the future. It is meaningful to have that start with UNGC.

Hyundai Glovis has a systematic foundation for ESG management, and strives for human rights management by running a human rights due diligence program. Based on global business expansion, Hyundai Glovis also continue to advance the environmental management system and safety and health systems including the establishment of eco-friendly and low-carbon logistics systems.

A higher level of management is expected to be required in preparation for the mandatory human rights, environment, and governance inspection in the supply chain of the corporate due diligence law scheduled to be implemented in the EU. If you continue to strengthen governance for ESG internalization, establish mid- to long-term ESG roadmaps and objectives, and consolidate ESG risk management, and expand the percentage of female managers, ESG development of Hyundai Glovis will be endless.



KoSIF

Kim Tae-han

Senior Researcher

Hyundai Glovis is creating remarkable environmental achievements among logistics companies.

Various environment-related issues such as climate change are emerging as key issues for determining the future competitiveness of companies. The demand for eco-friendly products among consumers and clients, environmental information for investors, and greater achievements are constantly increasing.

Hyundai Glovis is providing reports on environmental management and risks. Through the supplementation and development of information announcements which conform to TCFD requirements, we will manage environmental issues as key issues and reflect this attitude in our management decisions. As a result, it will allow us to respond to the shift to a low-carbon or carbon-free world.

Among international logistics companies, Hyundai Glovis is a company which is managing Scope 3 emissions very well. Accordingly, we hope to see its sustainable growth by setting and carrying out goals within the 1.5°C scenario for carbon emissions, and creating a strategy which aims to establish a response system for customer demand.

Hanyang University

Lee Sang-myung

Professor



We hope the social efforts of Hyundai Glovis will create a better tomorrow.

The number companies with various interests such as ESG, CSR, social enterprise, corporate citizenship, and TBP is increasing, and companies are changing from simply profit groups to productive members of society. Therefore, the social activities of companies are going beyond mere strategic activities to essential activities.

The need and efficacy of Hyundai Glovis's "G-Square" non-contact cooperation system is being recognized for all industries. This is because we have established an independent non-contact cooperation system and drawn on the efficiency of our workers despite of the COVID-19 crisis. As Hyundai Glovis grows, there are more tasks with external interest parties, and the requirements of G-Square will increase during the hardships of COVID-19.

Finally, companies related to delivery are carrying out social contribution through supporting supplies to special disaster areas or for the disadvantaged by providing free delivery services or donating unregistered goods to social enterprises. We hope Hyundai Glovis can also positively impact society with more social contribution activities.

Korea Capital Market Institute(KCMI)

Dr. **Song Hong-seon**



Hyundai Glovis has exceptional will, policies, and execution for ESG.

The importance of ESG in Korea is increasing. By 2030, all companies listed on KOSPI will be required to report ESG(environmental, social, governance)-related sustainable management reports.

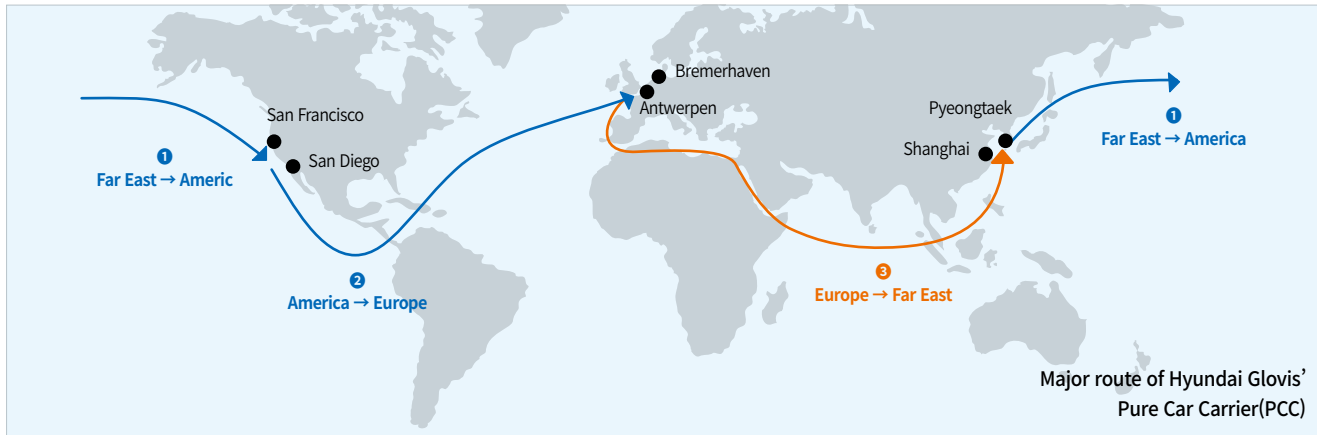
Hyundai Glovis has excellent willpower, policy, and execution of ESG. Especially, green logistics looks like a key development for ESG management and a key management strategy.

Furthermore, the revised Fair-Trade Act passed at the general meeting and is expected to be enforced starting in May 2021. As the shares of the head family were high, with a high amount of internal trade, Hyundai Glovis was confirmed as a company target for the new Fair-Trade Act. In the process of revising the governance structure of the whole group, it requires a lot of effort to improve company value as well as stockholders' rights and interests.

Due to digitalization and COVID-19, the logistics industry has a very prospective outlook in both the areas of B2B and B2C. We hope Hyundai Glovis can develop a step further through diversifying markets and establishing a value chain with its suppliers, such as solving mutual development issues with SMEs.

Major Achievements in 2020

Signed five-year long-term maritime transport contract with the Volkswagen Group



Hyundai Glovis has signed a new maritime transport contract with Volkswagen Konzernlogistik GmbH & Co. OHG, a subsidiary logistics company to Volkswagen group, for transporting finished vehicles in Europe-China route. This contract is targeted to every finished vehicle exported from Europe to China by Volkswagen group such as Volkswagen, Audi, Porsche, and Bentley. Based on this contract, Hyundai Glovis will be transporting vehicles manufactured by Volkswagen group from Bremerhaven port in Germany and Southampton port in England to major ports in China for 10 times a month until December of 2024. We aim to make significant improvement in efficiency and stability for fleet operation and secure trade volume in major routes of maritime transport for finished vehicles. By increasing loading rate in the ship and maximizing operation efficiency, we aim to become the world-leading logistics company in the area of vehicle transport ship.

Korea's first cold chain electric vehicle delivery service



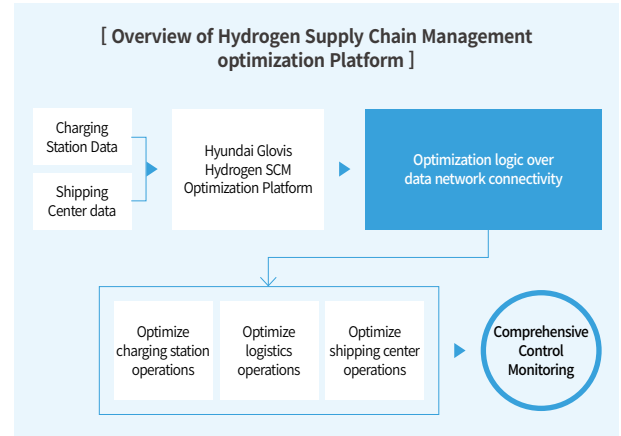
Hyundai Glovis is making efforts to expand the base of the eco-friendly delivery market in Korea by putting electric trucks into the Cold Chain system, the first refrigerated/frozen logistics system in Korea. Eco-friendly electric shipping cars can drive about 150km with an hour of rapid charging, and they have improved driving efficiency by separating the electric batteries in the body, refrigerated and frozen compartments, and secured stability in the cargo compartment. Starting with the introduction of 1-ton electric vehicles into SSG.com delivery vehicles, Hyundai Glovis will take the lead in eco-friendly management in all domestic and foreign business areas by minimizing pollutants generated in the logistics process.

Signing MOU for cooperation in daily logistics services for self-driving mobile robots



Hyundai Glovis signed a memorandum of understanding (MOU) with Twinni to develop a customized smart urban logistics service. Twinni is a startup that seeks to commercialize its own self-driving software-equipped robots and has high-performance self-driving technology and patents. Hyundai Glovis uses a self-driving robot developed by Twinni, which allows consumers to easily designate delivery locations and times with smartphone applications, and plans to establish a life-friendly logistics service that receives goods after simple certification. Through this, we will not only increase the effectiveness of the logistics environment but also create an eco-friendly logistics ecosystem.

Established an “optimized platform for hydrogen supply chain” for mainstreaming hydrogen logistics



Hyundai Glovis signed a memorandum of understanding(MOU) with HyNet(Hydrogen Energy Network Co., Ltd.), Hyundai Steel, Hyundai Motor Co., Korea Gas Corporation, and SPG to pave the way for collaboration. Hyundai Glovis will be responsible for supplying hydrogen produced here quickly and safely to high-net hydrogen charging stations nationwide. By applying the hydrogen supply chain management optimization platform developed in the hydrogen transportation process, the data produced in each charging station, tube trailer operation status, and daily hydrogen shipments will be connected to a real-time network. In preparation for the upcoming hydrogen era, we will work together to help related companies distribute hydrogen more smoothly and contribute to hydrogen popularization by expanding hydrogen charging stations and building supply chains as part of the “Hydrogen Economy Revitalization Roadmap.”

Thailand CP Group Green Logistics Collaboration



Hyundai Glovis established a business partnership with Thailand’s No. 1 CP Group to establish an eco-friendly logistics market in the ASEAN market, a global economic giant. This is the first case of electric trucks being introduced to Thai logistics sites, and when electric trucks are introduced in earnest, they can effectively reduce environmental pollutants such as nitrogen oxides and fine dust generated by diesel trucks. Through this collaboration, we would like to establish our position as a global logistics company by pioneering the global eco-friendly logistics market and strengthening our business influence.

Used car purchase service ‘Auto Bell’ service



Hyundai Glovis has launched the first used car dealer’s non-face-to-face digital auction system called ‘Autobel Smart Auction’ in Korea. Through this, more than 1 million vehicles were submitted to the auction house of used cars(as of 2018), marking the first performance in 17 years since the first auction began in 2001. Based on the auction house data, Hyundai Glovis’ Autobel offers fair prices to consumers and allows them to process a series of processes from vehicle evaluation, sale, auction, and submission at once. This greatly improved the convenience of both used car suppliers and consumers and created a circular environment for waste. As a global company, Hyundai Glovis will continue to work on management for the environment.

Major Achievements in 2020

First certification of the highest grade of ‘Best Win-Win Enterprise for Shipbuilding and Shipper’



Hyundai Glovis has been recognized as a model example of the development of the shipping industry and win-win cooperation as it was ranked at the highest level in the certification system of ‘Best Win-Win Companies for Shippers and Shippers’ first introduced in 2020. The Korea Maritime Promotion Corporation reviewed and selected the shipowner and shipper’s win-win management efforts, fair trade compliance, and contribution to the shipping industry. Hyundai Glovis was selected as the first shipper in terms of compliance with the law. We will continue to fulfill our responsibilities as an excellent company by taking the lead in the win-win cooperation of domestic shipping and shipper companies and the development of the shipping industry.

Hyundai Department Store Logistics Warehouse business/shipping consignment contract



Hyundai Glovis signed a contract with Hyundai Department Store in July 2020 for the delivery of early morning goods and consignment of delivery. Orders received by 11 p.m. are delivered to the Seoul metropolitan area before 7 p.m. the next day, and 1,500 orders are processed daily, and orders can be placed through the “Hyundai Food Hall Two Home” website and smartphone application(app). After the product is received at Hyundai Glovis Gimpo Logistics Center, After being stocked at Hyundai Glovis Gimpo Logistics Center, orders from the metropolitan area will be shipped directly. In the case of local orders, we operate it with a process of early morning delivery/delivery to consumers after going through the courier HUB. Also, we are planning to lead the eco-friendly delivery market by implementing electric vehicles delivery in the future.

Signed an MOU for the “eco-friendly maritime transport business” with a Norwegian maritime transport group



Hyundai Glovis has signed a business agreement for the “co-response to changes in the gas carrier and maritime transport environment” with Wilh.Wilhelmsen Holding ASA, a maritime transport group headquartered in Norway. In order to respond preemptively to the accelerating transition into an eco-friendly energy global shipping business, both companies have signed the business agreement to maximize business by taking advantage of their strong suits in each business area. Hyundai Glovis aims to promote the LNG maritime transport business under the goal of advancing into the LNG transport market and dealing with the future hydrogen shipping market. By combining the Hyundai Glovis fleet operation capabilities and Wilhelmsen’s ship management know-how, both companies are expected to create a positive effect for the gas transport business in the future.

Awarded Green Safety Management Grand Prize



Hyundai Glovis received the grand prize for Green and Safety Management at the Global Standard Management Awards hosted by Korea Management Register Inc.(KMR) and sponsored by the Ministry of Trade, Industry and Energy and the Ministry of SMEs and Startups. In recognition of its achievements in the ecofriendly logistics service, this award has been given to Hyundai Glovis for three consecutive years. In particular, in recognition of its efforts and practice of ecofriendly management, Hyundai Glovis has received a commendation award by the minister of Trade, Industry and Energy. Hyundai Glovis will continue to do its best to expand its eco-friendly logistics environment and safety management culture in the domestic and global markets.

Listed in Dow Jones Sustainable Index (DJSI) for six consecutive years



Hyundai Glovis was listed on the Asia-Pacific Index and Korea Index and for six consecutive years in the Dow Jones Sustainability Index(DJSI) evaluation, a global index that assesses the level of sustainability management. Hyundai Glovis has become the only global logistics/ maritime transport company to be ranked high in the Transportation & Transportation Infrastructure sector. Hyundai Glovis will endeavor to become a leader in sustainable management as a global logistics industry based on SCR.

2020 Key Awards History

CDP Climate Change Won the Carbon Management “Honors Club”

Ranked A grade in Leadership Contribution to reduction of greenhouse gas emissions

1



ISO 45001 Integrated Certificate

Acquired safety & health management system certification for domestic and overseas corporations

2



AEO Certificate

Official recognition of law compliance, internal control system, financial stability, and safety management

3



Awarded grand prize for environmental information disclosure by the Ministry of Environment

Excellent performance among the domestic companies that have registered and disclosed environmental information

4



Korea Exchange Report on Corporate Governance Structure Won a price for the company with excellent public announcement

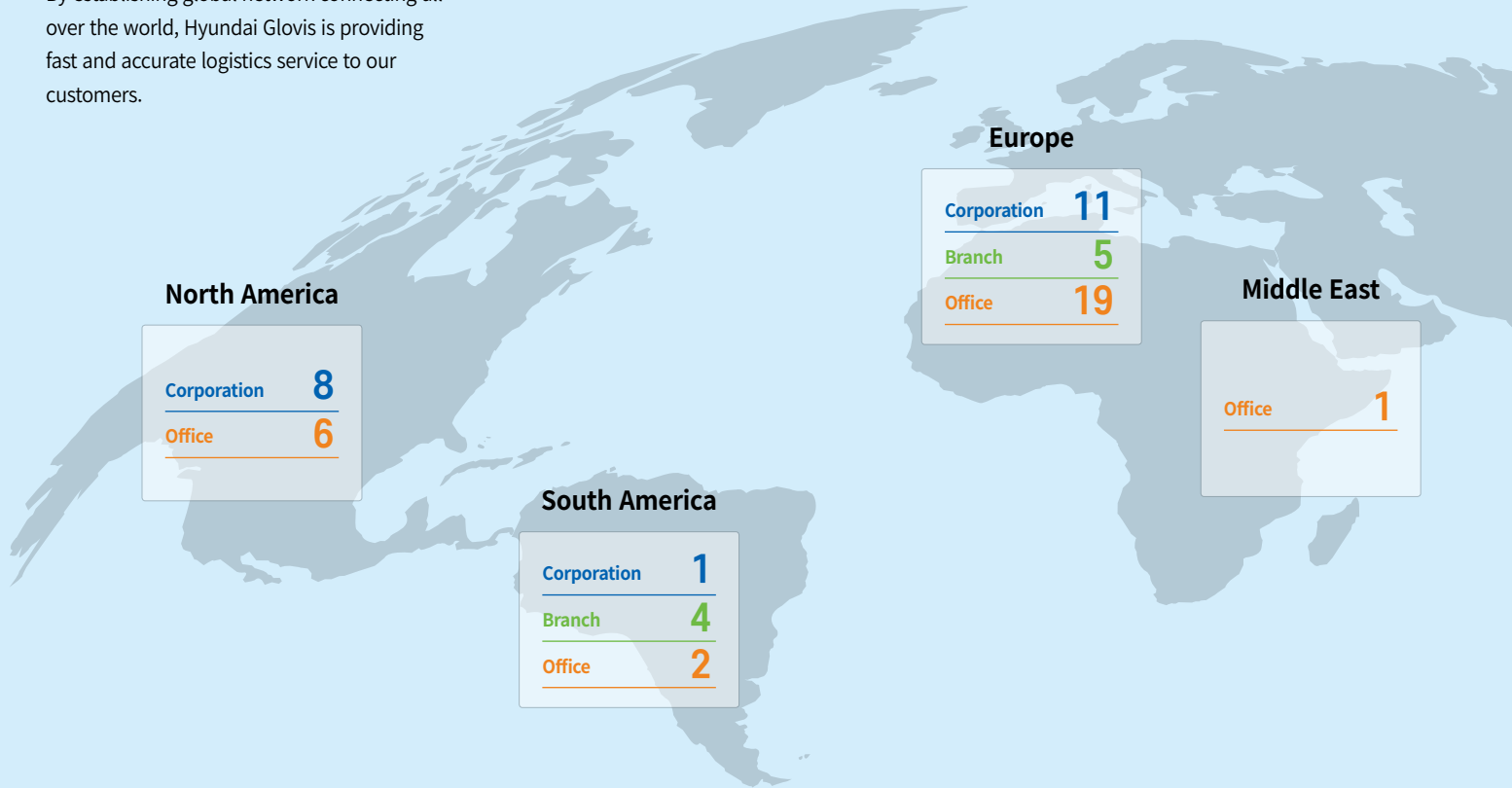
By making devotion to public announcement of governance structure report for improving management transparency, the company has contributed in protecting investors and making sound culture of public announcement in the capital market.

5



Global Network

By establishing global network connecting all over the world, Hyundai Glovis is providing fast and accurate logistics service to our customers.



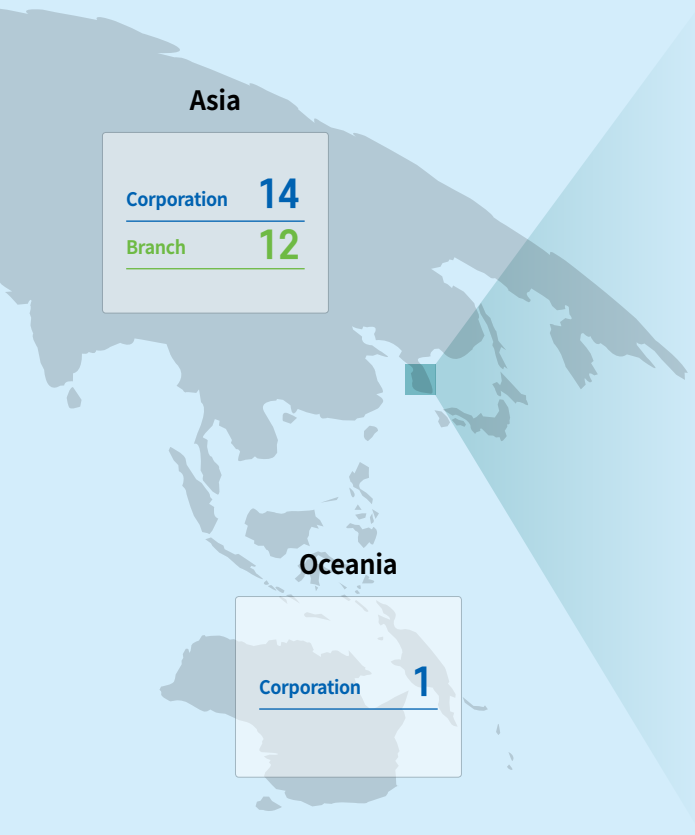
Global Network

Overseas corporations(35)

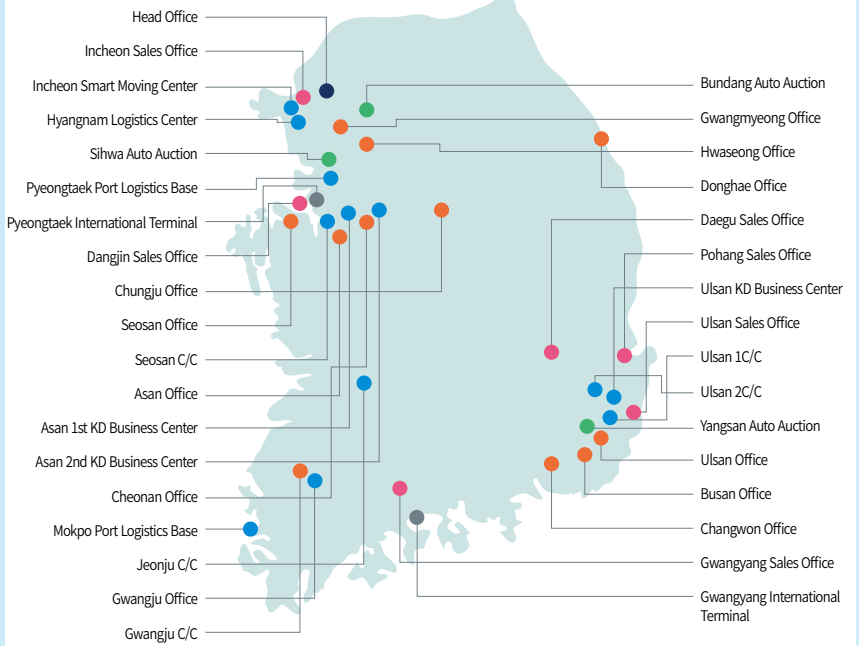
- | | | |
|--------------------|--------------------------|------------------------------|
| 1. GLOVIS America | 16. Adampol Czech | 31. Jiangsu Gelian Logistics |
| 2. GLOVIS Canada | 17. Adampol Slovakia | 32. GLOVIS Changjiu Used Car |
| 3. GLOVIS Alabama | 18. Beijing GLOVIS | 33. Changjiu GLOVIS Shipping |
| 4. GLOVIS Georgia | 19. Zhongdu GLOVIS | 34. GLOVIS Indonesia |
| 5. GLOVIS Brazil | 20. Tianjin GLOVIS | 35. EXTREME |
| 6. GLOVIS Mexico | 21. Chongqing GLOVIS | |
| 7. GLOVIS Europe | 22. Sichuan GLOVIS | |
| 8. GLOVIS Czech | 23. Changzhou GLOVIS | |
| 9. GLOVIS Slovakia | 24. Jiangsu Yueda GLOVIS | |
| 10. GLOVIS Russia | 25. GLOVIS Chennai | |
| 11. GLOVIS Turkey | 26. GLOVIS Anatapur | |
| 12. Stena GLOVIS | 27. GLOVIS Australia | |
| 13. Adampol S.A. | 28. GLOVIS Vietnam | |
| 14. Vectura | 29. G.E.T Express | |
| 15. Vectura Invest | 30. G.E.T Freight | |

Overseas branches(21)

- | | |
|-------------------------|-------------------------|
| 1. Kazakhstan | 16. Santos |
| 2. Curitiba | 17. Georgia |
| 3. São Francisco do Sul | 18. Belgium |
| 4. Vineena | 19. Ho chi Minh |
| 5. Cooper | 20. Chongqing |
| 6. Tianjin | 21. Southeastern Brazil |
| 7. Qingdao | |
| 8. Yancheng | |
| 9. Shanghai | |
| 10. Wuxi | |
| 11. Shenzhen | |
| 12. Singapore | |
| 13. Chakkan | |
| 14. Mumbai | |
| 15. Delhi | |



Domestic Network



Overseas offices(28)

- | | |
|-----------------|-----------------|
| 1. Atlanta | 16. Tychy |
| 2. New Jersey | 17. Torino |
| 3. Mobile | 18. Livorno |
| 4. Michigan | 19. Izmit |
| 5. Mexico City | 20. Arslanbey |
| 6. London | 21. Moscow |
| 7. Manchester | 22. Vladivostok |
| 8. Tarragona | 23. Bursa |
| 9. Barcelona | 24. Dubai |
| 10. Izmir | 25. Puxi |
| 11. Gliwice | 26. Dallas |
| 12. Bremerhaven | 27. Laredo |
| 13. Hamburg | 28. Frankfurt |
| 14. Gdansk | |
| 15. Malaszewice | |

Head Office • Hyundai Glovis

Logistics Center (12)

- Pyeongtaek Port Logistics Base
- Hyangnam Logistics Center
- Asan KD Business Center
- Asan 2nd KD Business Center
- Ulsan KD Business Center
- Mokpo Port Logistics Base
- Ulsan 1C/C
- Ulsan 2C/C
- Jeonju C/C
- Gwangju C/C
- Seosan C/C
- Incheon Smart Moving Center

Sales Office (6)

- Incheon Sales Office
- Dangjin Sales Office
- Gwangyang Sales Office
- Pohang Sales Office
- Ulsan Sales Office
- Daegu Sales Office

Auto Auction (3)

- Bundang Auto Auction
- Sihwa Auto Auction
- Yangsan Auto Auction

Office (11)

- Gwangju Office
- Busan Office
- Seosan Office
- Gwangmyeong Office
- Asan Office
- Ulsan Office
- Changwon Office
- Cheonan Office
- Hwaseong Office
- Donghae Office
- Chungju Office

International Terminal (2)

- Gwangyang International Terminal
- Pyeongtaek International Terminal

*As of late Dec. 2020

BUSINESS PERFORMANCE

18 Our Business - 01. Logistics

24 Our Business - 02. Maritime Transport

25 Our Business - 03. Distribution

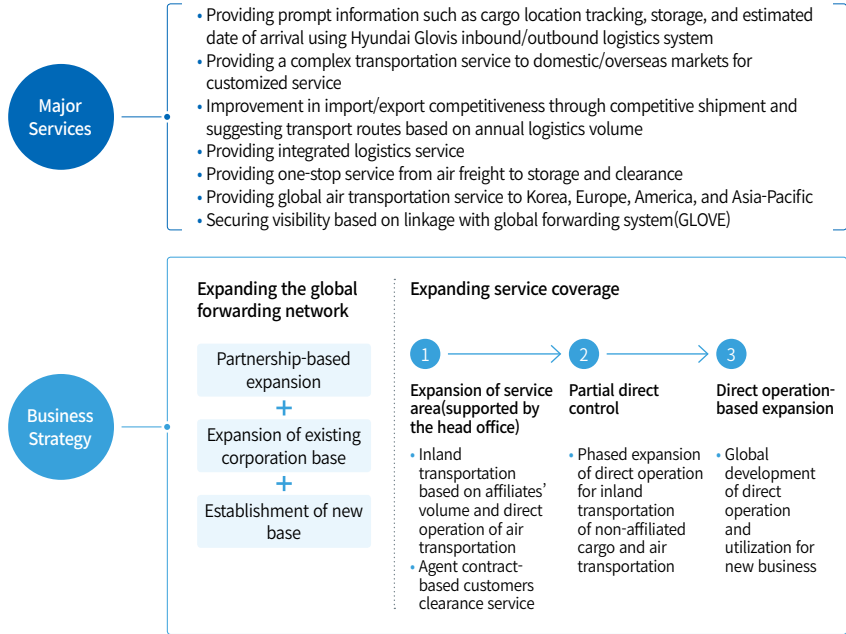
27 Business Performance Achievements



Our Business - 01. Logistics

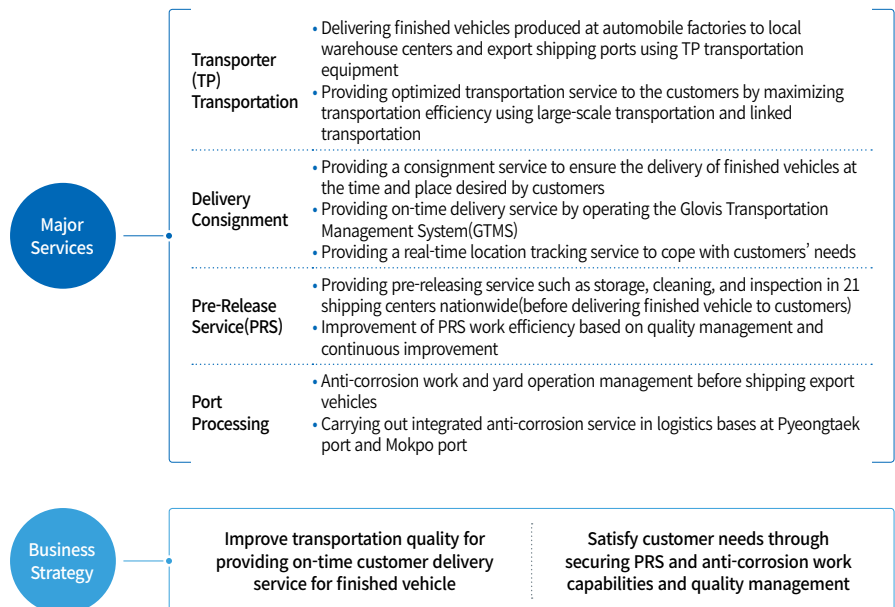
Inbound/Outbound Logistics

Hyundai Glovis provides a one-stop logistics service, connecting countries around the world based on our global network and state-of-the-art information system-based export, import, packaging, and storage.



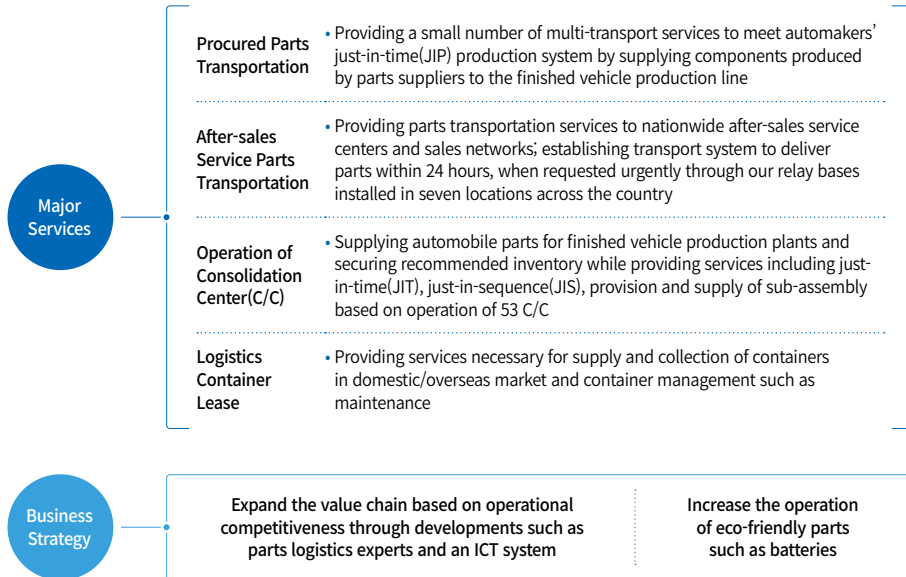
Finished Vehicle Logistics

By using a first-class global automotive logistics infrastructure(PCC, Compound, T/P), we are providing an integrated logistics service encompassing transportation of finished vehicles, pre-release service(PRS), and decoration and anti-corrosion services before export.



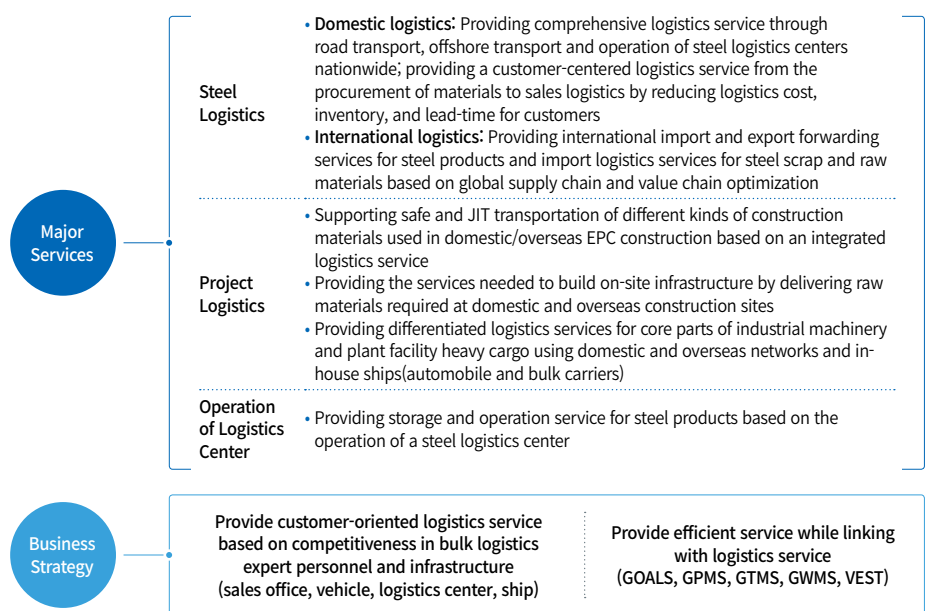
Parts Logistics

By providing a one-stop parts logistics service which is needed for the production process of finished vehicles such as the transportation of parts, after-sales service, and the rental of logistics equipment, we support the manufacturing of finished vehicles both in Korea and abroad.



Bulk Logistics

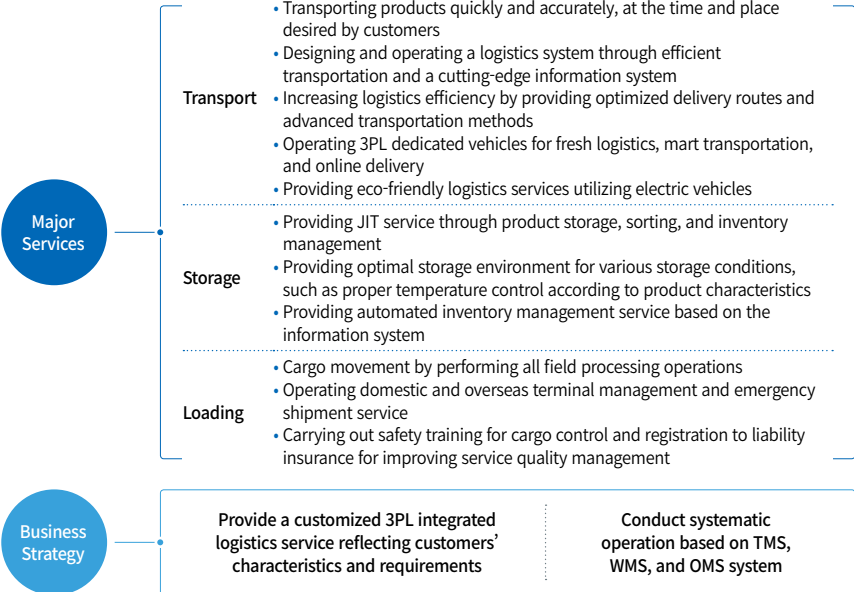
Hyundai Glovis provides a one-stop customized third-party logistics(3PL) service for clients, including domestic and overseas logistics transportation for the steel sector of Hyundai Motor Group.



Our Business - 01. Logistics

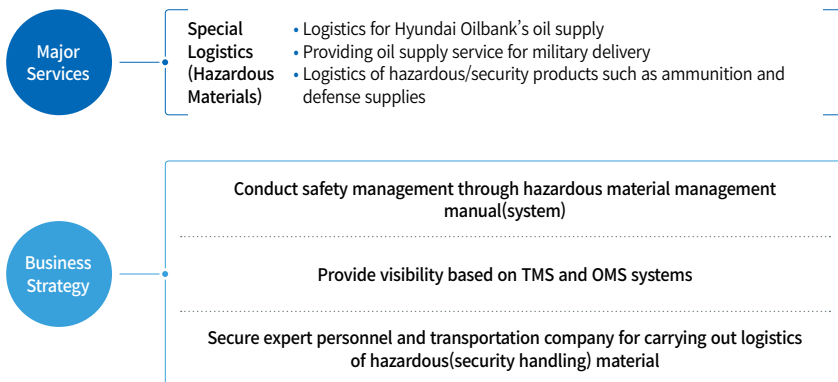
General Cargo

We provide a 3PL integrated logistics service such as transportation, storage, and loading, to clients in diverse industrial fields, including housing, industrial material, food, distribution, and consumer goods.



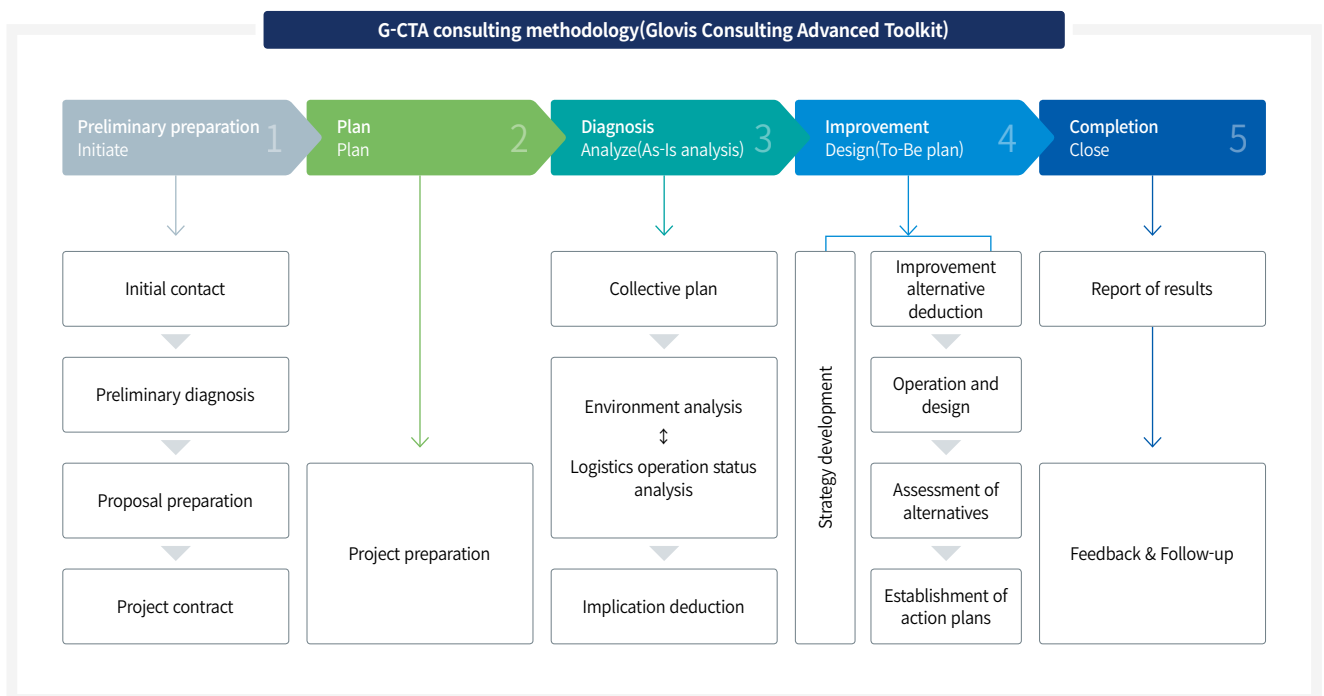
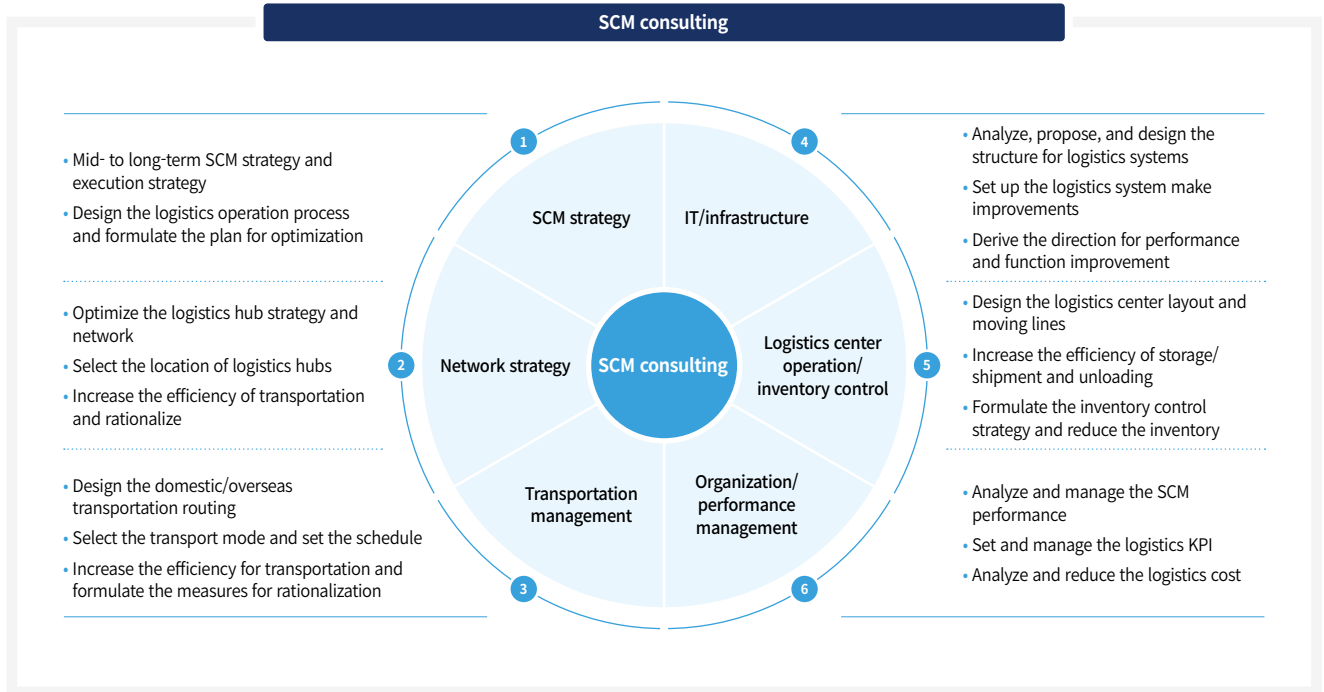
Special (Hazardous Materials) Cargo

We provide safer and faster transportation services for oil and special(hazardous material, military supplies) cargoes that are difficult to handle.



Logistics consulting

Hyundai Glovis capitalizes upon the G-CAT and G-NOAL as the methodologies in possession to diagnose 6 key areas for the optimization of its customers' SCM and offer alternatives, thereby offering the logistics consulting service geared towards execution that enhances the logistics competitiveness of its customers.



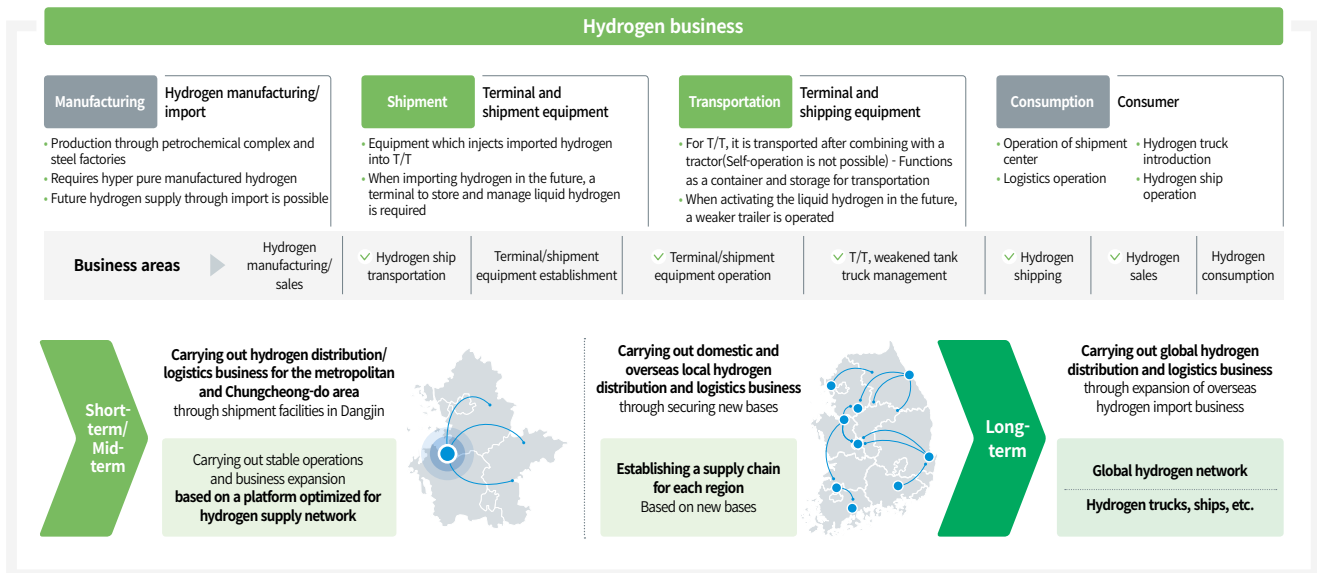
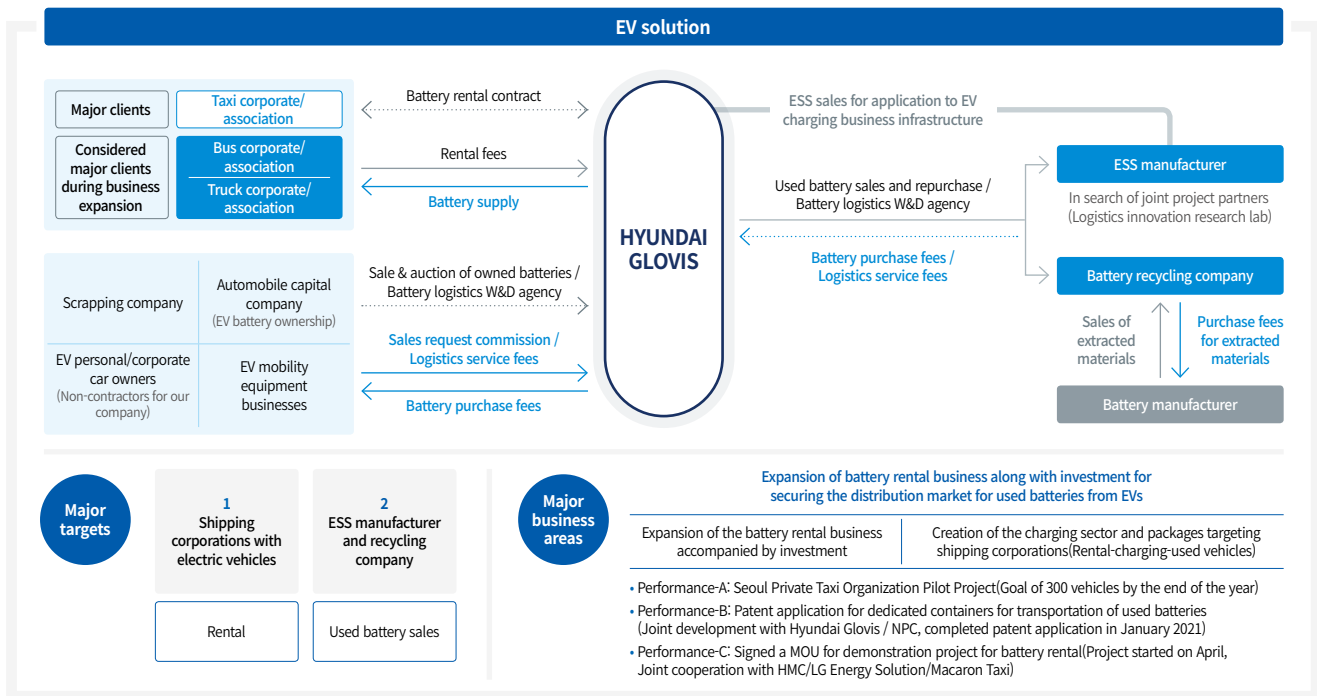
Our Business - 01. Logistics

SPECIAL PAGE

Eco-friendly smart logistics

Hyundai Glovis is striving to achieve eco-friendly smart logistics based on EV comprehensive solution and the hydrogen industry.

Hyundai Glovis is creating new values and solutions through establishment and comprehensive operation of an eco-friendly EV value chain. Based on the charging facilities and charging center operation system, we carried out a batter distribution and recycling business. Additionally, we are providing optimal services in all areas of the hydrogen supply network, from our optimized hydrogen supply network platform-based shipping to final sales.

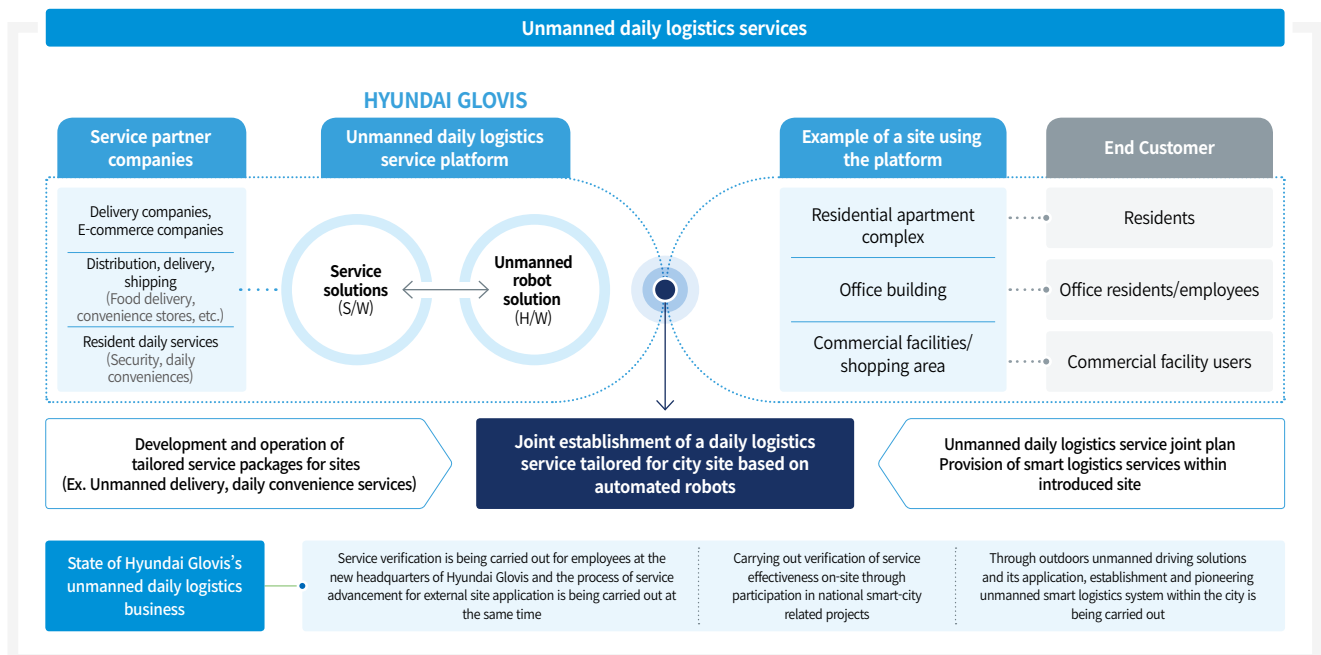
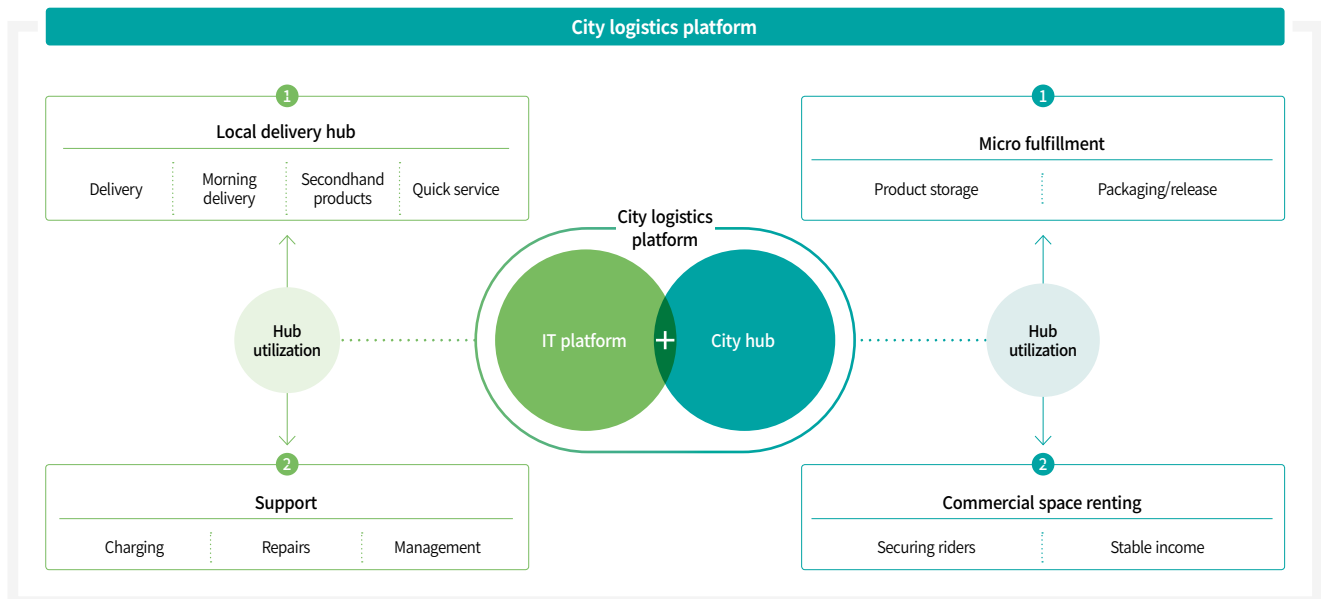


SPECIAL PAGE

Future-oriented smart logistics

Hyundai Glovis is planning to implement future-oriented smart logistics by creating a platform based on urban logistics platform and unmanned life logistics service.

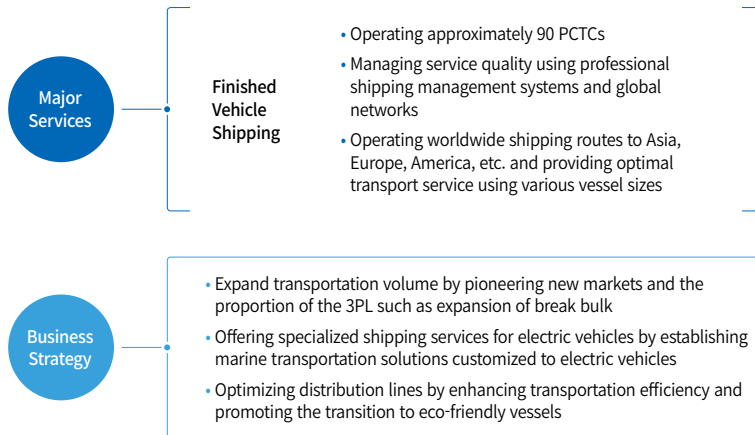
Hyundai Glovis will provide new B2C logistics service through the creation of a logistics infrastructure and service within the city. Additionally, we will provide daily logistics solutions to our various service partners based on a platform using automated robots.



Our Business - 02. Maritime Transport

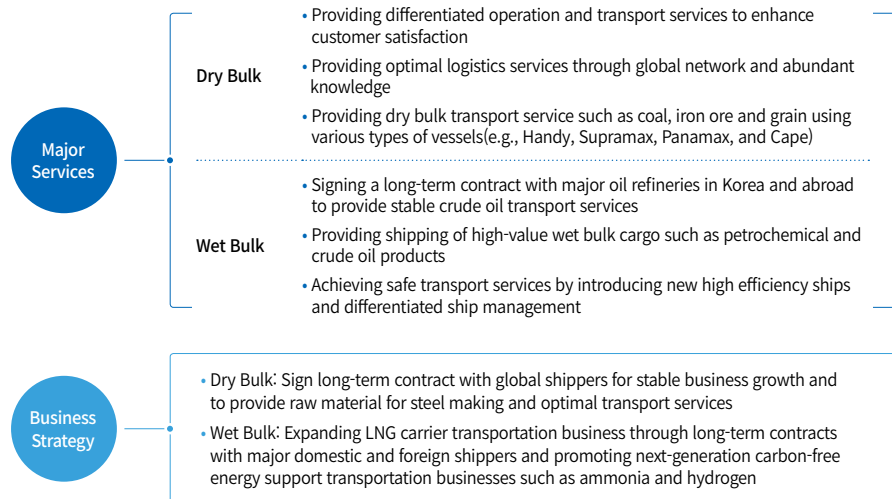
Overseas Shipment for Finished Vehicle

We are expanding our third-party logistics business by using the Pure Car and Truck Carriers(PCTC) to transport vehicles, commercial vehicles, special vehicles, heavy construction equipment and railway vehicles through close cooperation between our head office and overseas networks. Hyundai Glovis try to develop and increase routes throughout the world to maximize customer satisfaction.



Bulk Transportation

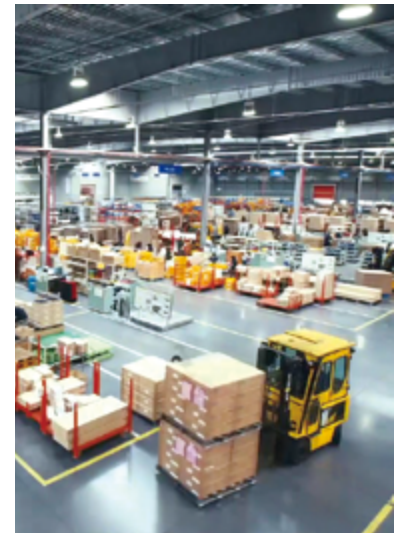
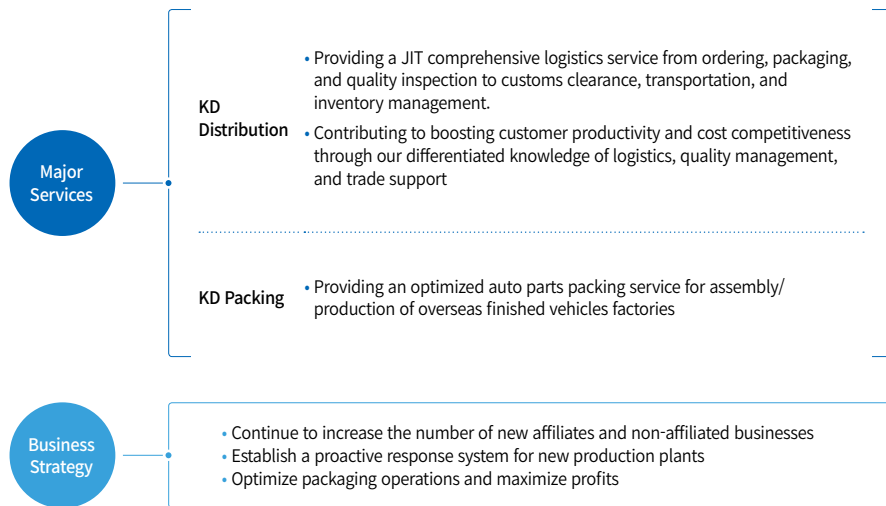
To respond quickly to customer needs, we provide the best logistics services for marine transportation such as iron ore, coal, crude oil, and iron products based on rich know-how and diverse networks.



Our Business - 03. Distribution

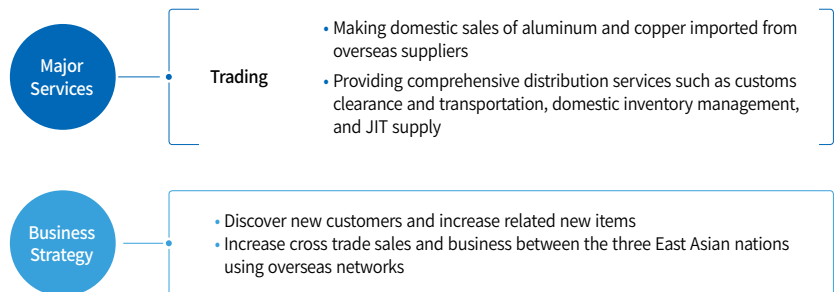
KD Business

We carry out KD(Knock Down: Products exported in the form of parts rather than finished products to be assembled, produced, and sold to local factories) business to supply domestic and overseas auto parts to overseas factories for assembly and production of finished vehicles.



Trading

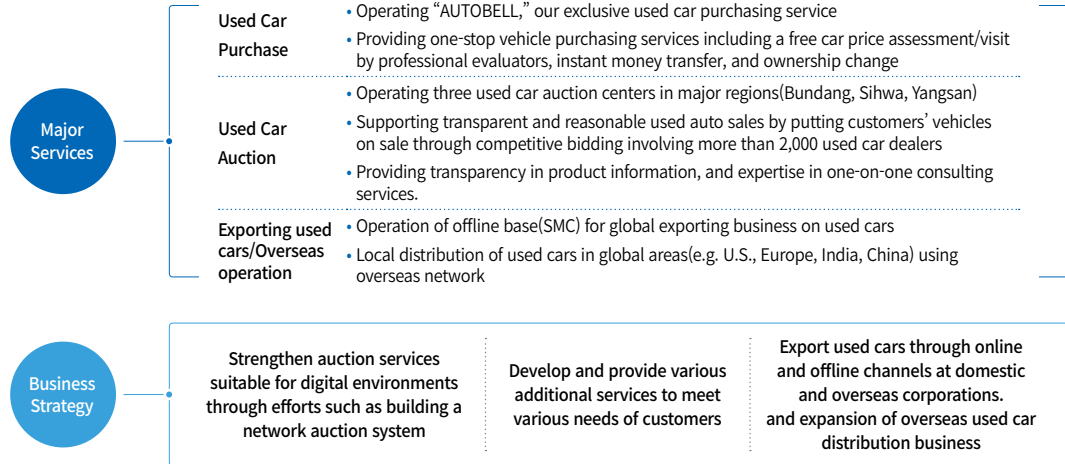
Based on our abundant experience in non-ferrous metal trading and specialized trading personnel, we are expanding our business areas in import, export, and cross trading.



Our Business -03. Distribution

Used Cars

Hyundai Glovis is leading a new advanced paradigm in the customer-centered used car distribution market.

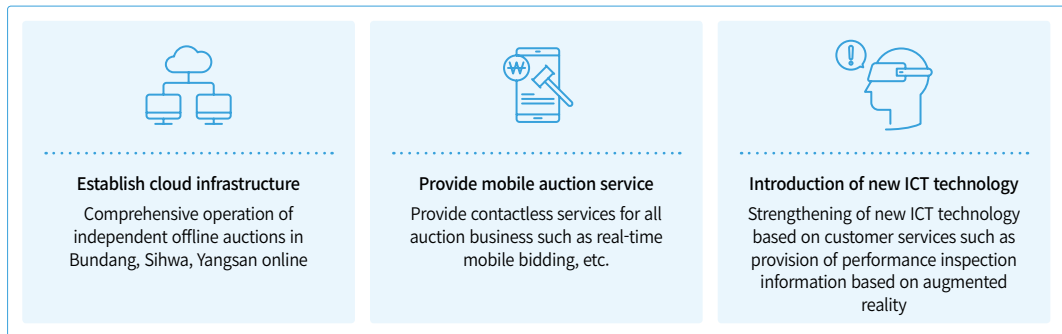


AUTOBELL Smart Auction

Introduction of cloud-based contactless used car auction service

(Mar. 2020)

Maximization of the auction business and leading the ICT business technology of the used car market



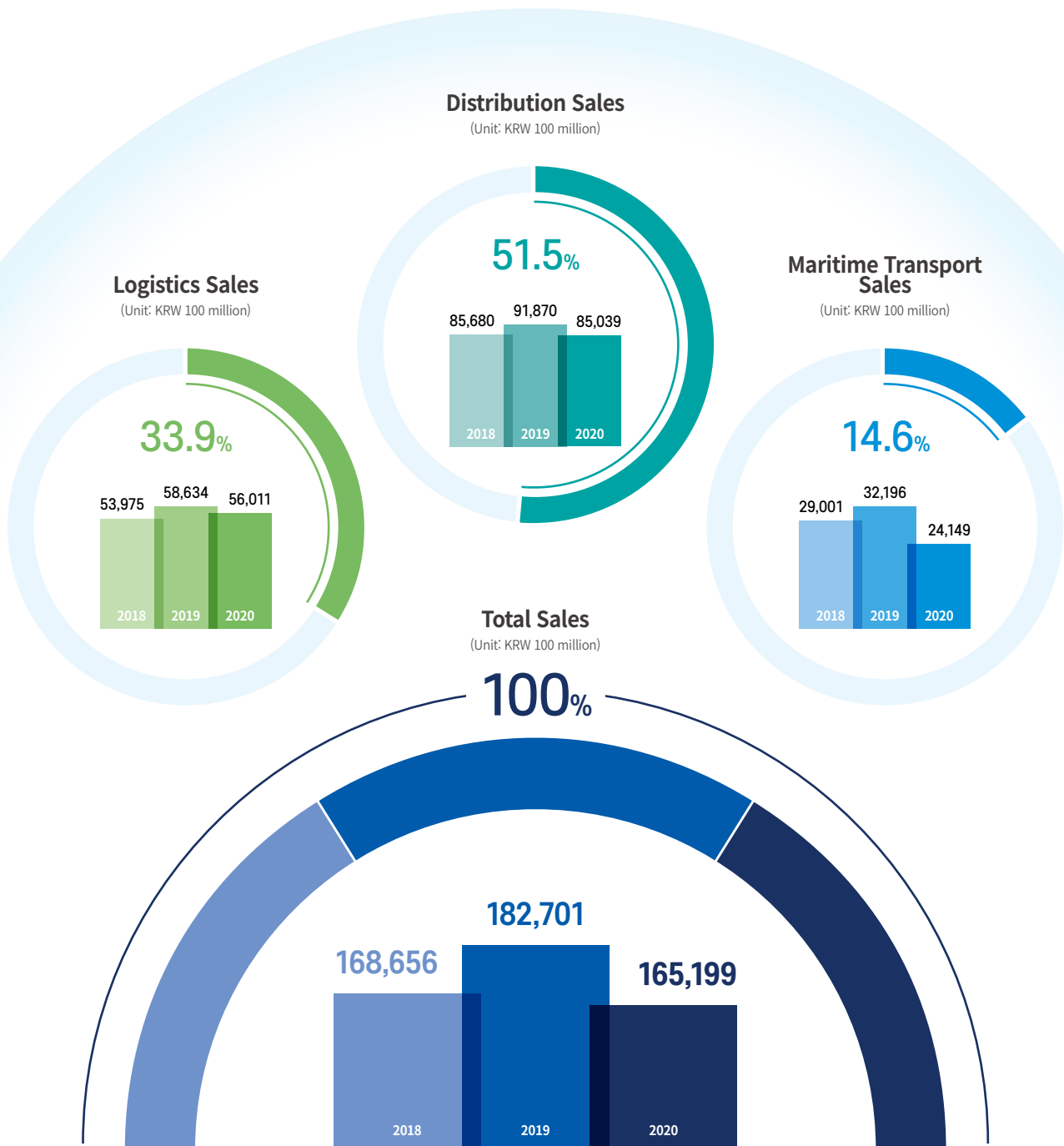
Diversification of auction service and improvement of online accessibility and convenience utilizing digital new technology

Business Performance Achievements

Sales from key businesses

The sales achieved by Hyundai Glovis largely come from three business divisions: logistics from domestic and overseas markets; maritime transport that is related to vessel operations; and distribution, which includes CKD parts and used cars.

We worked for balanced growth and enhanced competitiveness in all business divisions, and at the same time made efforts to increase cargo volume and profitability. As a result, we generated sales of KRW 16.5 trillion in 2020, achieving our best performance since foundation.



SUSTAINABILITY COMMITMENTS

30 Sustainability Commitments

32 Environmental Management

44 Differentiation of Supply Chain for the Future

50 Organization for People



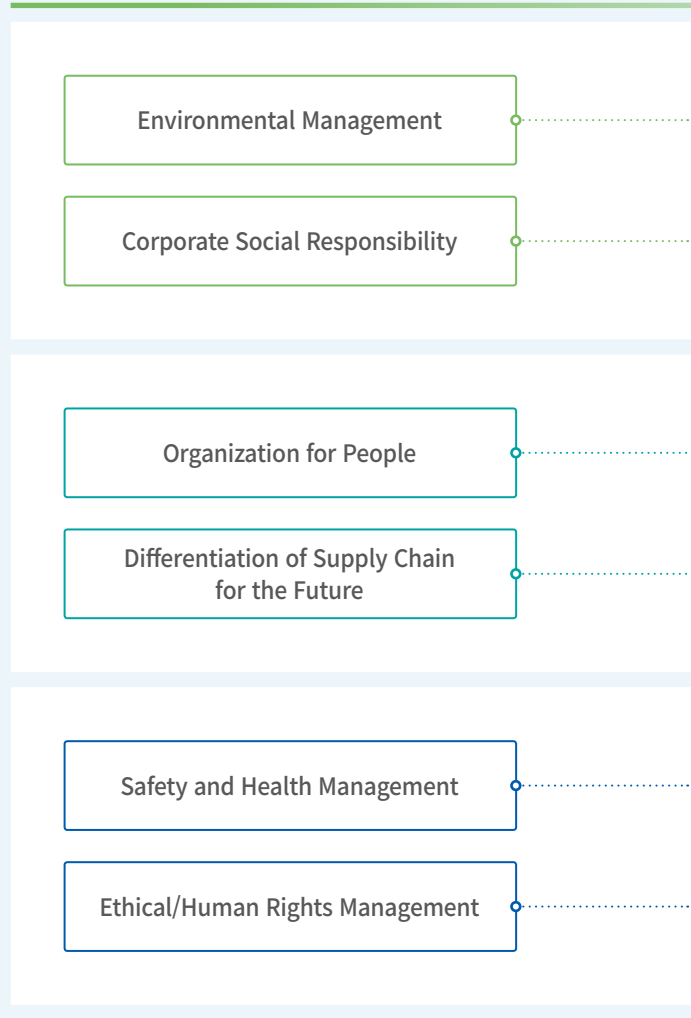
Sustainability Commitments

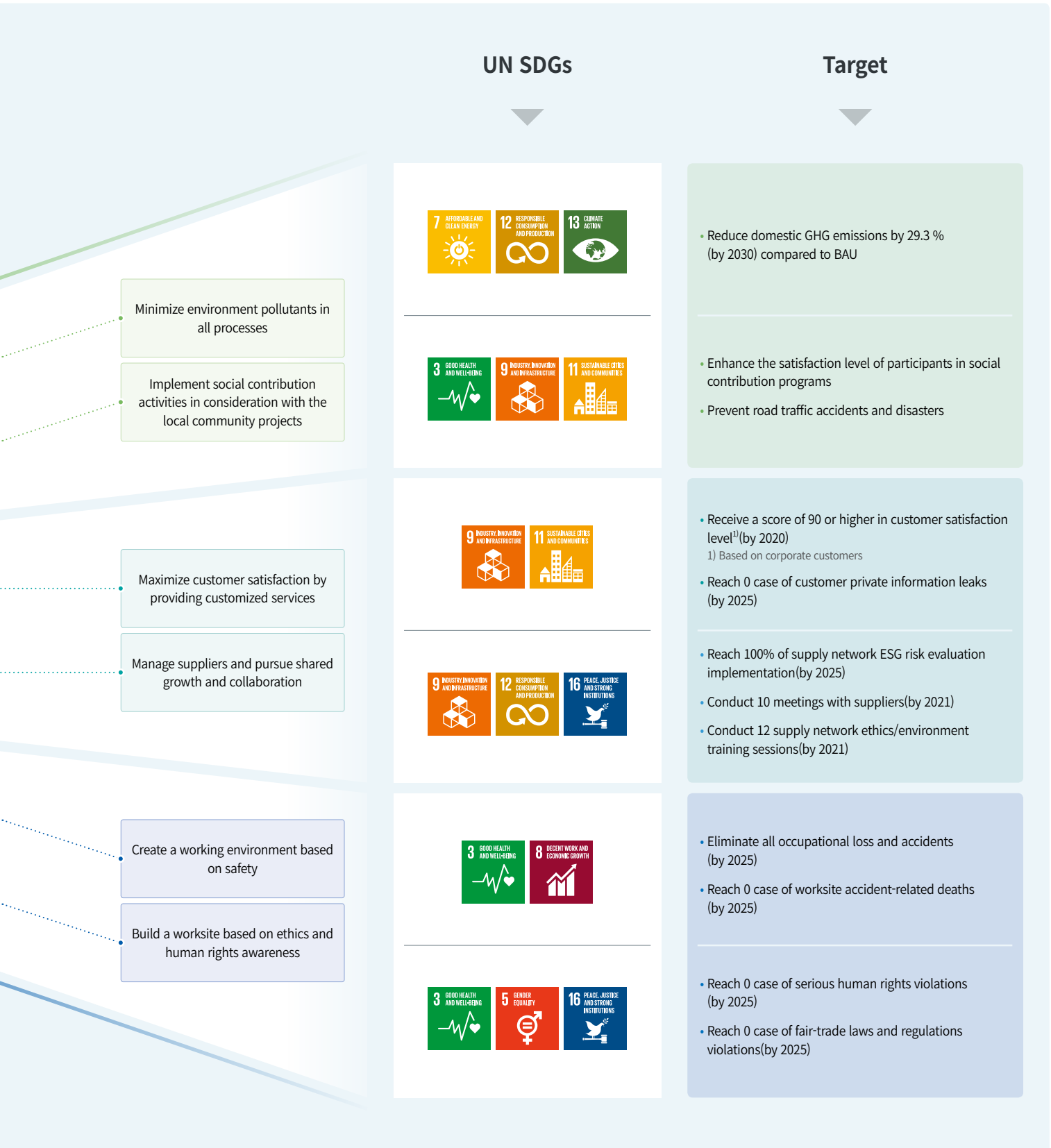
Sustainability Development Goals

Our 3 Commitments

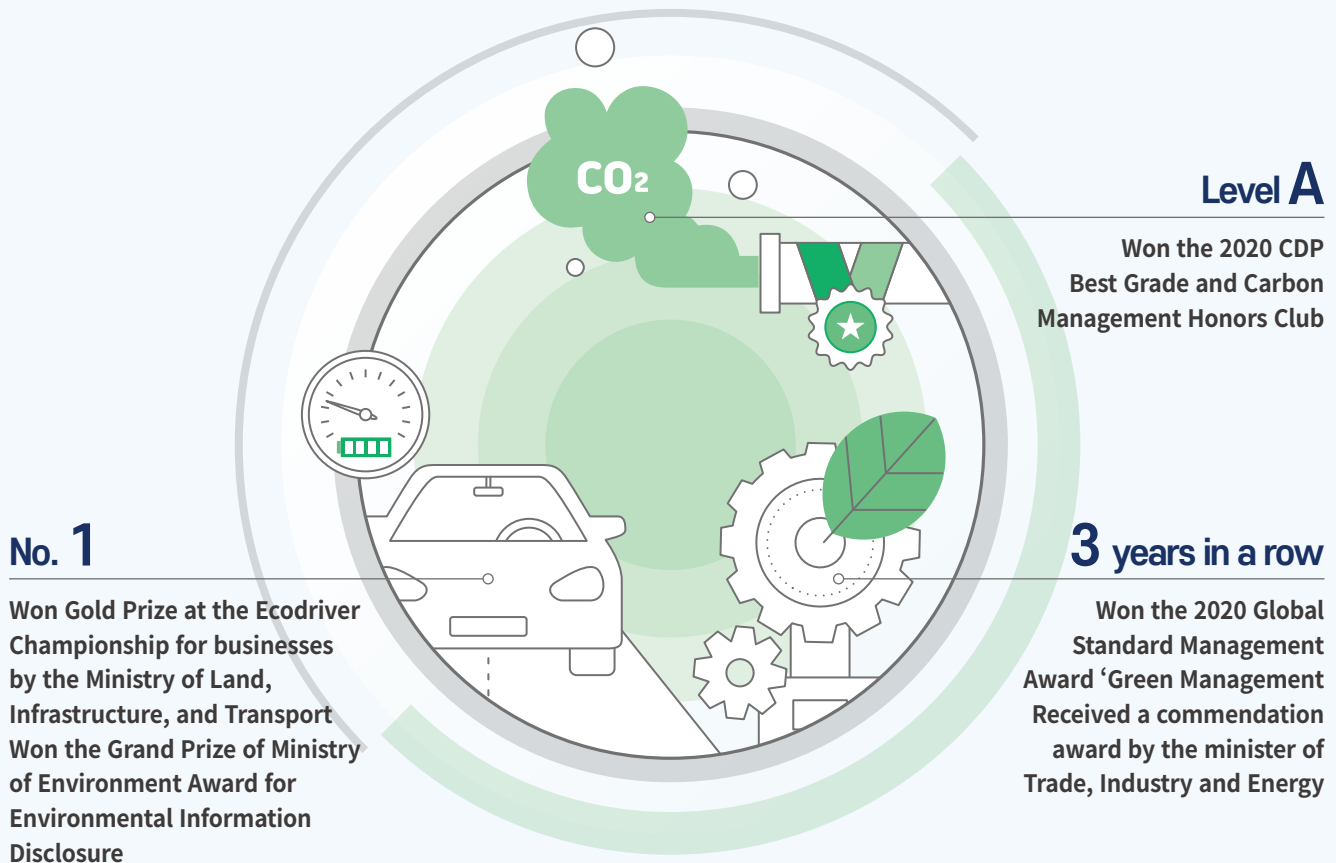


6 Tasks





01 Environmental Management



ISSUE BACKGROUND

While the Paris Climate Agreement is enforced, key nations are consecutively initiating carbon-neutral policies, and this shows a relationship with trends in supporting new industries.

The IMO started enforcing regulations for sulfur oxide reduction from January 2020, and the European Parliament declared the decision of including the maritime industry as a target for ETS starting in September 2020. Along with the strengthening of regulations in and out of Korea, the importance of technology for eco-friendly logistics system is on the rise.

MANAGEMENT APPROACH

Hyundai Glovis established detailed plans for eco-friendly green logistics based on GHG reductions, minimization of pollutants, the strengthening of environmental awareness, and others for each workplace, and successfully meets their goals each year. Additionally, due to our designation as a company for emission trading, we strengthened GHG emission management and are planning to increase GHG reduction throughout the company.

Environmental Management



Environmental Management Policies and Strategies

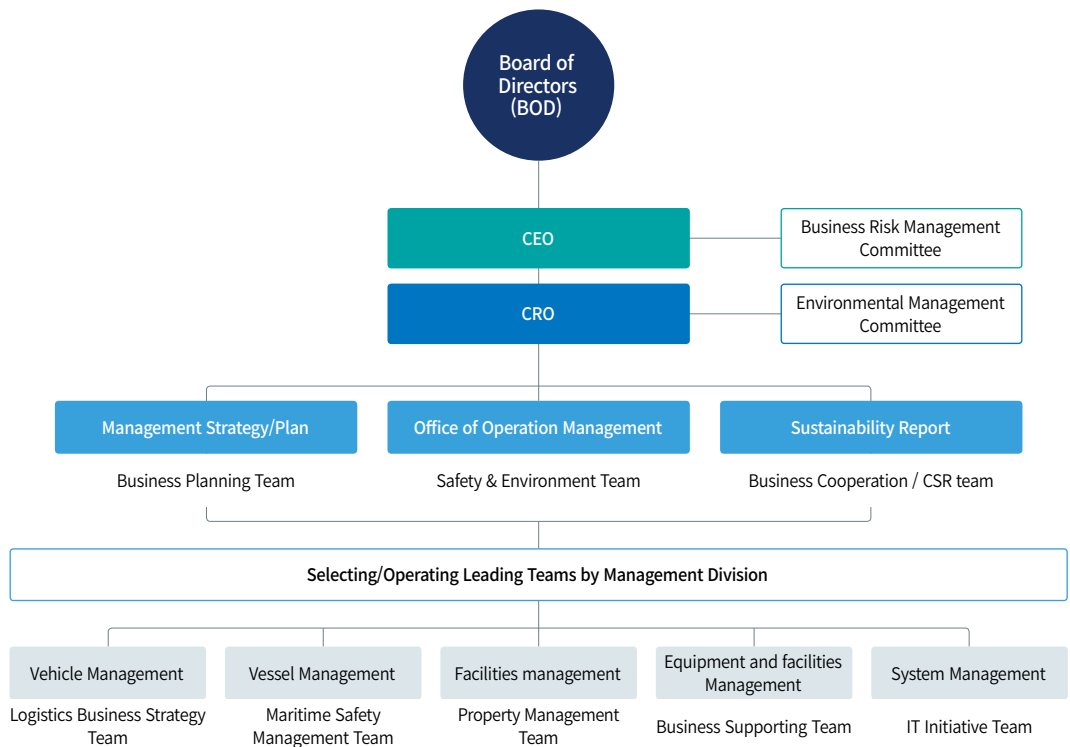
Environmental Management Policies and Goals

Hyundai Glovis applies an environmental management system throughout all our business processes. We continue our efforts for environmental conservation by internally and externally announcing our operating policy of “Becoming a leading global green logistics company by upgrading our eco-friendly green logistics operating system.” To this end, we have established three environmental policies: reducing GHG emissions, minimizing pollutant emissions, and strengthening environmental awareness while conducting a wide variety of activities to conserve the environment. Every year, we establish environmental targets and conduct environmental impact assessments, both of which include greenhouse gases, hazardous materials, water, and wastes in the management category. Based on these targets, we establish and conduct detailed activity plans every year.

Operation of an Environmental Management System

Hyundai Glovis has established our own Safety & Environment Team as a working-level organization dedicated to environmental management. We select leading teams for each management division to effectively fulfill our environmental management commitments and meet our targets. The Environmental Management Committee, to which the CRO belongs, makes company-wide decisions for issues related to the environment. Any material risks are reported to the Business Risk Management Committee, chaired by the CEO, for a decision-making process, and these are then reported to the board. Hyundai Glovis has built and operated an environmental management system, including an environmental performance evaluation scheme, to steadily improve environmental management performance. In 2018, we transitioned to the ISO 14001:2015 standards for the application of an environmental management system to meet the latest international standards.

Organization and System of Environmental Management



Environmental Management

Climate Change Response

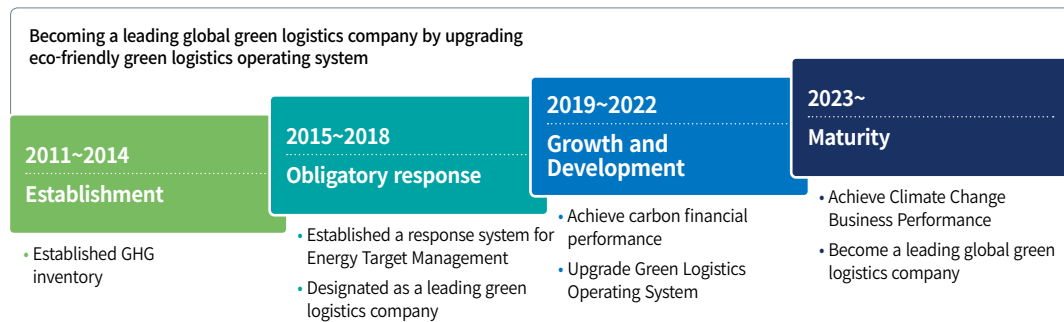
Medium- to Long-Term Carbon Management Goals

As a global logistics company, Hyundai Glovis aims “Becoming a leading global green logistics company by upgrading our eco-friendly green logistics operating system.” in line with global environmental policies. We have established detailed GHG reduction goals for each of our businesses. GHG reduction in domestic will be 29.3%, compared to the 2030 emissions estimate; this is in line with the transport sector of the national GHG reduction roadmap. Meanwhile, emission reduction of fleet will be applied at the same ratio of the “2050 GHG reduction goal of 50%(compared to 2008),” the long-term goal of the International Maritime Organization(IMO).

Planned Carbon Management and GHG Reduction Strategy

By achieving the reduction of greenhouse gas, Hyundai Glovis aims to cope with climate change. We have introduced new technology in logistics and improved our GHG MRV(Monitoring, Reporting, Verification) system. Furthermore, we are continuously expanding modal shift that convert the transportation from road to coast shipping for energy efficiency. Also, we participate in CDP(Carbon Disclosure Project), a international environmental management evaluation system, we are coming up with the improvements. Hyundai Glovis aims to improve its capability in green logistics and expand the usage of new energy such as hydrogen along with the government institutions and supplier companies to save energy and reduce GHG. Also, we aim to pursue social responsibility as a global leading logistics company by discovering the ways to cope climate change.

Medium- to Long-Term Carbon Management Roadmap



Energy Use and GHG Management

Advancement of vehicle and building GHG emissions management

Hyundai Glovis is designated as one of the government’s energy/GHG management target companies in accordance with “The Framework Act on Low Carbon Green Growth” in 2014. We monitor and calculate GHG and energy domestic of vehicles and buildings. Since 2016, we also independently established an MRV system to improve our ability to calculate, report, and verify GHG emissions. In addition, third-party verification is practiced every year by a government-authorized institution to manage and estimate annual greenhouse gas emissions. Since 2021, Hyundai Glovis is subject to the emission trading system as its logistics business is classified as an emission trading sector. The company will continue to upgrade its GHG management system to reduce emissions internal and external facilities. We add reduction of GHG to essential target to the environmental items in environmental management system. We compose company-wide consultative group for carbon management to examine object, targets and means for GHG reduction. In the future, we plan to expand the internal / external means of reducing GHG.



Reducing Environmental Impact

Detailed activities for 2020 environmental management objective

Reduction of greenhouse gas

- Expansion of eco-friendly logistics service
- Introduction of green logistics device such as light-weight trailer
- Training for improvement in driving habit-Setting moderate temperature and power saving

Minimization in emission of contaminant

- Attachment of Diesel Particulate Filter(DPF) on vehicle
- Scrapping old vehicles using diesel
- Minimize the food waste by managing the number of personnel

Reinforcement of environmental recognition

- Promotion of eco-driving culture among the drivers by holding the selection contest for those who have excellent performance in fuel efficiency
- Sharing information and training on environmental regulations
- Training on management for environmental information and reduction of energy for those responsible for the duty

Environmental Impact Reduction Activities for the Transportation Vehicles

GHG Emissions Management in the Shipping Sector

Since 2019 Hyundai Glovis, following the IMO DCS(International Maritime Organization Data Collecting System) legislation that requires the reporting of information about fuel use and GHG emissions of global shipping, responds to regulation by collecting data from all our vessels from 2019. To comply with the EU MRV(Monitoring, Reporting, Verification) enforced in 2018, we measure, report, and verify the GHG emissions of vessels arriving and departing the ports of EU member countries. To this end, we collect data related to fuel consumption and CO₂ emissions for 37 vessels calling at European ports through our vessel management system and verify the data through an EU-designated organization.

Reducing Environmental Impact and Detailed Implementation Plans

Environmental Management System

Hyundai Glovis has the most up-to-date environmental management system that meets ISO 14001:2015 specifications. In order to fulfill our environmental operating commitments and reach our targets, we assess environmental impact and manage risks for each worksite. We also establish, conduct and monitor environment targets and plans to achieve include these, and improve weaknesses identified through more than tow audits every year continuously. We managed the performance of targets efficiently through our ICT system, and we conduct management review every year and reflect them to establish targets for the next year. In addition, we train our employees about establishment of targets and improvement methods for twice a year for managing our processes.

Establishment and Implementation of Detailed Operation Plans

Under our operation commitment of “Becoming a leading global green logistics company by upgrading eco-friendly green logistics operating system,” and the three targets—reduce GHG emissions, minimize pollutants, and strengthen environmental awareness— we establish detailed operating plans for each worksite and conducts them every year. For evaluation of environmental performance, we set appropriate indexes to evaluate the detailed plans and results of each worksite and organization. We also evaluate records and suitability of administration through audit process as internal/external screening. Although our worksites doesn’t affect the environment much because of the nature of the logistics, aside from GHG emissions, We implement a wide activities to improve management for waste and water for living. Through these efforts, we maintain ISO 14001 certification for all worksites. We were also designated as a Certified Green Logistics company by the Ministry of Land, Infrastructure and Transport and maintain our qualification.

Cargo Vehicle Eco-Driving

Hyundai Glovis is carrying out green logistics through eco-driving, which improves the fuel efficiency of cargo vehicles by upgrading our integrated transport management system. Through Digital Tachographs(DTG) installed in all vehicles, driving status data such as a vehicle’s instantaneous velocity, break signals, acceleration, and engine RPM are recorded in real time. Once the data are analyzed, a report detailing the driver’s driving habits will be sent to the driver’s smartphone while monitoring fuel efficiency improvement activities. Through these efforts, we won the 2020 the Ecodriver Championship for businesses by the Ministry of Land, Infrastructure, and Transport.

Alternative Marine Power(AMP) Pilot Project MOU

In line with the 2019 climate change response, Hyundai Glovis entered an MOU for pilot alternative marine power facilities to achieve a mutual collaboration with the Ministry of Oceans and Fisheries, Port Authority, shipping companies, and operators. The AMP refers to facilities that use electricity pulled from inland instead of self-generated power from the ship to provide electricity necessary for the ship to anchor itself. Our AMP-installed ships turn off their generator power and are supplied with land electricity when anchored at Gwangyang Port for two years from January 2020.

Environmental Management

Installation of Scrubber Ships

The International Maritime Organization(IMO) has put into effect the “IMO 2020 Environment regulations,” which regulate the volume of sulfur emissions from vessel exhaust gas to under 0.5% to improve atmosphere pollution. Accordingly, Hyundai Glovis installs scrubbers to reduce sulfur oxide emissions. We have completed scrubber installation for one car carrier in 2021, and we plan to install more in five car carriers. We will keep on expanding scrubbing facilities in our ships and strive for eco-friendly fleet operation.

Participation in the Environment Ship Incentive Program

Hyundai Glovis has joined the Environment Ship Incentive Program, which is a system that provides port fee reduction as incentives for better ESI(Environmental Ship Index) scores. Established by the International Maritime Organization, the Index is digitized in numerical values in consideration of voluntary efforts to reduce pollutant emissions from vessels such as nitrogen oxides, sulfur oxides, diesel particulate matters, and CO2. For the first half of 2021, 57 pure car carriers at 52 ports participated in this system. We continue to review the possibility of expanding the ports and vessels for this system.

Expansion of Ballast Water Treatment System Installation

The IMO has adopted the Ballast Water Management Convention to prevent harm to the marine ecosystem. As the convention has entered into effect as of September 2017, it has become mandatory to install a ballast water treatment system in all vessels. In response, we completed installing ballast water treatment systems in one pure car carrier in 2021, and is currently carrying out installation in five more vessels. We will continue to expand the installations of relevant equipment until 2024.

Actions to reduce environmental impact of waste and water Usage

Office Resource Savings and Recycling

To reduce waste emissions and recycle resources, we are establishing a paperless office environment and implementing a smart meeting and reporting culture. In particular, the headquarters’ new office building is pushing for a paperless office environment culture more strongly by implementing a self-governing seating system using laptops. In addition, tumblers have been provided to all employees to reduce the use of disposable cups. Furthermore, we establish and manage annual environment targets to save water and reduce domestic waste by business sector.

Reusing Car Wash Water

Hyundai Glovis recognizes the seriousness of water shortage and imbalance in water supply as well as the importance of securing sustainable water resources. As a logistics company, most of our business sites do not require water other than tap water for general everyday purposes. All executives and employees of Hyundai Glovis are working together to save water by promoting a company-wide water conservation campaign. Moreover, we purify and reuse wastewater generated from car wash facilities at used car auctions to reduce water consumption and minimize the environmental impact of our business activities.



Provision of Environmentally Friendly Logistics Service

Establishing a Hydrogen Logistics System and Providing Hydrogen Logistics Services

Hydride battery vehicles generate no pollutants such as greenhouse gas and waste gas. Rather, such vehicles absorb air elements except oxygen, reducing the presence of fine particulate matters and ultra-fine particulate matters. In order to facilitate wide distribution and utilization of such eco-friendly hydride vehicles, Hyundai Glovis is putting forth efforts to expand infrastructures for the hydrogen ecosystem by establishing hydride SCM, among other measures.

Establishing a Hydrogen Supply System

Hyundai Glovis signed an “MOU for development of the hydrogen distribution industry for hydrogen vehicles” with HynNet, Hyundai Steel, Hyundai Motor Company, Korea Gas Corporation, and SPG. Hyundai Glovis takes part in the process of transporting hydrogen produced at Hyundai Steel’s hydrogen factory in Dangjin to HynNet’s hydrogen charging centers in the metropolitan area and the Chungcheong area. Tube trailers which are vehicles designed to transport hydrogen were used for this case, and the transportation process was connected within network to enhance customer satisfaction. Dedicated hydrogen transportation vehicles can transport up to 340kg for each transport, and details on its scale are under discussion.

Push for Hydrogen Freight Vehicles Trials

In order to improve the atmospheric environment, Hyundai Glovis is planning a step-by-step transition from diesel vehicles to hydrogen vehicles. Hydrogen cargo vehicle trials are planned to be introduced at logistics sites as a pilot project. Hyundai Glovis made a multilateral business agreement with the Ministry of Environment, Ministry of Land Infrastructure and Transport, Ministry of Trade, Industry and Energy, and Hyundai Motors for the supply business of hydrogen cargo vehicles and the introduction of hydrogen cargo vehicles in the logistics market. With the introduction of hydrogen cargo vehicles, Hyundai Glovis will not only contribute to eco-friendly logistics services, but also to promoting the hydrogen economy.

Operation of Trial Sites for Hydrogen Forklift Vehicles

Hyundai Glovis signed an “MOU for the demonstration and distribution of hydrogen construction and industrial machinery” with Hyundai Motor Company, Hyundai Mobis, Hyundai Construction Equipment, Ulsan city, and KOCETI. Through this agreement, hydrogen fuel cell forklift, which was jointly developed with Hyundai Motor Company, Hyundai Mobis, and Hyundai Construction Equipment, will be introduced to Ulsan KD center, and carried out demonstration project. Hydrogen-powered forklift vehicles have the advantage of having short recharging and longer operating times without exhausting gas like existed electric forklifts do. Hyundai Glovis intends to keep on actively introducing eco-friendly energy to logistics equipment.

Clean Hydrogen Supply Network Agreement

According to a prospect of the Ministry of Trade, Industry, and Energy, at least 10 to 50% of clean hydrogen demand in Korea should be imported from abroad from 2030 onwards. To prepare for this future hydrogen economy system, Hyundai Glovis signed a “Business Agreement on Mutual Cooperation to Establish an Overseas Clean Hydrogen Supply Chain” with 30 related companies and institutions such as the Ministry of Trade, Industry and Energy and Hyundai Motor in 2020.

Hyundai Glovis is conducting a joint development project for hydrogen carriers in cooperation with Korea Shipbuilding & Offshore Engineering Co., Ltd. and Hyundai Mipo Dockyard to introduce liquefied hydrogen from abroad. In addition, it intends to contribute to the eco-friendly hydrogen economy growth in Korea by supplying clean hydrogen from abroad, including Australia, where economic efficiency is high and the environmental influence in the production process is insignificant.

Environmental Management

Eco-friendly Shipping Business

Carrying Out Future Eco-Friendly Maritime Transport Business

Hyundai Glovis promotes various collaborations in shipping in introduction of LNG vessels to reduce GHG and creation of hydrogen-ecosystem to prepare for hydrogen-economy. The business agreement for “coresponse to changes in a gas carrier and maritime transport environment” was signed with Wilh.Wilhelmsen Holding ASA, a maritime transport group headquartered in Norway to carry out LNG shipping business together and agreed to create a hydrogen ecosystem in the maritime transport market. Through this agreement, we will create a synergy for future eco-friendly shipping business based on the competitiveness of both companies.

Participated in Endangered Species Protection Initiative

Hyundai Glovis operates ships around the world and makes various effect to minimize the impact of ships on the environment. For example, we joined the initiative to preserve marine eco-system. and to protect endangered species. Since 2018, we have voluntarily participated in the VSR(Vessel Speed Reduction) program, which complies with request for speed limits (10 knots) of NOAA(National Oceanic and Atmospheric Administration) when operating ships on the west coast of the US. Such as, ships minimize the emission of air pollutants and prevent the destruction of the marine ecosystem by collision with whales. Particularly, it helps the survival of endangered species: blue whales, humpback whales, and fin whales. The BBNP(Biz N Biodiversity Platform) in Korea introduced this whale-protective activities as best practice. Also, the NOAA highly rated such activities outstandingly and awarded Gold Grade to us.

Establishing Logistics Infrastructure Using Electric Vehicles

Establishing Charging Infrastructure for Commercial Electric Vehicles

To prepare for the era of the popularization of eco-friendly commercial EV(electric vehicles), Hyundai Glovis is building logistics infrastructure through commercial EVs. Not only we are installing EV charging stations at our major logistics points, but also actively operating commercial EV to expand the eco-friendly logistics infrastructure. Through we install EV charging infrastructure at major commercial vehicle base, we are working hard to make EVs common and expand the market in buses and taxis. Related to this, we signed an “MOU for EV charging infrastructure” with the Korea Electric Power Corporation and will keep cooperating with such organizations for the supply of eco-friendly vehicles.

Delivery Services Using Eco-friendly Refrigerated Electric Vehicle

By introducing the first refrigerated EV(electric vehicle)s in Korea to the cold chain system, one of the logistics transportation systems, Hyundai Glovis provides delivery service from 2020. It is expected that the introduction of refrigerated EVs will not only reduce GHG, but also decrease air pollutants such as fine dust and nitrous oxides, contributing to the improvement of the air condition in urban areas. In the future, Hyundai Glovis will take the lead of distributing electric freight cars in cooperation with the Ministry of Environment, automakers.

Electric Vehicle Battery Lease Business

The Korea Institute of Energy Economics predicts that the number of waste batteries, which was only 4,700 by 2020, will increase to 80,000 by 2030. Accordingly, Hyundai Glovis started an EV(Electric Vehicle) battery lease business to preserve the environment and lead in the EV battery transportation. In relation, we signed an ‘MOU for demonstration business to rent battery for EV taxis and to utilize used batteries’ with the Ministry of Trade, Industry and Energy, Hyundai Motor Company, LG Energy Solution, and KST Mobility. Based on the patent for the mass-transportation of batteries, we takes the charge as operating the rental service and retrieving used batteries. LG Energy Solution analyzes assay, safety and residual value of returned batteries and use them for Energy Storage System.



Energy Efficient Logistics and Transportation Service

Hyundai Glovis provides eco-friendly logistics services and continues activities to reduce environmental impact on all business areas and services to follow ISO 14001 system. Through these activities, we were designated as a Certified Green Logistics company by the Ministry of Land, Infrastructure and Transport, and have been maintaining it. We will keep on developing our eco-friendly logistics services through communication with our customers.

Eco-friendly Packaging Through Foldable Boxes

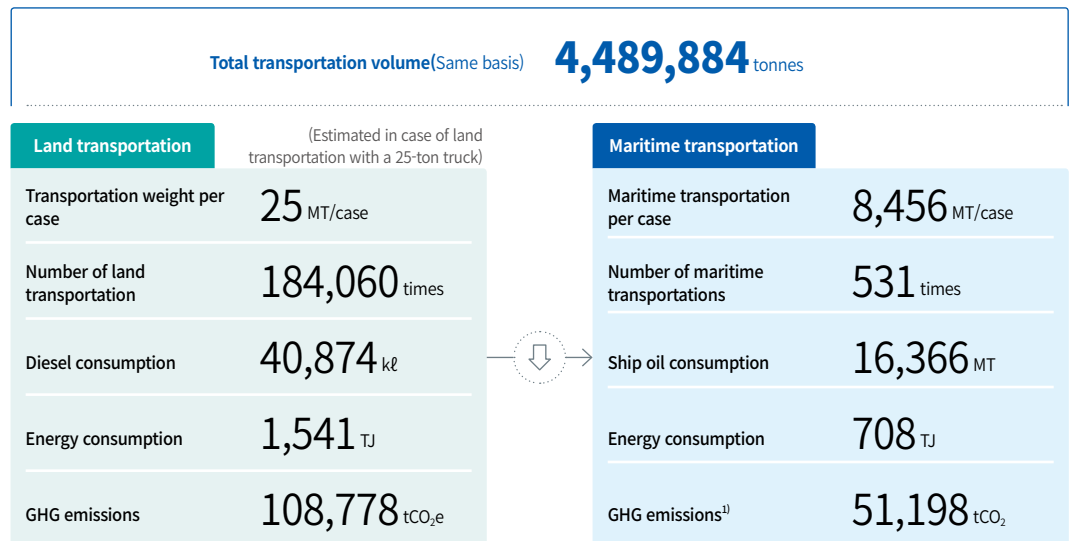
Packaging is an essential process for safe transportation without damage on parts during import and export. Hyundai Glovis has developed a foldable box that can improve the energy efficiency of logistics, replacing the disposable cardboard packaging or Irreplaceable plastic boxes, and are used for parts in logistics or export services. After transportation, when empty foldable boxes are empty, they can be stacked 1/5 higher by folding down the sidewall during storing and retrieving. In 2016, we received the Minister’s Prize at the government award ceremony for future packaging technology development by the Ministry of Trade, Industry and Energy. We are also expanding the Energy efficiency of logistics by collaborating with our suppliers that pursue efficient packaging technology.

Transformation into Eco-friendly Transportation Methods(Modal Shift)

As a logistics company, to drastically reduce GHG, Hyundai Glovis is pushing modal shift converting cargoes previously land transported into coastal transportation that is more efficient and has less GHG than land one. This increases energy efficiency by transporting cargo in bulk at a time, and not only reduces GHG but also road traffic and logistics costs. As a leading global green logistics company, Hyundai Glovis was selected by the Ministry of Oceans and Fisheries as a participant in the Convention on the Conversion to Coastal Shipping since 2015.

GHG Reduction Effect Through Modal Shift

(Based on 2020 maritime transportation performance, assuming the same amount of transportation)



1) Verification criteria: Guidelines for GHG and energy goals and emissions trading systems, KSQ ISO 14064-1, 2,3: 2006, IPCC Guideline: 2006, EEOI Guideline(IMO)

Environmental Management

Environmental Management Performance

Awarded the Carbon Management Honors Club of the CDP(Carbon Disclosure Project)

Hyundai Glovis is the first Korean logistics company to participate in CDP(Carbon Disclosure Project) since 2016 to advance global environmental regulations and policy changes and meet stakeholder demands for disclosure of environmental information. Through CDP, environmental risks and opportunities, such as climate change response, water conservation, and deforestation, are measured while management information, including GHG emissions, reduction performance, and response strategy, is evaluated and disclosed externally. Hyundai Glovis has established a leading carbon management system in line with the CDP evaluation criteria and released our CDP Report verified. As a result, we received the Leadership A-rating in 2020, won the Carbon Management Honors Club, which is awarded to leading companies for GHG emission reduction, for the first time and received Carbon Management Sector Honors Award for four consecutive years.

Rated Grade A in ESG Environment Sector by KCGS

Hyundai Glovis obtained a Grade A Rating in the environment sector assessment of Environmental, Social & Governance(ESG) evaluation conducted by the Korea Corporate Governance Service(KCGS) in 2020, which was disclosed to stakeholders. Hyundai Glovis discloses the environment management systems and information to stakeholders through diverse channels and has maintained a Grade A Rating in the environment sector since 2019.

Grand Prize in Green Management Award for Three Consecutive Years - Awarded a commendation from the Minister of Trade, Industry and Energy

Hyundai Glovis has been awarded the Green Management Awards for three consecutive years including the '2020 Global Standard Management Awards.' Particularly in 2020, it was awarded the Trade, Industry, and Energy Minister's Prize in recognition of its green management performance.

Hosted by the Korea Management Register (KMR) and sponsored by the Ministry of Trade, Industry and Energy and the Ministry of SMEs and Startups, the Global Standard Management Award awards a total of 10 categories every year. With environmental management as the top-priority value, Hyundai Glovis has reduced greenhouse gas emissions all over its business areas and provided customers with various eco-friendly logistics service. As its performance in this area recognized, Hyundai Glovis won Green Management Awards.

Received the Grand Prize in Environmental Information Disclosure Award

Hyundai Glovis won the 「Environment Minister Award」, the grand prize at '2020 Environmental Information Disclosure Award' organized by the Ministry of Environment and hosted by KEITI(Korean Environment and Industrial Technology Institute) in July 2020. Since 2013, the Ministry of Environment has awarded exemplary enterprises in reporting environmental information in order to satisfy people's right to know and to facilitate voluntary participation in environmental management among enterprises and institutions. Hyundai Glovis has been highly recognized by the Ministry of Environment in the environmental information evaluation for its advanced environment management system and GHG measuring/reporting/verification system and was awarded a prize for its voluntary disclosure of information.

Clean Shipping Index(CSI) Certification

Hyundai Glovis has received the CSI certification for two vessels in recognition of our performance in eco-friendly transportation and continued efforts to earn this certification for more vessels. In addition, we continuously strive to improve our ship management system to efficiently manage data for GHG emission reduction from vessels, while also continuously investing in R&D to increase fuel efficiency and applying technologies for GHG emission reduction.



Major Activities and Achievements(Recent three years)

2018	2019	2020
<ul style="list-style-type: none"> • Winner of the Eco-driver Championship for corporate competition held by the Ministry of Land, Infrastructure and Transport • Awarded Top Exemplary Carbon Reducer by Ministry of Land, Infrastructure and Transport • Re-designated as a leading green logistics company by the Ministry of Land, Infrastructure and Transport • Participated in project by the Ministry of Trade, Industry and Energy to establish a national energy efficiency innovation strategy • Participated in the green logistics conversion project (with engine-free air conditioner) • Signed an agreement with the Ministry of Oceans and Fisheries for transition of transportation 	<ul style="list-style-type: none"> • Awarded 2019 Carbon Management Sector Honors(three consecutive years) at CDP Korea • Awarded Green Management Grand Prize at KMR(Korea Management Registrar Inc.) (two consecutive years) • Received Silver Prize at the Ecodriver Championship for businesses by the Ministry of Land, Infrastructure and Transport • Awarded Top Exemplary Carbon Reducer by Korea Transportation Safety Authority(two consecutive years) • Signed an MOU with Korea Transportation Safety Authority for Exemplary Project for carbon reduction • Signed an MOU with KEPCO to develop infrastructure to charge electric commercial vehicles • Signed an MOU with SSG.com to develop a green, electric, refrigerated shipping service • Participated in the green logistics conversion project(introduced engine-free air conditioner and lightweight trailer) • Signed an agreement with the Ministry of Oceans and Fisheries for transition of transportation 	<ul style="list-style-type: none"> • Awarded 2020 Carbon Management Honors club first time and Sector Honors(four consecutive years) at CDP Korea • Awarded the KMR Green Management Award for the third consecutive year(awarded a commendation from the Minister of Trade, Industry and Energy) • Won Gold Prize at the Ecodriver Championship for businesses by the Ministry of Land, Infrastructure and Transport (Awarded by the Minister of Land, Infrastructure and Transport) • Received the Grand Prize in Environmental Information Disclosure Award(Commendation from the Minister of Environment) • Signed an MOU for Expansion of Electric Truck Supply(Ministry of Environment, Hyundai Motors, Kia Motors, etc.) • Signed an MOU for Electric Truck Supply Pilot Project(Ministry of Environment; Ministry of Land, Infrastructure and Transport; Ministry of Trade, Industry and Energy; Korea Gas Corporation; Hyundai Motors, etc.) • Signed an MOU for Mutual Cooperation in Establishing Overseas Clean Hydrogen Supply Network(Ministry of Trade, Industry and Energy; Korea Gas Corporation; Hyundai Motors, etc.) • Participated in the “Hydrogen Logistics Alliance” by the Ministry of Land, Infrastructure and Transport • Agreement ceremony for the Development of Hydrogen Distribution Industry for Hydrogen Vehicles(Hyundai Steel, Hyundai Motors, Korea Gas Corporation, HyNet, etc.) • Established a platform for increased efficiency of Hydrogen Supply Networks • Started cold chain EV delivery service with SSG.com for the first time in Korea

Compliance with GHG Emissions and Energy Regulations

Compliance with GHG Emissions and Energy Regulations

Hyundai Glovis is managed under the Framework Act on Low Carbon, Green Growth with targets in GHG emissions and energy consumption. In addition, we report our environmental data in compliance with the Environmental Technology and Industrial Support Act and publish data on our energy consumption in accordance with Energy Use Rationalization Act. We diligently report GHG emissions and energy consumption from all our work sites to the government and publish the data in our sustainability report for our stakeholders as required by law. Hyundai Glovis was designated as a company for emissions trading and started to abide by the policies and requirements since 2021. In order to abide by the new regulations, we created a company-wide carbon response administrative group in 2020, monitored GHG emissions for each month and determined items for GHG reduction.

Environmental Management

Compliance with Environmental Regulations Regarding Freight Such as the Chemicals Control Act

Hyundai Glovis systematically manages dangers of chemicals in accordance with the Chemicals Control Act, as well as all freight for the safe handling and shipping of goods. Currently, no items that we ship, or handle are stipulated as harmful by law. However, for hazardous goods such as oil, we have set up a separate transportation process and monitoring system in accordance with the Act on the Safety Control of Hazardous Substances. Through this system, we conduct monthly checks as well as irregular inspections.

Although there are no high-risk or toxic products handled by our company, if our business areas are to expand, we are planning to manage these products following the ISO 13485¹⁾ and ISO 45001²⁾ guidelines and procedures for chemical and toxic materials. Especially, we are planning to thoroughly manage medical devices against the risk of exposure according to the guidelines for shipping and managing medical devices.

1) International certificate for quality management on medical devices, 2) International certificate for safety and health management system

Compliance with Regulations for Vehicles

All freight vehicles operated by Hyundai Glovis comply with regulations on air pollutants that apply to logistics firms, such as the Special Act on the Reduction and Management of Fine Dust and the Special Act on the Improvement of Air Quality in the Seoul Metropolitan Area. We support the scrapping of old diesel vehicles and adjust the allocation of vehicles when the order of measures for emergency reduction of particulate matters is issued.

Compliance with Regulations for Vessels

The International Maritime Organization introduced the “IMO 2020 Environment Regulations,” which prescribes that sulfur emissions from vessels must not exceed 0.5% of total emissions in order to improve air conditions. Accordingly, Hyundai Glovis uses low-sulfur oil and operates scrubbers on ships so as not to violate this regulation. We are also acting in compliance with all regulations for air and marine environment protection in global shipping, such as the IMO Ballast Water Management Convention.

Minimize Environmental Impact from Worksites

As a logistics solution provider, Hyundai Glovis has little to do with environmental regulations for waste, water, and other pollutants. Although pollutants are generated in certain sites, these are maintained at a substantially lower level than the legally permitted volume. We are also making efforts to keep the environmental impact caused by such pollutants to a minimum. In particular, the Bundang Auto Bell Center, located in the water source protection zone in Gyeonggi-do Province, conducts regular water quality tests to thoroughly manage water pollutants above the legal standard.

Major Environmental Management Performances in 2020

Classification		Unit	Plan & Goal	Performance	Achievement
Management results (unit: won)	Greenhouse gas emission(unit: won)	tCO ₂ eq/won(x100,000,000)	0.6	0.6	Achievement
	Energy use(unit: won)	MWh/won(x100,000,000)	2.5	2.5	Achievement
	Water use(unit: won)	m ³ /m ²	0.30	0.29	Achievement
	Waste discharge(unit: won)	kg/m ²	1.20	1.08	Achievement
Eco-friendly product/service purchase and investment	Eco-friendly investment and expenditure	Won(x100,000,000)	828	828	Implemented completely
Environmental improvement by the representative business entity	Minimization of greenhouse gas emission – reduce power consumption (Ulsan2C/C)	MWh/Quarter	907	790	Achievement
	Minimization of pollutant discharge – minimization of THC emission (Pyeongtaek Port Logistics Base)	ppm	70.0	5.02	Achievement
	Waste reduction – reduction of food waste produced per person (AUTOBELL Yangsan center)	g/(person*month)	80.0	45.9	Achievement



Classification		Unit	2018	2019	2020	Remark
Greenhouse gas emission	Total	tCO ₂ eq	3,383,412	4,056,730	3,133,199	
	Overseas ship ¹⁾	tCO ₂	3,311,518	3,979,007	3,053,851	All ships
	Domestic vehicles	tCO ₂ eq	70,488	67,823	68,362	All vehicles Object
	Domestic buildings	tCO ₂ eq	10,044	9,900	10,986	All business entities
Direct emissions of greenhouse gases (Scope1)	Total	tCO ₂ eq	3,383,412	4,048,198	3,123,760	
	Overseas ship	tCO ₂	3,311,518	3,979,007	3,053,851	All ships
	Domestic vehicles	tCO ₂ eq	70,488	67,823	68,362	All vehicles Object
	Domestic buildings	tCO ₂ eq	1,406	1,368	1,547	All business entities
Indirect emissions of greenhouse gases (Scope2)	Power discharge of domestic buildings	tCO ₂ eq	8,638	8,532	9,439	
	Power consumption of domestic buildings	MWh	18,526	18,300	20,246	All business entities
Energy consumption (Domestic vehicles and buildings) ²⁾	Total use	MWh	333,993	322,757	331,012	
	Domestic vehicles	MWh	277,097	266,628	268,710	All vehicles Object
	Domestic buildings	MWh	56,897	56,129	62,302	All business entities Object
Energy consumption (ships) ³⁾	Total use	MWh	12,642,093	15,215,716	11,687,317	All ships
Use of new and renewable energy	Power saving through solar light power generation	kWh	20,343	20,610	19,741	Pyeongtaek International Terminal opened in 2018
Greenhouse gas and energy use intensity	Sales	Won(x100,000,000)	134,524	144,745	129,100	Separate standards
	GHG intensity	tCO ₂ eq/ won(x100,000,000)	0.6	0.5	0.6	Greenhouse gases in Korea Emission / Revenue(separate standards)
	Energy use intensity	MWh/ won(x100,000,000)	2.5	2.2	2.6	Domestic energy Use / Revenue(separate standards)
Water and waste management	Water use	m ³	106,075	101,612	105,418	Water supply 100%
	Reuse of water	m ³	504	496	303	
	Waste discharge	ton	484	429	398	Business waste 100%
	Waste recycling	ton	13	13	13	
Water and waste intensity	Domestic business area	m ²	264,637	355,519	368,186	
	Water intensity	m ³ /m ²	0.40	0.29	0.29	Water use / Domestic business area
	Waste intensity	kg/m ²	1.83	1.21	1.08	Waste discharge / Domestic business area
Eco-friendly logistics service	Figures of eco-friendly logistics service	Won(x100,000,000)	6,219	10,212	17,932	
Eco-friendly product/service purchase and investment ⁴⁾	Amount of purchase and investment	Won(x100,000,000)	408	549	828	
Verification of GHG emissions	Ratio of greenhouse gas emission verification in each business entity	%	100	100	100	Inspection for emission verification of all business entities
Certification of ISO 14001	Certification ratio among business entities	%	100	100	100	Maintain certification of all business entities

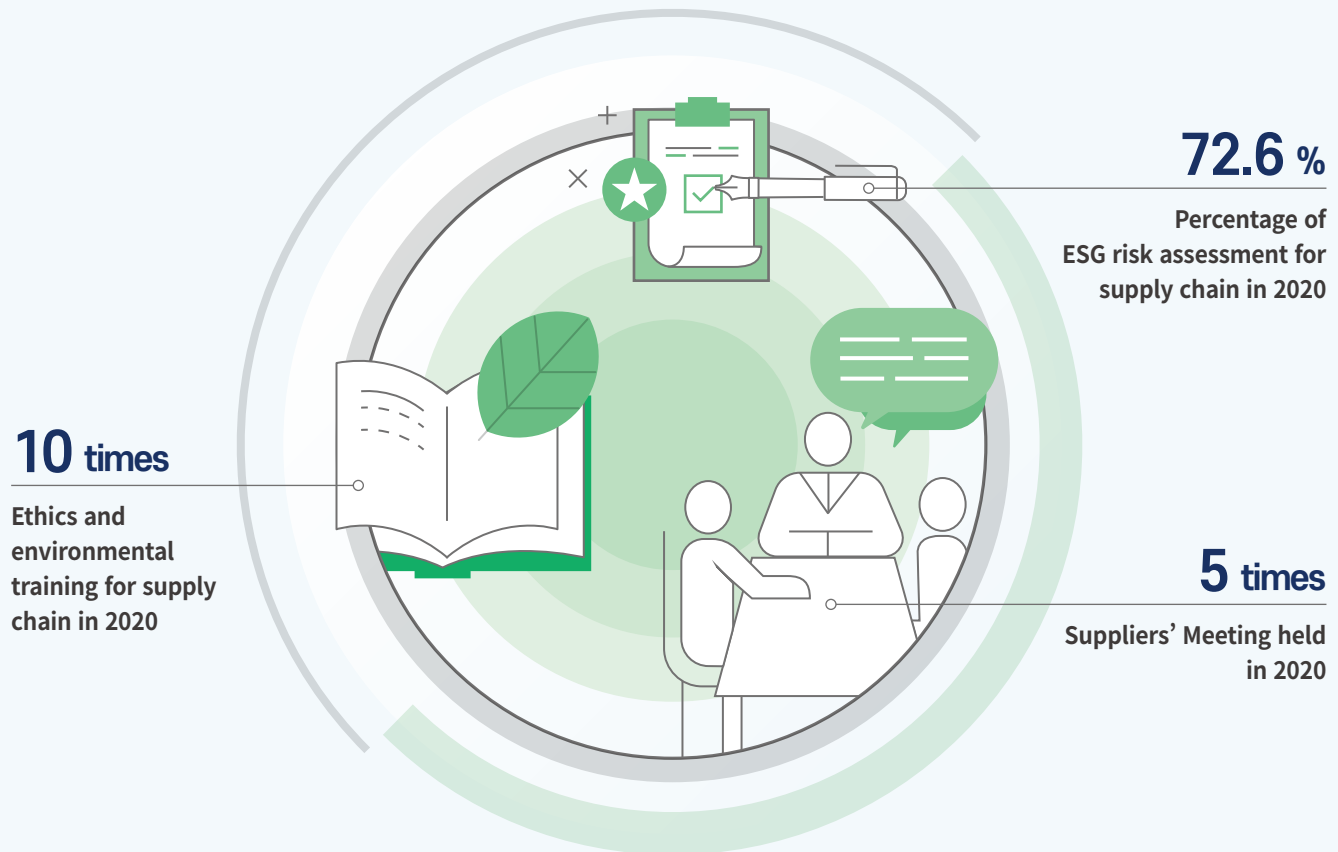
1) Reduction of energy and greenhouse gas emission for outbound vessel are not required in domestic law, but they are being calculated and announced according to the standard specified by International Maritime Organization(IMO).

2) It is calculated based on the Rules for Operation and Objective Management for Greenhouse Gas and Energy(No. 2020-3).

3) It is calculated based on the Rules for Operation and Objective Management for Greenhouse Gas and Energy(No. 2020-3).

4) Standard for green purchase in environmental information disclosure policy: including the performance of purchasing the product with environmental and GR mark.

02 Differentiation of Supply Chain for the Future



ISSUE BACKGROUND

For the company's continuous shared growth through the growth engine, job creation, and enhancing global competitiveness, the demand for ESG risk management is on the rise. The importance of preemptive response for managing sustainability with supplier companies, such as adopting the supply chain human rights and environmental due diligence report by the EU Committee on Legal Affairs, is increasing.

MANAGEMENT APPROACH

Through performance, credit, and ethic management evaluations, we are better understanding and managing the ESG risks in our supply chain each year. We inspected the financial environment and environmental management levels and created an order of priority. These ESG factors are reflected in the supply chain management system registration evaluation and are considered as an important indicator for selecting new supplier companies.

Differentiation of Supply Chain for the Future



Mutual Growth Management Policy and Strategy

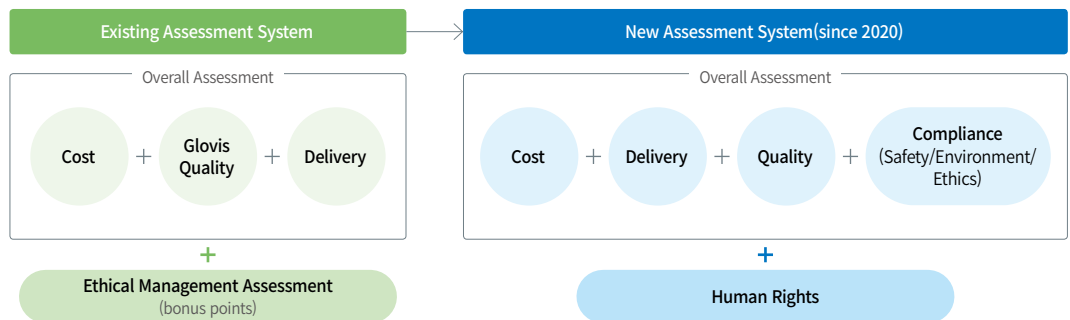
Supplier Selection and Management Policy

Hyundai Glovis has established evaluation standards specific to each sector, including containers, bulk transport, air service, vessel materials, and port services, and selects suppliers according to the standards. In order to ensure the best logistics quality in our supply chain, we conduct supplier performance and credit rating assessments. In addition, we are assessing suppliers' competencies for maintaining a stable supply level on a regular basis.

Sustainable Supply Chain Assessment

In order to maintain a sustainable supply chain, Hyundai Glovis assesses both financial and non-financial aspects. The assessment covers ethical management and logistics quality items. For ethical management assessment, we give bonus points to suppliers that participate in our Supplier Ethical Practice Program. We assess suppliers for their level of participation in ethical management, which includes their dedication to ethical management and their system of ethical management, as well as their attendance of ethical management training. For the assessment of logistics quality, we conduct due diligence using checklists tailored to each industry and manage our suppliers according to the results. We help underperforming suppliers plan and execute self-improvement and encourage outstanding suppliers to further improve quality by providing them with incentives. From 2021, we plan to update our supplier assessment system to gauge economic, environmental, and social risks that may arise within the supply chain and manage the risks according to their priority level. Assessment results will be used as an important index in selecting and contracting with suppliers.

Supply Chain Assessment Process



Ethical Management of Suppliers

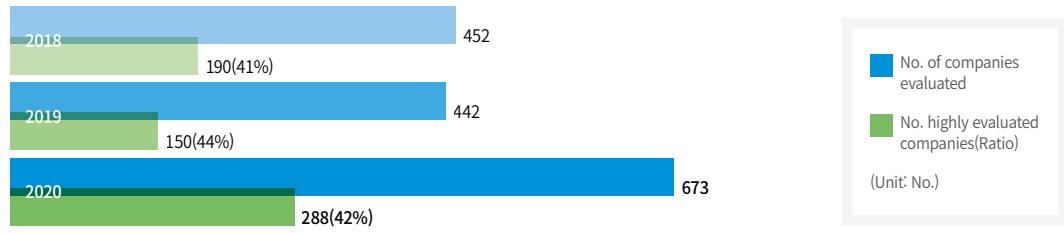
Hyundai Glovis is promoting shared growth with suppliers by spreading ethical management culture. At the same time, we are supporting suppliers' ethical management and prevention of the related risks by conducting the Supplier Ethical Practice Program.

Supplier Ethical Practice Evaluation

In 2015, Hyundai Glovis launched the Supplier Ethical Practice Evaluation system with the goal of promoting ethical management among our suppliers. The evaluation is conducted on the basis of infrastructure, communication, education, and monitoring indicators. In 2020, 242 suppliers participated in the ethical management practice and we provided ethical management consulting services to small- and medium-scale suppliers that had insufficient capacity and expertise in ethical management. The Supplier Ethical Practice Program includes ethical practice guidelines for the CEO, an ethical practice pledge to be taken by all employees, the establishment of a code of ethics and guidelines, and ethics education. We are providing continual support to help our suppliers internally strengthen and develop the foundation of their ethical management.

Differentiation of Supply Chain for the Future

Status of Supplier Ethical Practice Program Operation



Status of Ethics Training to Suppliers



Ethics Training for Suppliers

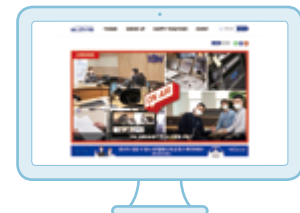
In cooperation with the Foundation of Korea Logistics Industry Promotion, which was established by Hyundai Glovis for the purpose of promoting the mutual growth of the domestic logistics industry, we are providing training courses on ethical and environmental issues for the mutual growth of small, medium, and large enterprises. We share the latest trends and best practices to enhance ethical awareness regarding fair trade among small, medium, and large enterprises and also work to strengthen suppliers' ability to respond to risks caused by changes in environmental policies and regulations.

Transparency in Supplier Selection

Hyundai Glovis operates a fair and transparent supplier selection process. In order to systematically manage suppliers, we have established a "bidding-contracting-assessment-follow-up management" process starting from supplier registration assessment through our purchase management system. Based on our supplier selection and contract task guidelines established in 2009, we decided on our supplier selection method and select suppliers by comprehensively considering delivery costs, credit ratings, cash flow ratings, and the business performance of candidates. When entering into a new contract with a supplier, we request that the CEO of the supplier sign the ethics practice agreement. In addition, we are leading the expansion of suppliers' ethical management by giving bonus points to the suppliers that have participated in the Supplier Ethical Practice Program.

Expand Communication and Activate Communication Channels

Hyundai Glovis has introduced multimedia-type company newsletters as part of its efforts to communicate with more stakeholders. Hyundai Glovis increased the operation of the company newsletter published since 2007, "GLOVIS+" by launching a webzine (<https://webzine.glovis.net>) in March, 2020. As a book-type company newsletter that contains news about Hyundai Glovis, GLOVIS+ has been published every month for 13 years to promote communication between executives and employees. It accompanies plus(+) to denote 'more' and 'connect' so as to co-exist with its customers, local communities, and stakeholders. Webzine GLOVIS+ consists of a variety of sections including major news about Hyundai Glovis, overseas corporation, team interviews, information on the corporate culture, and industry trends, and part of its content is also created as videos. Webzine is provided via e-mail to Hyundai Glovis executives and employees, customers, and key stakeholders once a month, and it is also available on the website designed exclusively for the webzine. In addition, Webzine has expanded accessibility by applying a reactive web that adjusts content placement and image size to suit various devices such as desktop, smartphone, and tablet PC. Hyundai Glovis will continue to operate GLOVIS+ to share its corporate value with a variety of customers and stakeholders and promote exchanges.







Safety and environmental management and support of the supply chain

Safety and Environment Performance Evaluation System for Suppliers

Hyundai Glovis established a system to assess the safety and environmental management performance and risk factors of its partners in order to spread the environmental management culture throughout the logistics industry and establish a safety management system. Based on this, we are trying to diagnose the risk factor, evaluate the leading activities, and provide incentives to our supplier companies. For the suppliers that are relevant to safety regulations, we are asking them to comply with the legal regulations.

Status of Supplier Ethical Practice Program Operation

<p>Safety</p> <ul style="list-style-type: none"> • Occupational Safety and Health Act Compliance • Safety Management System • Industry Disaster Management • Emergency Response System • Safety Training <div style="text-align: right; margin-top: 10px;">  </div> <div style="border: 1px solid #ccc; border-radius: 50%; width: 40px; height: 40px; margin: 10px auto; display: flex; align-items: center; justify-content: center;"> <p>Criteria</p> </div> <ul style="list-style-type: none"> • Criteria is adjusted according to the sector • A total of 50 criteria including special criteria according to the sector • Evaluated through 17 criteria on average 	<p>Environment</p> <ul style="list-style-type: none"> • Establish a system and goals for environment management • Environmental impact management performance • Environmental products & services • Publication of environment-related information • Improvement in energy efficiency *Differs by type of business <div style="text-align: right; margin-top: 10px;">  </div> <div style="border: 1px solid #ccc; border-radius: 50%; width: 40px; height: 40px; margin: 10px auto; display: flex; align-items: center; justify-content: center;"> <p>Criteria</p> </div> <ul style="list-style-type: none"> • Criteria is adjusted according to the sector • A total of 27 criteria including special criteria according to the sector • Evaluated through 16 criteria on average
---	---

Supplier Performance Assessment Results and Support

According to the 2020 safety and environment evaluation of suppliers, most suppliers followed the regulations and took initiative in the area of safety. In some business areas, however, there is a gap in terms of the practice level depending on the business scale. For such subordinate groups, remote education programs are conducted. For partner companies subject to regulation according to the Industrial Safety and Health Act, separate regulatory education is practiced. For suppliers of high grades in the evaluation, follow-up programs are conducted. For instance, incentives are granted in bidding, supply quantity allotment, etc.

Safety and Environment Management Consulting and Training for Suppliers

Hyundai Glovis supports consulting and training programs for small and medium sized logistics enterprises to establish a safety and environment management system through the KLIP(Korea Logistics Industry Promotion). Particularly, the consulting project is a program for small and medium sized logistics enterprises to apply for consulting free of charge through the website of the KLIP. The safety consulting project helps entities to detect and address risk factors through a consulting institute and to be directed to comply with the revised Occupational Safety and Health Act. The green logistics consulting project helps suppliers of small and medium sized logistics companies improve their environmental management capabilities and establish an environmental management system meeting the requirements of the evaluation of excellent green logistics companies as determined by the Ministry of Land, Infrastructure, and Transport. In addition, any small- and medium-sized logistics company can apply for the free safety and environment training programs, which provide information on appropriate laws and regulations as well as latest trends of safety and environment free of charge. Particularly, separate programs of safety manager training are operated as required by the Occupational Safety and Health Act.

Establish a Safe Work Environment

Hyundai Glovis, in partnership with the Foundation of Korea Logistics Industry Promotion, publicly gathered applications from small and medium logistics firms that needed construction support to improve their work environment. 13 companies in 2019 and 10 companies in 2020 were selected and supported. We covered all the expenses to create a safe and healthy environment for the medium and small logistics companies in the supply chain.

Differentiation of Supply Chain for the Future

Items for Safety & Environment Consulting Support

Safety Consulting			Green Logistics Consulting		
Analyze risks and provide support for improvement	Modified Occupational Safety and Health Act guide	Support to ensure compliance with the Occupational Safety and Health Act	Environmental Management Scope and Level	Green Logistics Project Plan and Implementation	Analysis of the Environmental Management Effectiveness
<ul style="list-style-type: none"> Analysis and assessment of work tasks and safety and health activities Risk assessment and risk-reduction solution elaboration Training on changes in Occupational Safety and Health Act Training on subcontractor's obligations for safety Establish safety training system Establish a system of records to account for the safety management practices 			<ul style="list-style-type: none"> Establishment of the scope and the system for environmental management Calculation of energy consumption and GHG emissions in the logistics sector Discovery and planning of green logistics business items Establishment of energy and GHG reduction goals in the logistics sector Establishment of periodic evaluation and analysis of environmental management activities Education and support for government reporting and third-party external verification inspection 		

Green Purchase Policy

Hyundai Glovis has established a Green Purchase Policy that considers eco-friendliness in purchasing activities in the overall logistics process, including delivery, transportation and unloading. The Green Purchase Policy includes contents such as its definition and scope, as well as eco-friendly considerations for sustainability. Furthermore, it states determination procedures for green purchasing practices such as proactively driving development and introduction of eco-friendly materials to stimulate eco-friendly purchasing.

Supplier ESG Assessment

Management of Major Suppliers

Hyundai Glovis manages its supply chain by selecting key suppliers with consideration given to the transaction amount, contract duration, and availability of specific services, along with other factors. Of approximately 1,000 suppliers, 700 are major suppliers that account for 72.6% of our purchases. To improve mutual benefits and achieve joint development, we invite our major suppliers for key sectors to Cooperation Group activities.

Management of ESG Risks in Supply Chain

Hyundai Glovis identifies and manages ESG risks in its supply chain on an annual basis through a performance assessment, credit rating assessment, and ethical management assessment. In 2020, we conducted an ESG assessment of 765 major suppliers. Suppliers that received low ratings in various indicators, including estimation, bidding, cooperation, and ethical management practice, are categorized as "high-risk". To suppliers of the high-risk group, we impose penalties in order to promote continual improvement.

Classification	Risk Assessment Element	
Economy	Financial assessment	<ul style="list-style-type: none"> Inspection of financial stability, such as on cash flow and debt ratio, through external credit assessment Assessment of cost competitiveness using indicators of bidding participation, contribution to cost reduction, and successful bids
	Ethical management assessment	<ul style="list-style-type: none"> Reflecting participation in ethics programs and breach of transparent management practices during contract period in supplier assessment
	Quality assessment	<ul style="list-style-type: none"> Assessing supplier service quality(e.g., shipping service, information sharing, and efforts for improvement)
Environment	Environmental performance assessment	<ul style="list-style-type: none"> Assessment of GHG emissions management system/reduction performance Inspection on environmental management risks
Society	Safety assessment ¹⁾	<ul style="list-style-type: none"> Assessing suppliers to secure stable services

1) As of 2021, there are 69 sourcing groups excluding forwarders and material suppliers that do not have a workplace subject to the review standards for the regular registration of suppliers. The percentage of suppliers in the group who receive a safety score assessment is 100%. (Safety score of 10 out of total 100 points for supplier registration assessment)



Hyundai Glovis Supplier Maintenance KPI

Conduct ESG Assessment for Suppliers

100% (by 2025)

Ethics & Environment Training for Suppliers

12 sessions (by 2021)

Suppliers' Meeting

10 sessions (by 2021)

ESG Strategy Development and Goal Management

Hyundai Glovis manages suppliers by comprehensively considering their 1) price competitiveness, 2) performance capabilities, 3) financial strength, 4) ethical management, and 5) safety and environmental status. To prevent unethical conducts that can occur over the course of the supply chain, we make it mandatory for our suppliers to abide by their pledge to practice ethical management. In addition, we are striving to manage ESG goals in the supply chain by inspecting and prioritizing our suppliers' financial environment and environmental management standards. The ESG elements, as such, are reflected in the supply chain management system and taken into consideration in the process of new supplier selection.



Mutual Growth

Mutual Growth Fund

Hyundai Glovis manages the Mutual Growth Fund to a scale of KRW 20 billion in order to financially aid freight vehicle drivers and small- and medium-scale logistics suppliers that serve as the foundation of our logistics business. When freight vehicle drivers purchase new vehicles or small- and medium-scale suppliers require funds to stabilize their management, we use this fund to partially support the interest expenses. By assisting in resolving their financial difficulties, we contribute to strengthening financial stability and competitiveness of small- and medium-scale logistics companies and their employees. In addition, through cooperation with the Foundation of Korea Logistics Industry Promotion, Hyundai Glovis pursues mutual growth with the domestic logistics industry by implementing various programs including consulting and P.R. support, support to logistics startups, and improvement of the working environment.

Support on Freight Vehicle Tire Replacement

Hyundai Glovis promotes mutual growth with freight vehicle owners and suppliers by implementing a program to support the replacement of freight vehicle tires. For 2,202 vehicles operated under direct contract and on consignment-basis, we support the entire cost of tire purchase and installation when tire replacement is necessary due to safety reasons, such as wear, or according to the tire replacement cycle. We contribute to improving vehicle operation stability and quality by supporting replacement of six tires per vehicle per year so as to prevent the use of recapped tires and ensure compliance with the recommended replacement cycle.

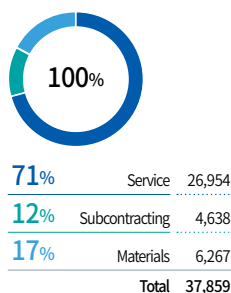
Composition of all suppliers in 2020

(Unit: No.)

Classification	Number of Suppliers
Key Suppliers* (Subject to ESG assessment)	765
Service	653
Subcontract	76
General purchase	36
Others	288
All Suppliers	1,053

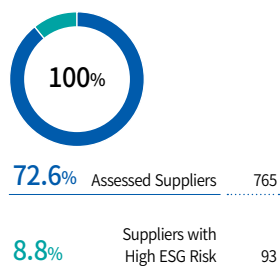
Supplier Purchase in 2020

(Unit: KRW 100 million)



Supplier ESG Assessment Results in 2020

(Unit: No.)



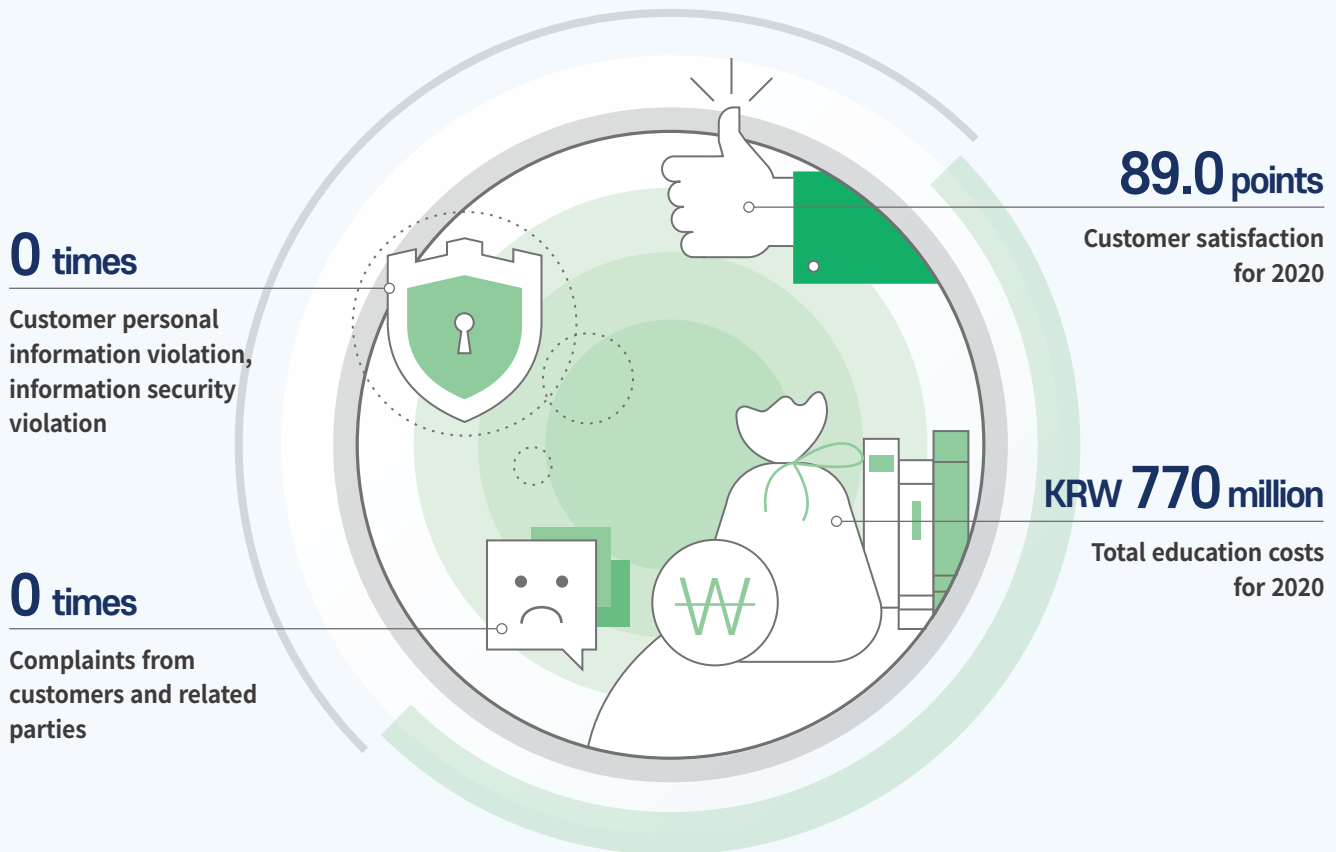
Results of Corrective Action according to Supplier ESG Risk

(Unit: No.)

Description	No. of Suppliers	Ratio
Suppliers with high ESG risk that developed improvement plans	93	100%
Suppliers that improved ESG performance within 12 months of developing plans	14	100%
Follow-up measures	Termination	-
	Temporary suspension	-

* High-volume suppliers, critical component suppliers, non-substitutable suppliers, and subjects of comprehensive evaluation in Supplier Comprehensive Evaluation Report

03 Organization for People



ISSUE BACKGROUND

Within the ever-changing logistics industry environment, human resource management provides a key competitive edge for logistics companies. Employees must be hired through fair and transparent evaluation, and systematic competence development programs must be supported for them to become experts in the logistics field.

In addition, as a Global Smart SCM Provider, customer value should be realized by gaining diverse customers and recognizing customer satisfaction as a prerequisite for the growth of the company.

MANAGEMENT APPROACH

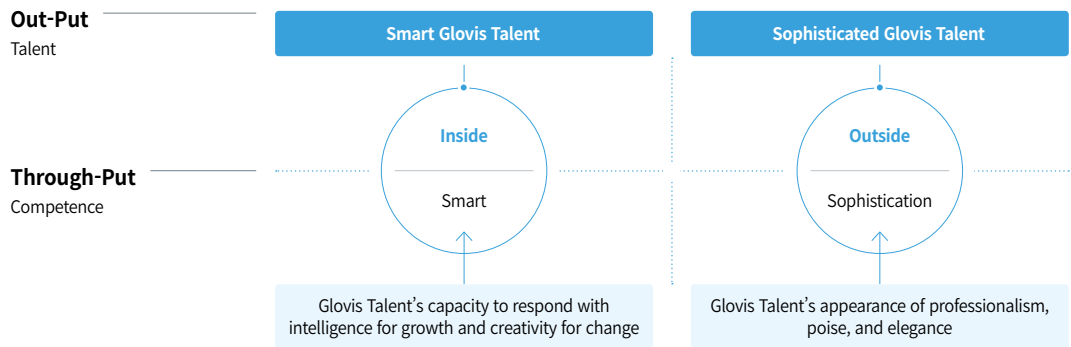
Hyundai Glovis recognizes the education and training of employees as a key area of strengthening internal competency and established a support system for self-development. Along with carrying out culture surveys, we are striving to increase employee satisfaction and create a proactive corporate culture. Additionally, we are carrying out realistic and effective customer satisfaction improvement activities with CS leaders in each team and within the corporate body, such as operating customer satisfaction surveys, a VOC system, and implementing service quality education for our employees and supplier companies.

Organization for People



Organizational Culture System and Strategy

Hyundai Glovis' Ideal Talent



Recruitment and Diversity

Respect for Diversity and Prohibition of Discrimination

Hyundai Glovis strives to create a corporate culture that respects human rights, labor rights, and diversity in all areas of management. Over the course of recruitment and promotion, our employees are not discriminated on the grounds of their gender, nationality, ethnicity, religion or status of disability. In addition, we develop personnel policies in a direction to ensure diversity of talents. Workers from resident suppliers who are not Hyundai Glovis employees are carrying out the import of various parts in the logistics warehouse, packaging for each line, and container load.

Employee Status by Type

(Unit: Persons)

Category		2018	2019	2020
Total No. of Employees in Korea		1,304	1,392	1,450
By Employment Type ¹⁾	Regular	1,247	1,333	1,392
	Short-term and Contract-based	57	59	58
By Gender	Male	1,128	1,207	1,255
	Female ³⁾	176	185	195
By Age Group	Under 30	302	120	247
	30-50	922	1,138	1,106
	Over 50	80	134	97
Administrative Position ²⁾ (Section Chief or Higher)	Male	527	602	667
	Female	11	18	30

1) In 2020, employees consisted of; 404 local employees, 15 persons with disabilities, 42 high school graduates, 6 foreign persons (USA 2, China 1, Australia 1, Uzbekistan 1, Iran 1), and 24 persons of national merit

2) Percentage of female directors in 2020: 0%

Female ratio in junior administrative positions(female manager ratio) 23% in 2018/2019, 21% in 2020

3) Percentage of females in revenue-generating positions: 2% in 2018, 2.7% in 2019, 13.6% in 2020

Spread Culture of Gender Equality

Having recognized the difficulty in recruiting female employees due to the characteristics of the logistics industry, Hyundai Glovis implemented a policy to increase female recruitment. As a result, the number of female employees and executives is on the rise. We are continuously supporting competency development of female employees in order to help employees of excellent talent grow into executives. This effort has led to the ratio of female employees' promotion in Hyundai Glovis to be higher than the average industry. With our effort recognized, Hyundai Glovis was certified as a family-friendly company by the Ministry of Gender Equality and Family in 2014 and the validity of this certification was extended in 2020. Hyundai Glovis will continue dedicating efforts to spreading the culture of gender equality.

Organization for People

Equal Base Salary

Hyundai Glovis applies the same criteria to the salary and promotion of male and female employees in the same positions and seniority. The minimum wage of resident suppliers is paid following legal criteria.

Male to Female Salary Comparison

Administrative position	Administrative position	Non-administrative position
Basic salary	Basic salary + bonus and other cash incentives	Base salary
100%	100%	100%

(Ratio = Average base salary of female employees/average base salary of male employees)

* Gender Pay Gap(Male/Female) : Executive level (base salary = 242,465,424/0, incentives included = 306,086,784/0), Management and Non-management level has no gender pay gap.

Salary Comparison to Statutory Minimum Wage

Gender	Ratio
Male	1.36623
Female	1.32491

* Difference between male and female was caused by military service of male employees. There is no discrimination between male and female employees with same years of service.

Talent Development

Systematic Talent Development System

Hyundai Glovis strives to develop into a company that improves the competitiveness of its employees. For this, we are operating a systematic talent development system that helps employees design their careers and develop expertise by themselves. In addition, we provide strategic talent development training through our field-based performance support. Hyundai Glovis is implementing various talent development strategies in order to foster our employees into global experts that will serve as key talents to lead the company's growth in the future.

Competency Development through Training and Education

Hyundai Glovis recognizes that training and education of employees for talent development is an important element contributing to the improvement of our internal competencies. We established a talent development support system covering four major competency areas - leadership, task execution, global skills, and common skills, and provide training and educational programs in connection with these areas. As such, Hyundai Glovis is dedicated to promoting employees growth and skill development. In 2020, the scale of our training and education programs was inevitably reduced in order to minimize the risk of COVID-19 following the sudden outbreak of the pandemic. In 2021, our training and education programs will be conducted with greater investment, centered on e-Learning education, including an increase of professional job training, support in getting licenses and certifications, and the provision of top-level expert courses through a digital academy.

Classification			Unit	2018	2019	2020	
Total number of people trained	Total		Persons	1,077	1,230	1,450	
	Gender	Male	Persons	-	-	1,255	
		Female	Persons	-	-	195	
Total hours of training	Total		Hours	65,826	82,622	52,737	
	Gender	Male	Hours	-	-	45,983	
		Female	Hours	-	-	6,754	
Total cost of training	Total		Million won	15	16.1	7.7	
Training hours per person	Total		Hours/person	61.12	67.17	36.37	
	Gender	Male	Hours/person	-	-	36.65	
		Female	Hours/person	-	-	34.58	
	Nationality	Korean	Hours/person	-	-	36.40	
		Other countries	Hours/person	-	-	20.00	
	Level	Executive(manager level)	Hours/person	-	-	47.18	
		Middle-manager level (Corporate head, team leader, director, etc.)	Hours/person	-	-	3.77	
		General staff	Hours/person	-	-	34.36	
	Training cost per person	Total		10,000 won/person	139.28	130.89	53.25
		Gender	Male	10,000 won/person	-	-	54.36
Female			10,000 won/person	-	-	46.93	
Level		Executive(manager level)	10,000 won/person	-	-	112.50	
		Middle-manager level (corporate head, team leader, director, etc.)	10,000 won/person	-	-	17.66	
		Employees with no position	10,000 won/person	-	-	52.91	
Investment ratio for training*			%	0.009	0.009	0.005	

* (Total investment in HRD/sales)*100



Job Competency Development Programs

We run the job competency improvement course by linking the individual development plan(IDP) system with in-house job training. In addition to basic and in-depth education for each business sector such as logistics, shipping, and distribution, we will expand the field to platform business and future business capabilities related to digital transformation in 2021. We plan to expand the 82 educational courses in 2020 to 110 courses in 2021, and place a focus on the efficient improvement of job competency through real-time video education. We also continue to update the language competency development course and help our executives and employees develop their global competency to ensure their effective communication with foreign nationals. In addition, we run a retirement conversion program to provide e-learning on changing the career for those who are scheduled to retire, and we also offer education on designing the life, education on the asset management and health, other online educational content and 1:1 consulting related to designing the life or changing the career for those who apply.

Talent Procurement

Turnover Management Program

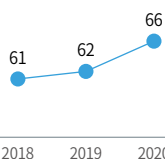
Hyundai Glovis operates a range of programs to ensure employees' long-term service by providing them with a stable working environment. In addition to financial support for holidays, anniversaries, and family events, we support our employees with their children's tuition fees, higher education expenses, and medical expenses. We also offer rewards to long-term employees and top performers. Hyundai Glovis manages turnover rate by dedicating the utmost to improving employees satisfaction.

Classification		Unit	2018	2019	2020	
New employment	Total	Persons	136	151	117	
	Male	Persons	120	130	101	
	Female	Persons	16	21	16	
	By age	Less than 30 years old	Persons	61	73	62
		30 years or older and less than 50 years old	Persons	72	76	53
		50 years or older	Persons	3	2	2
	Nationality	Country/persons	South Korea 134/ Uzbekistan 1/Russia 1	South Korea 150/ Iran 1	South Korea 116/ New Zealand 1	
Average cost of recruitment	Won	1,656,085	1,296,817	956,883		
Total Turnover rate	%	4.4	3.6	3.2		
Voluntary Turnover rate ¹⁾	%	3.6	3.1	2.6		
Internal talent recruitment rate	%	74	70	76		

1) Data changes in comparison to the previous reports during the process of reviewing and establishing standards in detail, such as determining when to retire, whether to calculate the retirement of irregular workers, and transfers within the group

Culture Survey Results

(Unit: %)



Periodical Assessment of Organizational Culture(Culture Survey)

Every September, Hyundai Glovis conducts a "Culture Survey" organized by Hyundai Motor Group for all its employees. Culture Survey consists of three areas: 'Culture', 'Leadership', and 'Organizational Effectiveness', which measure the characteristics of desirable organizational culture and the degree of reflection of performance of organizational culture strengths. According to the results, we are making various efforts at the organizational culture level to strengthen the satisfaction level and improve the dissatisfaction level.

Organization for People

Performance and Evaluation

Employee performance management and evaluation system

Hyundai Glovis innovated the existing periodical, relative evaluation method into a constant, absolute, and coworker review-based evaluation. We no longer evaluate employees solely on the basis of their performance; our employees can now receive regular feedback from department heads while they are working. This new evaluation system also eradicates the toxicity of excessive competition in the workplace and helps employees receive feedback and constructive criticism from coworkers. In addition, the performance evaluation system is linked to incentive system to provide greater compensation to employees who displayed high performance. This system creates a virtuous circle that motivates employees to establish and fulfill goals by themselves and, as a result, the employees improve their performance. Hyundai Glovis will continue to upgrade the performance management system so that all employees can receive fair compensation according to their performance.

Performance Evaluation Types and Target Employees

Type	Details	Employee Ratio
Constant Evaluation	Constant modification and supplementation of task goals, recording of all feedbacks from task processes into evaluation system	100%
Absolute Evaluation	Evaluation based on fulfillment of evaluation criteria rather than through comparison with other employees	100%
Coworker Review	360-degree multi-dimensional evaluation	100%
Percentage of employees who received regular achievement and career development reviews		100%

Communication Between Labor and Management

Labor-Management Consultative Body, “The-Zero”

Hyundai Glovis operates a labor-management council based on the ‘Act on Worker Participation and Cooperation Promotion’. The Culture Board, an organization for labor-management consultation, is a representative organization of general employees and selects its members by comprehensively considering various factors such as personnel, workplace size, rank, and gender ratio. Since the launch of the first labor-management consultative body in 2001, the name has been changed to Glovis Committee in 2009 and Culture Board in 2018, and 28 representatives recommended by each organization have been selected as Culture Board leading innovation in corporate culture in 2020. Culture Board has played various roles such as developing Lifestyle 11, our organization’s cultural orientation, converging VOCs, and promoting changes in corporate culture. It also serves as a channel for communication between executives and employees through regular meetings with top executives. In 2021, the name will be changed to “The-Zero” and the overall structure will be expanded and reorganized to serve as a representative organization for creating a smart organizational culture such as work/communication innovation.

The basic remuneration and working conditions of Hyundai Glovis are determined by employment rules and individual labor contracts. The employment rules apply equally to all employees, and if the employment rules are revised, they are notified to all employees for consent.

Employee Participation Status

Description	Frequency	Participants	Content
Labor-Management Council	Quarterly	3 persons each from labor and management	Discussion between labor and management
Culture Board	Quarterly	28 persons representing each division	Communication organization for the supplementation of the joint labor-management conference



Notice of Important Changes

According to the internal personnel system, when a reason for dismissal occurs, Hyundai Glovis must provide notice of the details within 14 days. The company has had no organizational changes due to business restructuring in the past three years and any reasons for employee dismissal as a result of such changes have not occurred.

Welfare

Welfare System

We are planning to operate a welfare system to enhance the quality of life for our employees. Hyundai Glovis conforms to regulations for paid maternal/childcare leave with over minimum wage pay. The labor and management council continuously collects opinions for welfare improvement of employees such as providing selective hours and telecommuting and a 1-day leave on the day of the company anniversary, etc. to all employees.

Current status of employees on parental leave

(Unit: Persons)

Classification	Gender		Note
	Male	Female	
Employees who possess parental leave	408	44	Employees with children of 8 years of age or less or in the second grade of elementary school (based on birth after '12 years')
Employees who received parental leave	7	12	As of the start date of the parental leave
Employees who returned to work after parental leave	6	11	As of the end of the parental leave
Employees who worked for more than 12 months after receiving parental leave	2	7	As of the end of the parental leave(2019)
Percentage of employees returning after parental leave	5/6 persons (83%)	11/11 persons (100%)	One employee retired after his parental leave
Percentage of employees working over 12 months after returning from parental leave	2/2 persons (100%)	7/7 persons (100%)	All employees have been reinstated and have been working for more than 1 year.

Welfare System Status

Policy	Frequency	Content
Tuition fees for dependents	Quarterly	Education expenses for young children, high school and university students, and special education expenses for children with disabilities
Medical fees	Quarterly	Full "deductible for remuneration" for illness and injury of employees, employee's spouse, employee's parents and spouse's parents, employee's grandparents and children
Support for stable living	Monthly	Amount of loan interest exceeding 2% up to KRW 30 million for persons of G4 or lower with no property paid by the company
Support for vehicle purchases	Monthly	8-30% of vehicle purchasing cost for purchases excluding G90 and commercial vehicles(5% employee discount + other compensation)
Resort	Available at all times	Reservation and stay for two nights at designated resort, providing employee discount for all employees(including dispatched employees)
In-house daycare centers	Available at all times	Children of all employees
Points for personal development	Once a year	Self-development points of 500,000 for online and offline activities, including cultural activities, book purchases, and health support
In-house gym & cafeteria	Available at all times	In-house gyms at the headquarters and business establishments and cafeteria on the 3rd floor of headquarters
Selective hours operation	Once a year	Provides 500,000 on/offline self-development points for cultural activity, books, health support, etc.
Telecommuting system	Always	Operation of a health club within headquarters and workplaces, and a cafeteria on the 3rd floor.

Organization for People

SPECIAL PAGE

Adopted a cloud-based collaboration tool, G-square, to transform the way we work

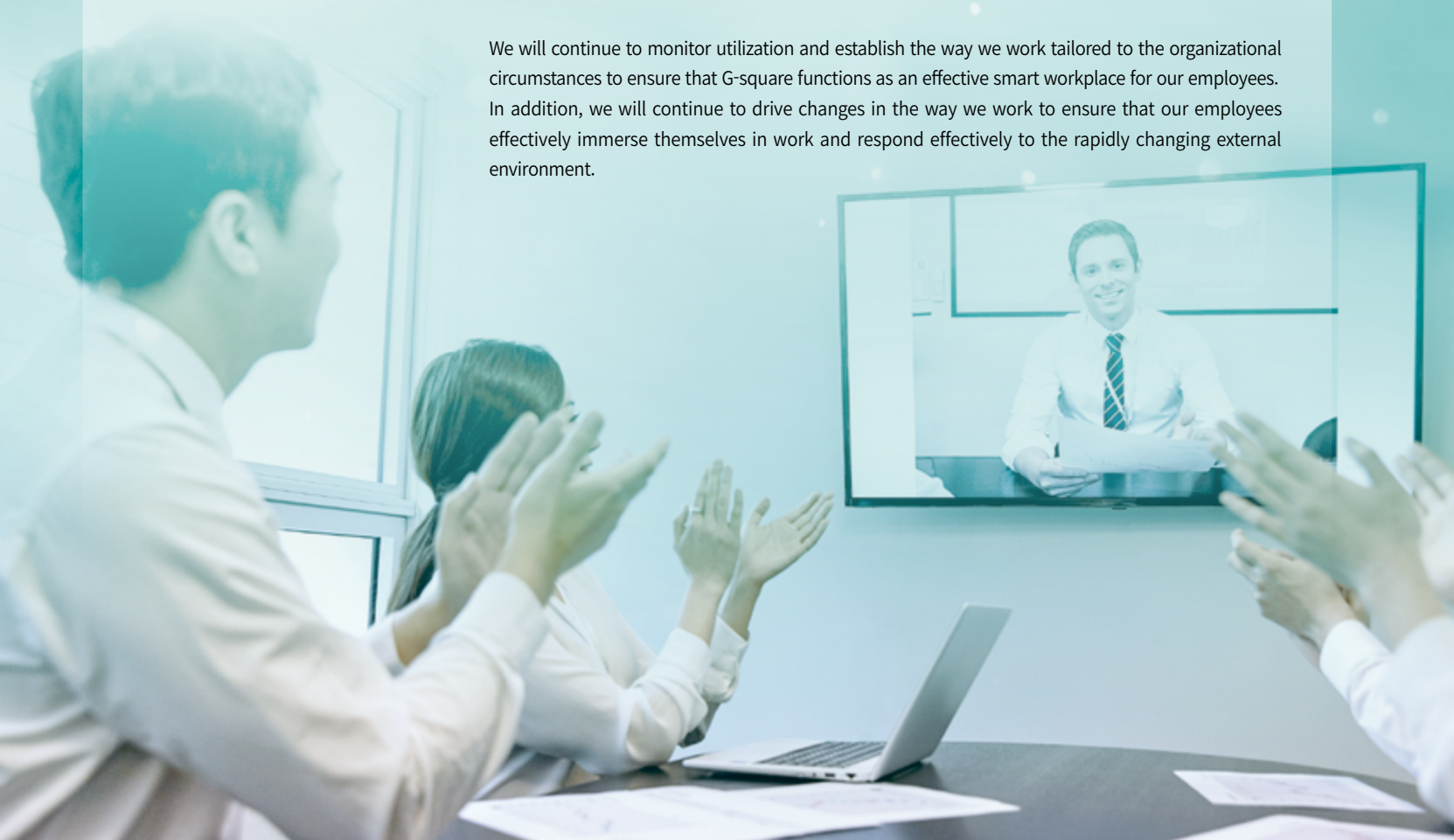
Hyundai Glovis has adopted a cloud-based collaboration tool, G-square, to carry out prompt communication and collaboration anytime, anywhere.

G-square is a contact-free cooperation system where people can work anytime, anywhere, which allows quick decision-making through ONE-STOP reporting based on seamless communication between employees. The name, G-square, was selected by an employee vote, meaning the square where the members of Hyundai Glovis work. Incorporating MS365's collaboration tools, including cloud storage and documentation/communication/collaboration/analysis tools into our IT infrastructure, we have increased the productivity and efficiency of our employees throughout the company.

In line with the introduction of G-square, ground rules and protocols have been established for the way we work based on employee surveys and organizational FGI. In addition, we work to ensure that the system takes root throughout the company and is effective, including a change management workshop for leaders and culture boards, and the operation of an implementation ambassador for the management of changes by the organization. In order to change the way we work effectively, we have also made improvements to our human resources system from the standpoint of "autonomy and responsibility."

With the full efforts of our employees, G-square has taken root as a new business system of Hyundai Glovis. As a result, employee satisfaction for infrastructure rose significantly year-on-year (42 points to 78 points) in the 2020 culture survey. In addition, we were able to adapt to the change in the way we work as we had to work from home due to COVID-19.

We will continue to monitor utilization and establish the way we work tailored to the organizational circumstances to ensure that G-square functions as an effective smart workplace for our employees. In addition, we will continue to drive changes in the way we work to ensure that our employees effectively immerse themselves in work and respond effectively to the rapidly changing external environment.





Customer Management Policies and Strategies

Hyundai Glovis seeks to further enhance customer satisfaction with a “customer first” mindset that puts customers first at the center of all values. As a global smart SCM provider, we have a wide range of customers, and deliver personalized services to our customers to move their hearts. Through customer satisfaction surveys and VOCs developed according to the characteristics of each business, we provide service quality training to employees and partners to help strengthen customer’s top core value capabilities. To create a customer-first culture, each team and CS leader is also engaged in the activities to effectively improve customer satisfaction.

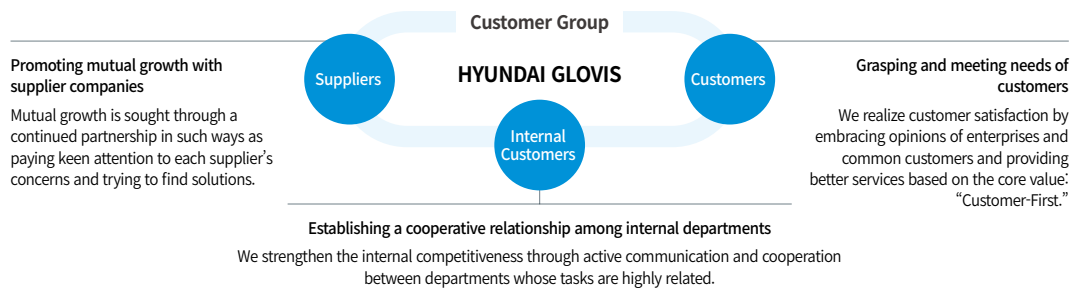
Key Activities and Achievements

Periodic Customer Satisfaction Surveys

Hyundai Glovis pays close attention to the voice of a variety of customers to proactively respond to the rapidly changing business environment. We conduct periodic customer satisfaction surveys twice a year for our logistics, maritime transport, and distribution as well as all of our customers and suppliers to secure market competitiveness and develop measures to improve the quality of our services for customers. We also check and improve our research methods each year to improve the reliability of our satisfaction survey.

The customer satisfaction survey of Hyundai Glovis is designed to measure the level of satisfaction at each stage of business from bidding to post-management. As a result, we have been able to improve efficiency by accurately analyzing the customer needs of each business unit and seeking ways to improve each team. The mobile survey is conducted twice a month for customers who have sold their vehicles through the Autobell service, and also takes place immediately after a deal is carried out to identify any factors that require improvement in a timely manner. In addition, we continue to expand our VOC collection, including an in-depth no-contact interview to collect insights related to our service.

Going forward, Hyundai Glovis will continue to conduct customer satisfaction surveys, detailing the service levels and VOC for each business process, and drawing upon practical measures to make improvements to improve our service quality.



2020 Customer Satisfaction Survey Results

Customer	<ul style="list-style-type: none"> As last year, “employees’ attitude while responding to customers” and “communication,” which are the basics of customer management, are recognized as our strengths, and thus continuous management is needed “Settlement” was also rated highly and appeared as a key driver for the increase in customer satisfaction In terms of the “plan management,” we will communicate closely with our clients in advance when our operational method changes and fully provide relevant information upon customer request to improve the satisfaction of the “plan management”
Suppliers	<ul style="list-style-type: none"> “Communication” is rated as a strength with a high degree of importance and satisfaction as clear management of channels for each person in charge has made it easy to communicate In addition to the basic business process, since we continue to gather the requirements of our supplier companies, our partnership is expected to see continuous improvements based on “post-management”
Overseas Subsidiary Customers	<ul style="list-style-type: none"> The “employees’ attitude while responding to customers and their communication” which entails the friendliness of staff, prompt response, communication, etc. are positively rated The “sales and plan management” is expected to offer improvement plans before our customers make any requests and create a consensus on the plan/business procedure
General Autobell Customers	<ul style="list-style-type: none"> The “reception stage” showed the highest satisfaction and the satisfaction with customer convenience and friendliness of staff obtained a particularly high score In terms of the “evaluation stage,” customer expectations for vehicle evaluation and price consulting expertise are high compared to other companies, and we need to make further improvements to maintain the outstanding level of satisfaction

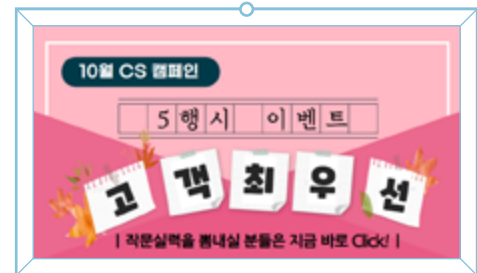
Organization for People

Customer Satisfaction Activity Plan

CS campaign

Hyundai Glovis conducts a customer satisfaction campaign every year for all of its executives and employees. We use a variety of promotional channels to spread our customer-first culture and to provide support for the internalization of our employees' customer satisfaction mindset.

2020 CS Campaign Activity History	
April	CS level self-diagnosis
May	Listened to 1VOC for one person
June	Sent thank you letters to internal customers
July	Our team introduction event
August	First half-year CS review
September	Sharing untact(no-contact) business manner cases
October	Customer-first five-line acrostic poem event
November	VOC banner certification event to celebrate the e-mail signature renewal
December	Awarded top CS teams & leaders for 2020



2020 CS Awards

The 2020 CS Awards was held to share the voice of our customers and suppliers with our employees and discuss the future direction of customer satisfaction management.

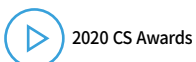
This year, the event was held online due to COVID-19. The event evoked great interest as videos allowed all of our employees from local business establishments and overseas corporations as well as headquarters to take part.

A combination of the results of our 2020 customer satisfaction survey and participation level for the CS campaign resulted in a total of 10 teams/subsidiaries and five leaders being awarded. In particular, the Auto Biz Operation Team, which launched "Autobell Smart Auction," a new auction system, received great reviews from customers and won the grand prize. The winners, who appeared on the video, shared their joy with all of their staff, offering what they normally think is best when dealing with customers, the times they were impressed by customers, the team's CS know-how, and their goals for the next year.

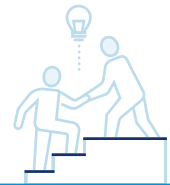
We will continue to offer various campaigns and hold sharing sessions to improve the management of customer satisfaction at Hyundai Glovis by sharing the VOC and best practices of our customers and suppliers with our employees in a timely manner.

VOC(Voice of Customer) Management

Hyundai Glovis collects and processes the voice of customers(VOC) through various channels, conducts an in-depth analysis of the accumulated history, and utilizes it to conduct better customer satisfaction management.



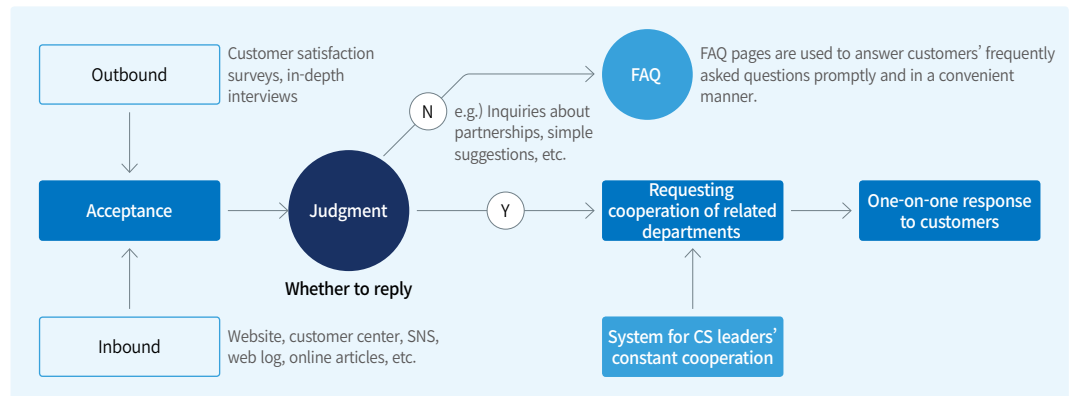
2020 CS Awards



The “Customer Support” service on the official website of Hyundai Glovis is open 24 hours a day throughout the year to receive any opinion from its stakeholders and the ARS service(+82-2-6191-9114) immediately responds to any emergency or request from our customers. We have also added a VOC shortcut banner at the bottom of the email platform for our employees to improve customer accessibility.

In particular, frequently asked questions have been improved to address customer inquiries immediately through the FAQ page. In addition to general business inquiries, we have launched the “new vehicle delivery inquiry,” “quotation inquiry,” and “Autobell bulletin board” options to ensure that customer inquiries are processed accurately and rapidly. We will continue to monitor VOC in its various forms in the future through diversified VOC channels to build a customer complaint collection and processing system and manage it as part of our customer-first culture.

VOC System Structure



VOC shortcut banner at the bottom of the email



Building a GLOVIS CS Career Path

Hyundai Glovis will continue to lead the way in fulfilling customer satisfaction through a systematic training system for customer satisfaction. In 2019, we established “GLOVIS CS Career Path,” a service quality training system to strengthen our customer service skills and improve customer satisfaction. We developed six courses based on 13 target skills which we drew through the “customer first” core value analysis. The system covers skill-based training, ranging from general employees to team leaders, and we expect that this systemized talent development process will further improve service quality. The service quality training content for suppliers is customized based on business characteristics to guarantee service quality at points of sales.

No. of employees who have completed the Service Quality Training for the past three years

Classification	Unit	2018	2019	2020
Employees	Persons	389	799	98
Suppliers	Persons	1,914	1,727	35
Total	Persons	2,303	2,526	133

Organization for People

2020 Service Quality Training Performance

Classification	Target	Description	Sessions	Persons
Employees	New employees	<ul style="list-style-type: none"> Hyundai Glovis "Customer First" core value Smart and sophisticated business manners 	6	98
	Subtotal		6	98
Suppliers	Hands-on workers	<ul style="list-style-type: none"> Beyond untact towards ontact New customer needs, new no-contact communication 	2	35
	Subtotal		2	35
Total			8	133

Policy and Strategy for Customer Information Protection

Customer Information Protection Principle

Pursuant to the Personal Information Protection Act, Hyundai Glovis operates a Privacy Policy containing 24 internal regulations on managerial, physical, and technological areas as part of its efforts to protect personal information. We advise customers on how their information is used and for what purpose, and promptly notify them of any changes to our internal operating policy and applicable laws and regulations. In addition, our chief information security officer(CISO) is responsible for the safe management of security of information on ICT systems to manage and operate our information protection system in a systematic manner.



- 1 Refraining from any indiscriminate collection of personal information
- 2 Distinguishing the essential information required for service provision from optional information when collecting personal information
- 3 Prohibiting the handling of any sensitive information, such as resident registration numbers and religious or health information, in principle
- 4 Notifying customers about information collection and thoroughly managing personal information when entrusted with personal information for the purpose of promotion and sales
- 5 Keeping personal information files using a secure method, such as DB security programs and encryption software
- 6 Complying with the storage period set under the law for any documentary evidence that requires storage
- 7 Destroying personal information files to ensure they are no longer identifiable once the purpose of use at the time of collection is achieved
- 8 Ensuring the installation of a sign for each surveillance camera
- 9 Ensuring the provision of instructions, documents, etc. on the personal information protection
- 10 Preparing for notifications of personal information leakage, collective dispute resolution, and class action lawsuits

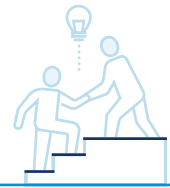
Major Activities and Achievements

Booking System for Visitors

Hyundai Glovis has built a visitor pre-registration and entry management system to improve the efficiency of visitor management and enable seamless reservations for visitors. Visitors must take online security training and learn our security policies and rules for visitors. As a result, we have enhanced the security of external visitors for the protection of our information.

Reinforcement of Security for External Visitors

The fourth industrial revolution is driving greater accuracy in biometric authentication. Hyundai Glovis has established a link between the FIDO-based system, an international standard agency for biometric authentication, and our major systems. The link has increased security, accessibility, and user convenience to meet the needs of biometric authentication systems.



Enhancement of the Awareness of Employees on the Information Security

Privacy Liability Insurance

We have subscribed to liability insurance for personal information as the revision to the Information and Communications Network Act made it mandatory to subscribe to insurance to strengthen the liability for compensation arising from any leakage of personal information. Hyundai Glovis protects the personal information of customers and has enabled users who sustain damage from any leakage or forgery of personal information to receive compensation.

Periodic Phishing E-Mail Response Training

The capacity to deal with phishing e-mails has become important, as the number of email phishing attacks has increased, causing international data breaches and ransomware infections. Hyundai Glovis conducts a phishing e-mail response training session once a month and improves the security KPI in response to any breach. We provide periodic training to spread the awareness of phishing e-mail issues and plan to further improve the training by reflecting on the latest types of attacks.

Online Training on Information Security for Employees

With an increasing number of hacking attacks on users through diversifying methods, we remain committed to increasing awareness about information security issues for all employees. We offer e-learning classes on information security once a year for our employees, including dispatched workers, and plan to conduct group-wide security training.

Customer Satisfaction

Customer Satisfaction Management

Customer satisfaction is a must for the growth of the company, and we continue to measure the level of service satisfaction for our customers and suppliers every year before any regular transaction begins. The measured customer satisfaction is managed by one of our internal key performance indicators. Corporate customers(all customers we regularly trade with) continue to display a high level of satisfaction and the satisfaction levels for the past three years are as follows:

Protection of Customer Information

Protection of Customer Information and Data

Hyundai Glovis has implemented an ISO27001-based information security process to prevent information leakage in advance, and makes continuous improvements and formulates strict privacy policies. There were zero cases of customer privacy policy violations, including customer information leaks, or information security breaches in 2020. Hyundai Glovis provides customer information to subcontractors related to Autobell service, and manages the information at 100% coverage. This information is solely for the purpose of providing complete information to buyers of used cars.

Corporate Customer Service Satisfaction Rate



No. of Customer Information Leaks Related to Customer Privacy Violations(Cases)

External complaints received and confirmed by the institution in 2020 **0**

Complaints from regulatory institutions in 2020 **0**

SUSTAINABILITY MANAGEMENT

64 Corporate Governance

68 Ethical Management

71 Risk Management

73 Human Rights Management

76 Corporate Social Responsibility

79 Safety and Health Management

85 Participation of Stakeholders








Corporate Governance

Board of Directors Composition of the Board of Directors

The board of directors(BOD) of Hyundai Glovis consists of three executive directors, including the CEO, five independent directors, and one non-executive director. To promote diversity in the BOD, gender, nationality, and cultural background are reflected in its composition. In particular, the recent approval of the regular general meeting of shareholders held on March 24, 2021 promoted diversity of the BOD, reflecting the provision that all of the board members must not be made up of directors of a particular gender.

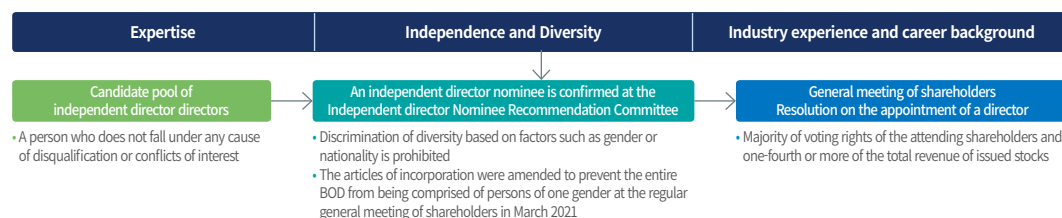
Composition of the Board of Directors

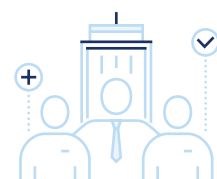
(As of March 31 2021)

Classification	Name	Appointment background	Duties	Major career	First appointment date	Term of office
Executive directors	Kim Jung-hoon  (Male/Korean)	To improve the company's future competitiveness and to carry out its external tasks in a reliable manner, based on experience and expertise in the automotive industry as the head of the purchasing department of Hyundai Motor Company and the CEO of Hyundai Glovis.	<ul style="list-style-type: none"> CEO Chairperson of the BOD 	(Present) CEO of Hyundai Glovis (Former) Vice President of Hyundai Motor Company, Head of Purchasing Department	March 16, 2018	2018~2024
	Kim Young-sun (Male/Korean)	To perform the planning and accounting tasks of the company in a reliable manner, based on the extensive experience and expertise of the executives for planning and financial administration of Kia Motors and the head of the Planning and Financial Administration Department of Hyundai Glovis.	<ul style="list-style-type: none"> Planning and Financial Administration 	(Present) Vice President of Hyundai Motor Company, Head of Planning and Administration Department (Former) Executive managing director of Kia Motors	March 16, 2018	2018~2024
	Jung Jin-woo  (Male/Korean)	As the head of the Smart Innovation Division at Hyundai Glovis as well as a planning expert who has demonstrated competence in the American headquarters and in the field of management planning, he is the right person to formulate a strategy for future growth of Hyundai Glovis.	<ul style="list-style-type: none"> Establish a new growth strategy 	(Current) Vice President, Smart Innovation Division, Hyundai Glovis (Former) Senior Vice President of Hyundai Glovis America	March 24, 2021	2021~2023
Other non-executive director	Jan Eyvin Wang  (Male/Norwegian)	As a specialist in maritime logistics who serves as CEO of WWA, a shipping company, he has sufficient experience and expertise in the area	<ul style="list-style-type: none"> Maritime and international logistics 	(Present) SVP Industrial Investments of Wilh.Wilhelmsen Holdings ASA (Former) CEO of Wilh.Wilhelmsen ASA	June 11, 2010	2010~2022
Independent directors	Kil Jae-uk (Male/Korean)	As a professor of business at Hanyang University and a specialist in business and finance who served as a president of Korea Securities Association, he has sufficient experience and expertise in the area	<ul style="list-style-type: none"> Director in charge of protecting shareholders' rights President of independent director candidate recommendation committee 	(Present) Professor of Business Administration at Hanyang University (Former) Chairperson of Korea Exchange KOSDAQ Market Committee	March 16, 2018	2018~2024
	Lim Chang-gyu (Male/Korean)	As a tax specialist who has served as local tax administration director, he has sufficient experience and expertise in the area	<ul style="list-style-type: none"> Accounting, finance etc. President of Audit Committee 	(Present) Advisor to Kim & Chang Law Firm (Former) Commissioner of the Gwangju Regional Tax Office	March 17, 2017	2017~2023
	Yoon Yoon-jin  (Female/Korean)	Working as associate professor in the construction and environment engineering department of Korea Advanced Institute for Science and Technology(KAIST), designated as a member to Future Technology Council in the Ministry of Land, Infrastructure, and Transport, National Smart City Council, and National Science Technology Advisory Council, and has sufficient experience and knowledge in the field related to mobility	<ul style="list-style-type: none"> Mobility etc. 	(Present) Associate Professor in the Construction and Environmental Engineering Department of KAIST (Former) Non-executive director of the Korea Authority of Land & Infrastructure Safety(former Korea Infrastructure Safety Corporation)	March 24, 2021	2021~2024
	Lee Ho-geun (Male/Korean)	Working as a professor in business management department in Yonsei University, worked as chairman of the Korea Society of Management Information Systems, independent director for Woori Bank, independent director and chairman of the board of directors in Woori Investment Bank, currently working as chief editor for information policy and director of Yonsei Sangnam Institute of Management, and have expertise in management and objective and macroscopic point of view	<ul style="list-style-type: none"> Business management etc. 	(Present) Professor of Business Administration at Yonsei University (Former) Independent director and auditor of Woori Investment Bank	March 24, 2021	2021~2024
	Jo Myung-hyun  (Male/Korean)	Working as a professor in business management department in Korea University, worked as independent director in SK Broadband, 5th director of Korea Corporate Governance Service, and director of International Corporate Governance Network(ICGN), currently working as independent director for Korean Airline, and have expertise in logistics	<ul style="list-style-type: none"> Corporate governance etc. 	(Present) Professor of Business Administration at Korea University (Present) Independent director of Korean Air (Former) Director of the Korea Corporate Governance Service	March 24, 2021	2021~2024

 Industry Expert

Director Appointment Process





Operation of Board of Directors

In addition to regular board meetings, we hold a temporary board of directors to discuss various agenda items. In 2020, a total of eight board meetings were held, and the attendance rate of independent directors was 100%, and 91.7%, and 75% for executive directors and other non-executive directors, respectively.

Status of the Board of Directors

(As of December 31, 2020)

Classification	Unit	2018	2019	2020
Number of meetings	times	8	8	8
Attendance rate of executive directors	%	100	100	91.7
Attendance rate of other non-executive directors	%	87.5	87.5	75.0
Attendance rate of independent directors	%	97.5	100	100

Committees within the BOD

Status of Committees within the BOD

There are three committees within the Board: the Audit Committee, Independent Director Nominee Recommendation Committee, and Transparent Management Committee. Each subcommittee conducts a final review of various risk factors that may arise and formulates response plans. Hyundai Glovis runs 'independent director-oriented committees' with improved management supervision by appointing an independent director as the chairperson of each committee within the Board. The committee's major activities are disclosed through an electronic disclosure system.

Committee Status

(As of March 31, 2021)

Classification	Composition	Composition
Audit Committee	Lim Chang-gyu, independent director(chairperson) Kil Jae-uk, independent director Yoon Yoon-jin, independent director Lee Ho-geun, independent director	<ul style="list-style-type: none"> Develop and execute company audit plans, evaluate results, enforce follow-up measures, and suggest improvement plans Matters delegated under the statutes, the Articles of Incorporation, and the Board of Directors Supervise the job execution of the management of the BOD through resolutions on the deliberation of audits, etc. and accounting for reasonable management decisions of directors and the management Increase the independence of audits through the selection and evaluation of external auditors
Independent director Nominee Recommendation Committee	Kil Jae-uk, independent director(chairperson) Kim Young-sun, executive director Lee Ho-geun, independent director Jo Myung-hyun, independent director	<ul style="list-style-type: none"> Support transparent operations through the process of recommendation, appointment, and evaluation for independent directors Matters related to the composition and operation of the committee for nominee recommendation When selecting an independent director, flexible governance is sought without any discrimination regarding nationality, origin, race, and gender
Transparent Management Committee	Lim Chang-gyu, independent director (chairperson) Kil Jae-uk, independent director Yoon Yoon-jin, independent director Lee Ho-geun, independent director Jo Myung-hyun, independent director	<ul style="list-style-type: none"> Increase sustainability through the independence of the independent director and enhanced social responsibility of the company Major management matters and the transparency, ethical management, etc. of internal transactions Protect shareholders' rights and strengthen the transparency of the company's internal transactions Manage risks by reviewing large-scale investments and inspecting the self-compliance with fair trade

Board of Directors' Independence and Expertise

Directors' Independence

Hyundai Glovis has strengthened the independence of its BOD to build transparent corporate governance. Three executive directors and one other non-executive director among board members were recommended by the Board, and five independent directors were appointed at the general shareholders' meeting after being recommended by the Independent Director Nominee Recommendation Committee. According to the articles of incorporation, the majority of the total number of directors is independent directors. It also has established the standards to determine independence when selecting external directors and limits the independent directors and auditors to hold only up to one concurrent position.

Corporate Governance

Standards for Determining the Independence of Independent Directors

- 1 Independent director should not have experience of employment as executive director under CEO for the last 5 years.
- 2 Independent director should not have family members who are receiving more than \$60,000 from any company, holding company, or subsidiary company for the last 3 business years.
- 3 Independent director and family members should not have experience of employment as CEO to any company, holding company, or subsidiary company for the past 3 years.
- 4 Independent director should not be a part of advisor, consultant, or high-rank management director in the company.
- 5 Independent director should not participate in transaction or alliance relationship with non-profit organizations(e.g. NGOs) that are receiving significant amount of donation from the company.
- 6 Independent director should not have experience of working as partner or employee in auditing organization to the company for the past 3 years.
- 7 Independent director should not sign a personal service contract with the company or high-rank management director in the company.
- 8 Independent director should comply with other independence conditions specified by the board of directors and should not have conflicting interest with the company.

Directors' Expertise and Diversity

In the appointment of independent directors, the director's expertise is judged based on his/her understanding of the business and expertise in the field of experience, industry experience, and the length of the period worked in the industry. Hyundai Glovis' articles of incorporation and corporate governance charter provide that independent director nominees must protect the rights of shareholders and contribute towards the continuous growth and development of the company based on their professional knowledge and experience in the industries(logistics, shipping, mobility), accounting, finance, business, and governance fields. In the meantime, the Board gradually reflects the criteria for gender, race, ethnicity, nationality, and cultural background to promote diversity. As of the end of March 2021, the BOD includes female director, foreign director, and director for shareholders' rights to ensure that multilateral views are reflected, and diversity is enhanced when making decisions. In addition, we have organized a support organization to provide support for the job performance of independent directors anytime. It provides independent directors with sufficient information on the Hyundai Glovis business and strategy and offers additional training to improve their understanding of ESG, thereby contributing to enhancing the expertise of independent directors.

Remuneration of Management and Stock Ownership Status

Hyundai Glovis fairly estimates remuneration for management, and management performs accountable management through the ownership of shares. In 2020, the CEO's salary was KRW 880,028,700(the median value of the remuneration of employees and Board members, excluding CEO, was KRW 67,339,509, while the mean value was KRW 72,845,333). 17 executives own 15,027 shares, which is 0.67 times the average wages of each person.

Evaluation and Compensation

Remuneration of Executives

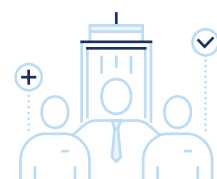
Category	Indicators
Financial	Sales, Operating profit, etc.
Other	Stock price, ESG result, etc.

- 1) Management performance assessment is based on financial indicators and other indicators
- 2) Disclosure of standards and methods for calculating management remuneration

Evaluation of the Board of Directors

Factors such as Board attendance rate, participation, contribution, and independence are considered for the performance of independent directors and other non-executive directors. In addition, the performance standards for executive directors are evaluated based on the criteria related to the treatment of executives, considering business performance such as sales and operating profit, performance and contribution as management, internal and external management environment, and to provide more objective and fair evaluation by reflecting risk and opportunity factors based on the mid- and long-term vision.

Hyundai Glovis has also, regularly conducted the evaluation of the BOD once a year since 2019 to identify matters to be improved in the Board operation and enhance its roles on the corporate governance through the evaluation of the roles and operating level of the Board. The evaluation is carried out in a form in which the non-executive directors provide their answers to a survey on the BOD. The survey evaluates 25 categories in three areas including the role and responsibility, composition, and operation of the BOD and the results of the evaluation are then reported to the BOD. The results are also used to make improvements to the Board.



Compensation for the Board of Directors

The compensation for the Board of Hyundai Glovis is based on the compensation limit determined at the general shareholders' meeting. The remuneration of executive directors includes salary, management incentives, and severance package. The annual salary is determined based on a comprehensive consideration of the level, position, expertise, job performed, and contribution to the company, while the bonus is paid in consideration of business performance, performance and contribution as part of the management, and internal and external management environment. Remuneration of independent directors is paid according to internal standards considering the responsibility and risk of performing their duties, and the level of remuneration of independent directors of other companies.

Remuneration of the Board of Directors

Classification	Unit	Executive directors ¹⁾	Independent directors ²⁾	Audit committee members
No. of directors	Persons	3	1	4
Total remuneration	KRW million	1,808	76	333
Average remuneration per person	KRW million	603	76	83

1) Independent directors and audit committee members are excluded, and other non-executive directors are not reflected.

2) Audit committee members are excluded

Strengthening Shareholder Rights

Disclosure of the Mid- and Long-term Dividend Policy

In order to improve the predictability for dividend among investors, Hyundai Glovis has established 3-year(19th ~ 21st period) dividend policy in February of 2020. (dividend per share has been increased to 0~10% compared to previous year)

Implementing All Systems to Exercise Voting Rights such as the Implementation of the Electronic Voting System, Enhancing Information Provision for the Shareholders' Meetings

Hyundai Glovis introduced and implemented the electronic voting system from the 18th general shareholders' meeting in 2019 to promote minority shareholders' participation in general shareholders' meetings and enhance convenience in exercising voting rights. In addition, all voting rights exercisable by shareholders are guaranteed through electronic delegation, written voting system, and written delegation. We have changed and implemented the date of public notice of general meeting of shareholders to four weeks before the general meeting of shareholders, which is the minimum standard under commercial law, to provide sufficient information to shareholders. In addition, to protect minority shareholders' rights, we send a notice of convening general shareholders' meetings to all shareholders, not more than 1% of shareholders, and provide information related to general shareholders' meetings through an English call notice on our website.

Appointment and Activities of Independent directors Recommended by Shareholders

The Transparent Management Committee has appointed one independent director of the Board as a member of the Shareholder Rights Protection Committee. The member of the Shareholder Rights Protection Committee works to improve communication between the BOD and shareholders attending major IR events and meets with shareholders. The member also communicates input and suggestions submitted in connection with shareholder rights to the Transparent Management Committee and Board of Directors and works to develop and propose policies to protect and improve shareholder rights.

Establishment of the Corporate Governance Charter

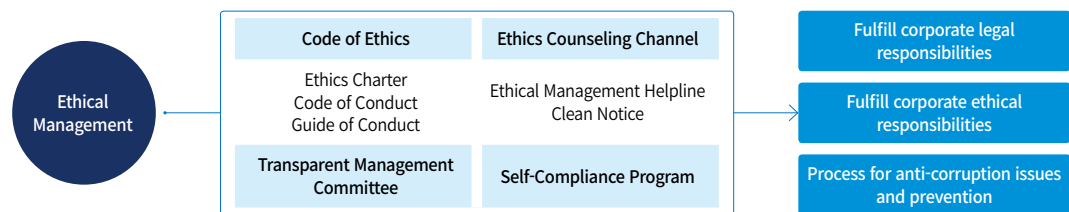
By announcing Corporate Governance Charter in 18th regular general meeting in 2019, Hyundai Glovis has announced its willingness to establish sound corporate structure for protecting shareholders' rights and interests and to participate in fair business activity. By strengthening transparent and responsible management based on supervision by professional and independent board of directors, we are aiming to improve the rights and interests for our shareholders, customers, employees, and supplier companies.

Ethical Management

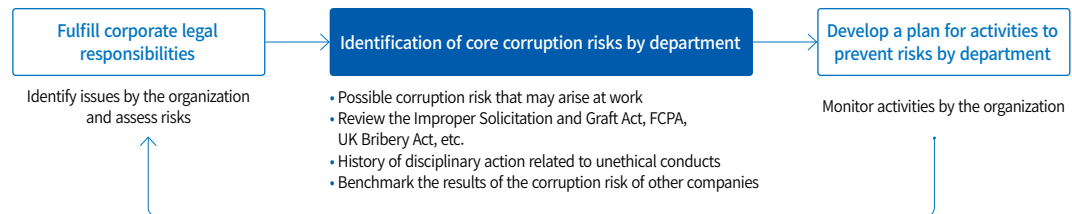
Ethical management system

Hyundai Glovis continues to make every effort to develop various schemes and systems to practice corporate ethics. By releasing the Ethics Charter and various ethical codes, we remain fully committed to the proliferation of corporate ethics and culture and we lead the way for practicing ethical management by operating the Transparency Management Committee, the Compliance Program, and ethics counseling channel. Through these systems, we accept ethical management as a source of corporate competitiveness and promote our transparency and reliability.

Ethical Management System Chart



Survey on stakeholder opinions(Associated with the Sustainability Report)



Corruption Risk Deduction Status

Classification	Unit	2018	2019	2020
Number of cases giving rise to the corruption risks ¹⁾	Cases	170	170	88
Number of confirmed cases of corruption and bribery	Cases	0	1	4

1) Corruption risk assessment is in place for the entire headquarters of Hyundai Glovis



Maintaining Anti-Bribery Management System(ISO 37001) Certification

As a global SCM company, Hyundai Glovis has obtained ISO 37001 certification, which was established by the International Organization for Standardization in 2018 to build ethical management and an anti-bribery system. In 2019 and 2020, the company was rated as compliant to maintain the certification in the post-certification review for ISO 37001 which mandated a mid-term inspection of the adequacy and effectiveness of the anti-bribery management system. Hyundai Glovis continues to make efforts for anti-corruption and ethical management by drawing up ethics issues from each department to set risk assessment and improvement targets.

Operation of Ethical Management Counseling Channel

Hyundai Glovis administers an ethics counseling channel "Helpline" on its official website, which provides counseling while ensuring the anonymity of participants. If someone needs to discuss difficulties or issues related to ethical management that may arise at work, he/she can submit an inquiry regardless of his/her status as an employee or stakeholder, and the answers are communicated through the relevant department. In addition, the company operates "Clean Notice" to provide support for self-reporting and returns if an employee has inevitably received monetary compensation from a stakeholder as part of its efforts to comply with anti-corruption laws.



Ethics Education for Employees

Hyundai Glovis provides regular training on ethical management to new employees, experienced employees, employees who has returned from overseas, and ethics managers in each team, as part of its commitment towards improving the ethics awareness of its employees.

Ethics Education for Employees

Education title	Target	Session	Schedule(month)	
Compliance training	Ethical management	New employees	2 times	January and July
	Fair trade	Employees with previous experience	3 times	April, August, and November
	Legal affairs regarding contracts	Employees returning from overseas posts	1 times	February
ISO 37001 anti-bribery training	Ethics manager in each team	1 times	April	
ISO 37001 internal auditor training	Internal auditor by office	1 times	May	

Ethical management strategy

Association & Charity Details Disclosure

The Code of Ethics has been published to bar unethical conduct in everyday life or while performing jobs and to prevent any misappropriation of funds. Hyundai Glovis does not provide any funds for election campaigns, political activities, or lobbies of political organizations. However, the company does pay fees associations with guaranteed political neutrality for public policy and public interest.

In the execution of charitable payments, the company reviews the business unit’s plans and then obtains the final approval of the management analysis team for fair execution.

Major association expenses in 2020

(Unit: KRW)



Establishment and Operation of a Violation Reporting System

Hyundai Glovis has built a system that allows employees to anonymously report violations committed at work by running a helpline, cyber audit office, and HR TalkTalk. Outside stakeholders are also allowed to report any illegal or unreasonable conduct of employees of Hyundai Glovis through the cyber audit office or present improvement plans for wrong conduct or policy from the perspective of ethical management. Hyundai Glovis runs a whistle-blower protection program to strictly manage the whistle blowers and reports. If the investigation of the facts reveals that the matter related to the corruption is true, it will be punished strictly depending on the severity of the case. Hyundai Glovis’ Code of Ethics prohibits giving, asking, or accepting gifts, money, or other forms of compensation to and from stakeholders, regardless of the amount and reason. If it was unavoidable to receive such consideration despite the regulation prohibiting any receipt, employees are required to file a report and return the contribution according to the “reporting and returning principle.”

Actions against violations in 2020



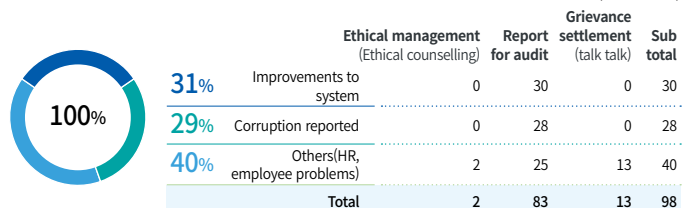
Violation report trend by channel

(Unit: case)

Classification	2018	2019	2020
Ethical management	0	0	2
Report for audit	44	49	83
Grievance settlement	30	11	13

Types of violation in 2020

(Unit: cases)



Ethical Management

Mutual Growth Policy and Strategy

Hyundai Glovis handles relationships with its suppliers based on the principle of fairness and seeks to promote shared growth through mutual prosperity. We engage in transactions with our suppliers based on the basic principle of self-compliance with fair trade and derive indirect value through a variety of supplier support programs.

Rules on the Self-Compliance with Fair Trade

The Code of Conduct for Self-Compliance with Fair Trade, an internal compliance system, prevents any risks that may arise from regulatory violations and the Fair-Trade Act in advance and improves the employee’s self-compliance and sense of ethics. Going forward, all employees of Hyundai Glovis will remain deeply concerned about fair trade and make every effort to voluntarily comply with fair trade.

<p>Rule 01 Building global competitiveness</p> <p>Recognize self-compliance with fair trade as the starting point for building global competitiveness and set it as the top priority of corporate management.</p>	<p>Rule 02 Transparent and fair work</p> <p>Handle all work carried out to establish fair trade order according to clear and fair standards.</p>	<p>Rule 03 Strengthen prior self-reviews</p> <p>Make every effort to prevent violations of the law by improving the self-review process for violations of the competition law in advance.</p>	<p>Rule 04 Fair trade compliance program</p> <p>Actively participate in the programs by means such as participating in the compliance program(CP) training, inspecting the CP implementation status, and reading and learning the CP in accordance with the Fair-Trade Self-Compliance Program to create a climate of self-compliance.</p>
--	---	--	---

Operating a Fair-Trade CP

Hyundai Glovis has launched the Fair-Trade CP to spread the fair-trade culture and runs a specialized organization under the management of the CEO. In addition, we are engaged in a variety of CP-related activities and offer training for employees to become aware of the importance.

Operating Organization



CP related activities

Activity	Content
Report to the BOD	Reports on compliance activities, performance, and plans to the BOD
Training on fair trade	Seven training sessions on the Fair-Trade Act, with approximately 280 participants
Compliance Management Day (once a month)	Develops fair trade activities across the company through compliance activities and campaigns by publishing compliance management newsletters and quizzes
Self-compliance website(always available)	Provides information on compliance-related announcements, news, case studies, etc.
Internal whistle-blowing system (always available)	Receives reports of illegal and unreasonable conduct and processes them through the cyber audit office ¹⁾

1) URL: <https://www.glovis.net/Kor/ethics/cyberaudit/guide/index.do>

Risk Management



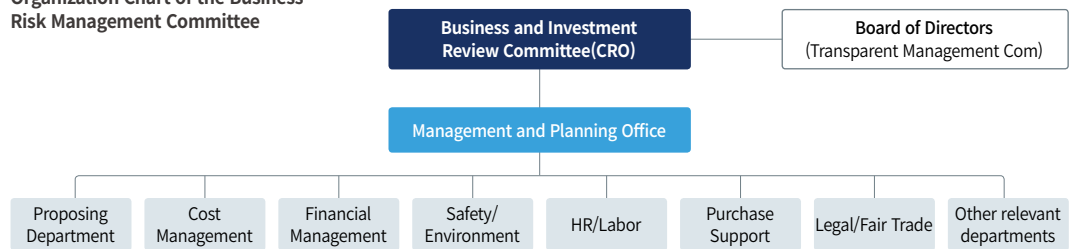
Risk Management System

Hyundai Glovis is building a risk management system to proactively deal with emergency situations that may arise during business activities. The company manages a series of financial and non-financial risks through its own risk management organization.

Business Risk Management

Hyundai Glovis runs a business and investment review committee to manage the risk factors that may arise when the company launches a new business. The CRO serves as the chairperson of each committee to analyze and manage risk factors in various aspects, including industry trends, marketability, sustainability of future growth, and competitiveness in the business models. The company reports potential financial and non-financial risk factors that may arise from planning, finance, management support, proposing department and other related departments to a working-level consultative body for business and investment review. The reported issues are managed across the company, according to the decision of the Business and Investment Review Committee and the Transparency Management Committee.

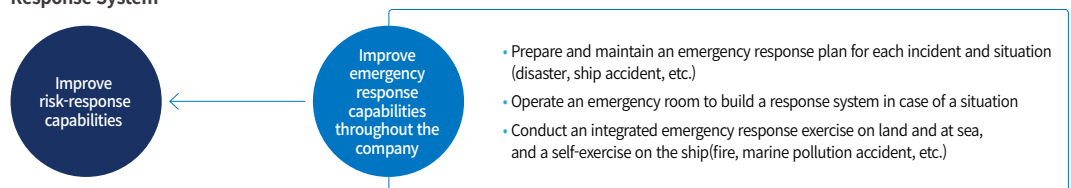
Organization Chart of the Business Risk Management Committee



Improving Risk-Management Capabilities

The Business and Investment Review Committee builds a proactive preventive system and an emergency response system through the management of key risks to manage pre- and post-risk situations. When an actual risk arises, each category carries out a given response, overcoming the emergency/crisis and minimizing the damage promptly.

Response System



Tax Strategy

Tax Policy

It is necessary to comply with tax laws and faithfully meet various tax obligations to fulfill our CSR as a contributor to customer interest and national finance. Hyundai Glovis ensures that all domestic and overseas transactions are carried out following the laws and regulations of the relevant tax authorities based on its thorough understanding of the domestic and foreign tax laws. In addition, the company faithfully performs its duty as a taxpayer by submitting data required under the relevant laws of the tax authority of each country to improve fairness in taxation. In addition, the roles and responsibilities of each person involved in tax reporting and payment are clearly defined internally, and if the tax law offers an unclear interpretation, the company relies on the opinions of external tax experts such as accounting firms to draw up the optimal countermeasures.

Risk Management

Fulfilling Overseas Tax Obligations

For international transactions with overseas corporations, the company has established and implemented a reasonable transfer price policy that complies with the domestic tax laws and the transfer price guidelines. The company sincerely fulfills its tax responsibilities for corporate income tax under the national tax law of global business establishments and its duty to submit data as required by the national tax authorities with the support of the headquarters.

Key Risk Management

Hyundai Glovis conducts a sensitivity analysis to define and manage the annual key risks based on the level of risk that may arise.

Key Risk Management Status

Classification	Key risk	Opportunities and Response activity
Industrial environment risk	Proliferation of external group activities	Warning and monitoring of external group activities More opportunities of image improvement through active response
	Changes in government policy	Monitoring government policy changes
Safety/environmental risk	Occurrence of safety issue	Monitoring and responding to factors affecting safety
	Marine accident	Monitoring and responding to factors affecting the safety of vessels
	Reinforcing laws and regulations related to climate change	Monitoring GHG emissions and continuously finding ways to reduce GHG emissions
Financial risk	Exchange rate/oil price fluctuation	Periodic monitoring of exchange rate/oil price trends and management of impact on the profit/loss
Legal risk	Legal violation issue occurrence	Legal trends and litigation risk monitoring and response
Security risk	Customer and sensitive corporate information leakage	Information security monitoring and employee training
Operational risk	Customer supply interruption	KD quality and tonnage monitoring and management
	System failure	Monitoring ICT failure status

Potential Risk

Hyundai Glovis recognizes potential risks in conducting its business and remains committed to proactively responding to such risks.

Potential Risk

Risk	Description	Impact on Hyundai Glovis	Hyundai Glovis' response activities
Changes in eco-friendly trends	<ul style="list-style-type: none"> Increasing interest in sustainability and climate change response performance among investment institutions and customers Due to increased regulation related to eco-friendly global logistics, business relevance has been increased. 	<ul style="list-style-type: none"> Withdrawal of investment and financial impact such as sales reduction due to negative impact related to company image and sustainability performance Increased R&D cost for establishing eco-friendly logistics system and impact from increased logistics cost 	<ul style="list-style-type: none"> Managing company reputation and ESG performance by establishing company-wide integrated risk management system Establishing detailed plan for carrying out eco-friendly green logistics in every worksite
Customer characteristics change	<ul style="list-style-type: none"> Change in demand in the automotive market due to the revitalization of the sharing economy Transition into a direct logistics by shipper 	<ul style="list-style-type: none"> If the market demand for cars falls, it will have a negative impact on the automotive logistics business, such as finished cars and components If the existing shipper with a large scale of transaction switches to direct logistics, sales will fall 	<ul style="list-style-type: none"> Reducing reliance on certain customers and business through diversified business portfolio Continuous efforts are made to develop new businesses by operating logistics research center and pioneering into new businesses

Human Rights Management



Human Rights Management Policy and Strategy

Human Rights Management Policy

Hyundai Glovis respects the human rights of all its stakeholders based on its core value of “respect for talent” and complies with the principles of human rights protection to prevent any human rights violations in its operations. The company endorses the Universal Declaration of Human Rights of the United Nations and the human rights standards specified in the Guidelines on the Businesses and Human Rights and complies with labor-related laws and regulations in each country and region.

Human Rights Policy Establishment

Hyundai Glovis has established a human rights policy to protect the rights of its employees and various stakeholders. Our human rights policies include internal and external communication, grievance handling and relief procedures, and human rights and labor-related processes to prevent human rights violations that may arise through the course of business. We conduct periodic monitoring and respond for effective policy implementation and plan to improve our human rights policies to reflect trends at home and abroad.

HYUNDAI GLOVIS COMMITMENT TO CONDUCT



IT'S A SMART MOVE

HYUNDAI GLOVIS LIFESTYLE

11

REPORT

Promptness over decoration.

This applies for reports as well. We are waiting too much time trying to make reports look good. How disappointing would it be to get a report rejected. Just because it is different from the directors of your senior? Please remember! PowerPoint work is not the point!

01

AUTONOMY AND COMMITMENT

Stereotypes should be avoided

We should act differently and stand up against stereotypes. Everything is up to your "autonomy" starting today. "Autonomy" is not just comfortable clothing or flexible working hours. It means you make autonomous decisions and work with responsibility.

Our autonomy and commitment will complete the future of Hyundai Glovis

02

PRACTICE THE SPIRIT OF CHALLENGE

There is no failure but only delayed success.

If you do not do anything, nothing will happen. If you learn something from failure, that is a success level. Are you hesitant in taking on a new challenge?

Decorated paths are not the only way. Every journey will become a reward.

03

COMMUNICATION LET'S COMMUNICATE

Let's communicate.

Leaders are lonely and in need of some attention. If you have a question or an opinion, do not hesitate to knock on our doors. We welcome you with pleasure. Should there be an unfair command or a task you are uncertain about, we await your questions.

Your brave questions can free you from overtime work.

04

LEAVING THE OFFICE AND ENJOYING VACATIONS

You have worked hard. You deserve a vacation.

You don't need a reason for taking a vacation, vacations or some time off work. You worked hard, and you should be able to leave. Is there someone preventing you from doing so?

Don't worry. It is your right to enjoy a vacation.

05

HORIZONTAL CULTURE

You do it yourself.

Please do your work yourself.

Work has a special importance. But there are no high or low ranks for certain tasks. Before thinking your behavior to ask whether you are not wasting someone's time. Just because you are a senior or have a higher rank.

06

COMMENTATION

Commending requires no money.

If you see a good deed, say so. Pleading to and rewarding accomplishments will lighten a person. Instead of criticizing the 20 percent of mistakes make, commend the 80 percent of good work. Providing solutions to mistakes can lead to better results. Freely commend your companions.

07

MANNERS

Manners Maketh Man

Literally, manners make man. The office is not for me alone, but for everyone. Respect the space. Clean up after yourself. Minimum politeness makes you a beautiful person.

You already know that, don't you? Cleaning up is even the customers' responsibility at Starbucks.

08

PROPOSAL/FEEDBACK

If you intend to complain, do it with dignity.

Stating your complaints is better than the misfortune brought from keeping it to yourself. A productive opinion for improvement helps the company's healthy transition. The dignity of speaking up will be the dignity of your working life.

09

ETHICS

Your family is watching you.

You are not just an employee of the company. But also, someone's son, daughter, mother, or father. When a decision must be made, think to yourself about whether you can "confidently tell your family".

You know the answer. Do not act like a weasel.

10

STRONG WILL

A bargain is a bargain!

Hyundai Glovis' promises have been made to be kept. Keeping promises is the basis of our corporate culture.

HYUNDAI GLOVIS

Human Rights Management

Key Activities and Achievements

1 Protecting Human Rights of Employees in the Workplace

Hyundai Glovis provides support in many ways for its employees to work in a work environment with consideration and respect for each other. We have established the Regulations Prohibiting Workplace Bullying to define a wide range of human rights violations and operate education programs to inform employees of the company's protection procedures in response to social demands that employees' human rights must not be violated in the workplace. We monitor workplace bullying through regulatory enforcement and a variety of reporting channels, and Hyundai Glovis will continue to implement preventive activities to minimize bullying of any kind.

2 Lifestyle 11

The organization has its own unique color. That color is often referred to as culture. It all began with the question of what color and culture Hyundai Glovis have, and then we repeatedly thought about how to enable our members to remain immersed in their work and carry out their duties efficiently, or sometimes pleasantly, feeling a sense of accomplishment. As a result, we launched 11 different lifestyles of Hyundai Glovis as our commitment to lay the groundwork in September 2019.

The Hyundai Glovis Lifestyle captures our commitments based on autonomy and responsibility as the standard of thinking and behavior that the members of Hyundai Glovis seek. We believe that if we aim for a "culture of searching for the meaning of work and being immersed in the work" and keep our commitment to Hyundai Glovis Lifestyle, such culture will take root in the organization.

In 2020, we created and distributed the Hyundai Glovis Lifestyle Guidebook, which provides a more detailed description of our lifestyle, to create a consensus that this commitment is ours to keep.

3 Providing Employee Counseling Services

Professional psychological counseling services are available to employees who have psychological challenges due to stress factors at work and in their personal lives. The service was launched in the summer of 2017, and we provided 222 services to 53 employees in 2020. A variety of other services, such as visiting local business establishments and protecting the mentality of employees in the event of an accident, are also available to ensure a high level of satisfaction among our employees. Hyundai Glovis will continue to extend its support for psychological counseling services for its employees to obtain psychological stability and feel happiness in their daily lives.

4 Employee Grievance Handling Channel, TalkTalk

The company operates the TalkTalk channel that allows employees to file an anonymous report or a report under the real name if they are involved in human rights abuses, such as verbal abuse or sexual harassment during the course of their business, or if they have any difficulties in their lives. When a matter is reported to the channel, the relevant department takes immediate action and notifies the reporter of the results within two weeks of receipt. Going forward, we will continue to improve the convenience of submitting issues and further reduce the time required to address issues, thereby improving the satisfaction of our employees and Board members.

Human Rights Due Diligence

Human Rights Due Diligence Process

Hyundai Glovis remains fully committed to protecting the substantive human rights of its employees and suppliers by establishing the human rights due diligence process presented under international guidelines. Hyundai Glovis practices human rights due diligence to identify and prevent potential risks and remains entirely dedicated to responding to serious issues. Human rights due diligence is practiced in the following order: human rights impact assessment, impact identification, the establishment of improvement objectives, grievance handling, result monitoring, and disclosing stakeholders. We will continue to systematically manage the human rights risks that may arise at each of our business establishments.

Human rights due diligence process



Human rights due diligence is designed and executed based on the opinions of employees and external experts, targeting employees and key suppliers
Actively protecting against any disadvantages caused through human rights due diligence



Grievance Handling for Stakeholders and Channel Operation

Hyundai Glovis is active in addressing human rights issues found in the impact assessment in accordance with the global grievance handling standards and procedures. We have established guidelines on vulnerable human rights issues to prevent the same issues related to human rights from recurring, and we demand the same compliance to each one of our business establishments. We also operate a hotline and online and offline grievance channels tailored to each business establishment. This allows employees and all stakeholders to immediately report and take action on any human rights management grievances or violations. We strictly comply with the whistle-blower protection program to protect employees and stakeholders who are concerned about possible disadvantages due to the evaluation and reports.




Key Communication Channels by Stakeholder Type

<p>Employees</p>  <p>Grievance counseling member, employee grievance submitting channel, psychological counseling service, cyber audit room, ethical management website "Clean Notice"</p>	<p>Customer</p>  <p>Website, customer satisfaction survey</p>	<p>Suppliers</p>  <p>Cyber audit office, supplier VOC</p>	<p>Local community</p>  <p>Participate in the social contribution and suggest ideas through the social responsibility management website</p>
--	---	---	--

Human Rights Risk Monitoring

Hyundai Glovis takes corrective measures based on its improvement objectives to monitor human rights risks and reports key issues to the management. In addition, we are incorporating issues in our employee training and human rights policy to prevent the risk from recurring.

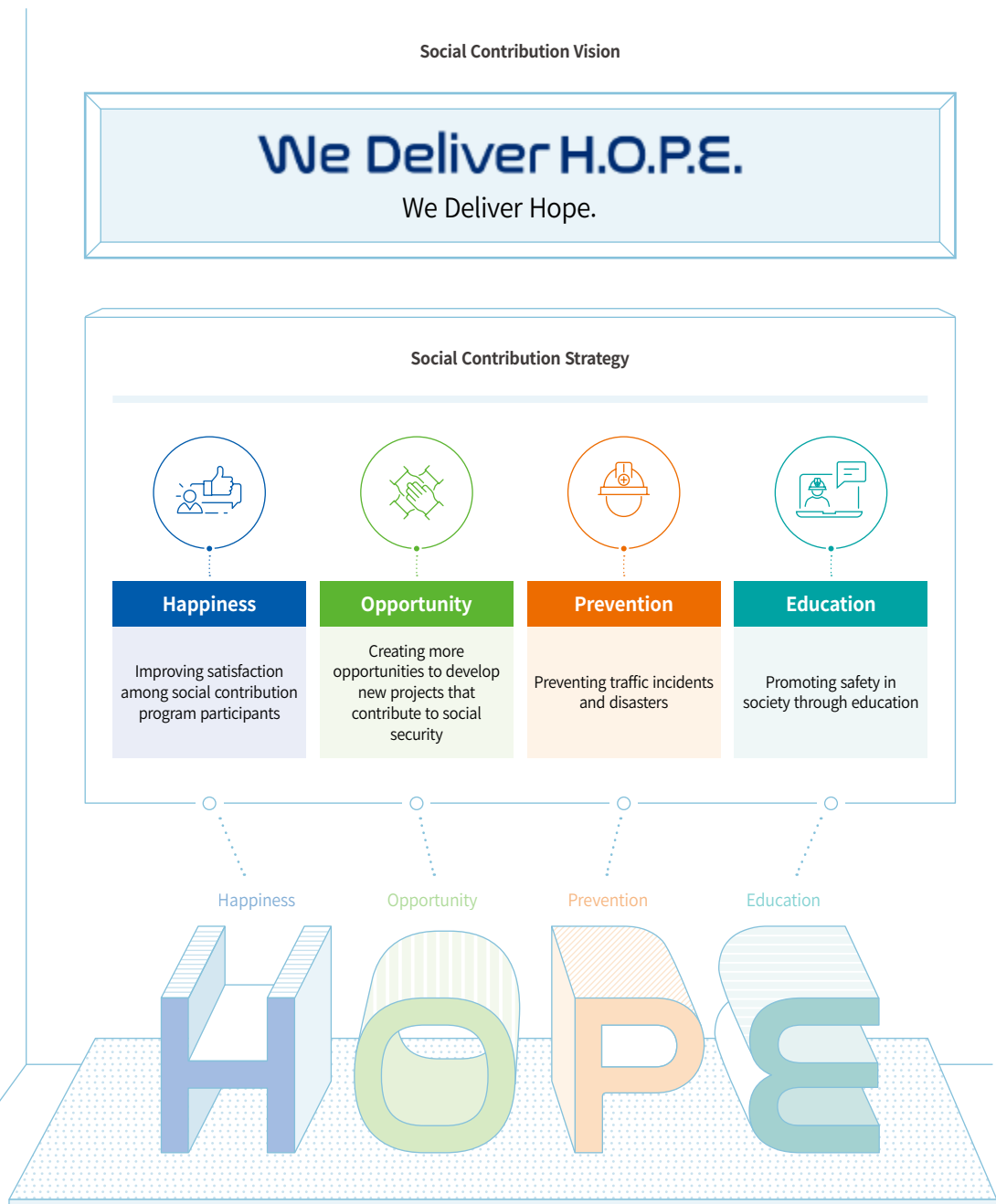
Human Rights Issues and Management Status by Stakeholders

	Human rights issues	Impact assessment method	2020 impact assessment results and remedial measures
 Employees	<ul style="list-style-type: none"> Employee anti-corruption issue Child labor and forced labor Violation of human rights of employees Site safety issues 	<ul style="list-style-type: none"> Process for drawing up and preventing anti-corruption issues Human rights due diligence Employee grievance reception channel Counseling office Risk management and site inspection 	<ul style="list-style-type: none"> Derive issues by the organization through surveys of stakeholders and establish an action plan to prevent risks by the department 88 cases of corruption risk found in 2020 Employment rules prohibit young people under 18 years of age Zero cases of child labor or forced labor Through the employee grievance management reception channel, human rights violations such as harassment and sexual harassment in the workplace were confirmed Between 2019 and 2020, 12 grievances related to workplace bullying and sexual harassment were identified, resulting in follow-up actions. Professional counseling service is provided for employees who face difficulties at work or in their lives, such as human rights violations, through the counseling office 222 services to 53 employees in 2020 Conducted the quarterly quantitative inspection for the risk management in the field 1 cases of general or serious accidents for our employees in 2020
 Suppliers	<ul style="list-style-type: none"> Labor rights and safety issues of Suppliers' employees 	<ul style="list-style-type: none"> ESG evaluation for suppliers 	<ul style="list-style-type: none"> Conducted financial, ethical management, quality, environmental, safety, and human rights assessments survey and on-site audit of suppliers Reviewed 765 major suppliers in 2020, 11 deemed labor related high risk Checking improvement plans and monitoring for the entire high-risk group
 Customer	<ul style="list-style-type: none"> Personal information leakage 	<ul style="list-style-type: none"> Information protection process 	<ul style="list-style-type: none"> Operating Privacy Policy 0 cases of customer information issues in 2020

Corporate Social Responsibility

Policies and Strategies of Corporate Social Responsibility

Hyundai Glovis has established a social contribution strategy to respond to changing social needs and to operate a more systematic social contribution program. We Deliver H.O.P.E. was born out of Deliver, which implies transportation and delivery as the characteristics of the logistics industry, and Hope, which implies a bright future. We are engaged in a variety of social contribution activities in line with our H.O.P.E. strategy.





Key Activities and Achievements

1 Sharing event with senior citizens who lives alone for the Family Month

A volunteer group comprised of the employees of Hyundai Glovis delivered coloring books, carnation pots, and food products to 300 households(headquarters, Ulsan, and Pyeongtaek) to mitigate the depression of the elderly living alone due to the prolonged COVID-19. Due to the increasing need for psychological anti-epidemic measures resulting from the prolonged social distancing brought by COVID-19, the employees manufactured and presented coloring books to ensure that the elderly spend their leisure time pleasantly and delivered flower pots(carnations) to mitigate the difficulties faced by flower farmers due to reduced sales.



2 Free transportation of relief supplies to areas affected by COVID-19

We transported 1,000 tons of emergency relief supplies from the Association for National Disaster Relief free of charge to areas affected by COVID-19 on 200 occasions. Relief supplies consist of hygiene product kits, such as face masks and hand sanitizers, food kits that include instant rice and bottled water, multi-vitamins for medical staff and first-aid workers, and energy drinks. Hyundai Glovis is planning to send personal hygiene products such as face masks and hand sanitizers to the Association of the National Disaster Relief this month, in addition to free shipping, as part of its efforts to contain the spread of COVID-19.



3 Year-end sharing event for children

A volunteer group comprised of the employees of Hyundai Glovis delivered Christmas lights to the children of local households(Busan and Ulsan) together with school supplies at the end of the year. For this donation, 30 employees of Hyundai Glovis participated in the volunteer activity of making Christmas lights at their homes to distribute them among children. The lights, school supplies, and equipment set against cold weather were delivered by social workers from local children's centers in Busan and Ulsan without direct contact by placing them in front of the door of the children's homes.



4 Road dust removal project

Road dust builds up on the road due to automobile exhaust gas and tire wear and then gets scattered into the air when vehicles drive on the road. It is the main cause of ultra-fine particulate matter pollution. Hyundai Glovis operated road dust removal vehicles on 16 occasions near Ulsan Modularization and Pyeongtaek Port Logistics Station to reduce fine dust near its business establishment. It was part of its efforts to protect the health of field workers and local residents by removing dust from the road and reducing the dust scattered by traffic.



5 Relief transportation truck

Hyundai Glovis has continued to unfold a number of social contribution activities since 2013 by establishing a free transportation system for relief supplies together with the Hope Bridge Association of National Disaster Relief for relief activities in the areas affected by disasters. As part of the activities, the company donated one one-ton wing body truck to the Hope Bridge Association of National Disaster Relief in 2020 to transport a large number of relief supplies more quickly in the event of a disaster.



Corporate Social Responsibility

6 Safe driving kit delivery without contact

Hyundai Glovis has led the Safety Awareness Campaign to raise awareness for safe driving and prevent accidents since 2015. Among them, the donation event for the safe driving equipment set is a safety awareness program that Hyundai Glovis holds each year to contribute to improving road safety as a leading logistics company in Korea. Hyundai Glovis delivered 15,000 safe driving kits to drivers of cargo terminals, transportation workers and firefighters, as well as truck drivers, to prevent them from dozing off at the wheel. In addition, additional anti-epidemic supplies were distributed to contain COVID-19.



7 Improvement of highway shelters for drowsy drivers

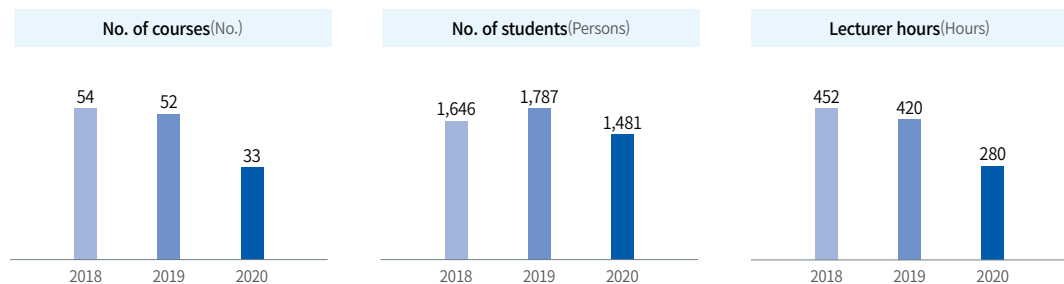
Hyundai Glovis is carrying out a program aimed at improving highway shelters for drowsy drivers, taking into account that a large proportion of highway traffic deaths is caused by those who doze off at the wheel. This is part of our social contribution program, the Safety Awareness Campaign, carried out in cooperation with the Korea Expressway Corporation and the Korean Association for Safe Communities. We selected aged shelters for drowsy drivers within the metropolitan area and installed pergolas, picnic chairs, and parasols to improve their environment and user convenience. As a result, shades were created and cozy scenery was staged, creating a pleasant space for tired drivers to relax after a long drive.



Business status of the Foundation of Korea Logistics Industry Promotion in 2020

Improve competitiveness of small and medium logistics enterprises	<ul style="list-style-type: none"> Logistics education: Regular education, special lectures on logistics certification, ethics and environmental education, safe driving training for trucks, and mutually beneficial cooperation education Improving on-site management capabilities: Shared lectures by experts from accounting firms and the revision of the occupational safety and health laws Consulting support group: Logistics site, process, IT, green logistics, safety consulting
Strengthen networks	<ul style="list-style-type: none"> Conference and reward: Logistics industry promotion conference(academic presentations, etc.) and awards Logistics cooperation forum: Collaboration and seminars with international and domestic logistics organizations and research institutes
Develop the logistics industry	<ul style="list-style-type: none"> Research outsourcing and academic paper contest: Outsourced research and held academic paper contests Logistics start-up support: Logistics start-up competition, incubation center, and public talk Publication of a logistics guide: Publication of a logistics guide for equipment and facilities
Mutual growth	<ul style="list-style-type: none"> Global conference and best company benchmarking: Participation in the Guangzhou and Shanghai conferences Work environment improvement program for small and medium logistics companies: Support for creating rest rooms, toilets, and waiting rooms for employees and drivers
Business support	<ul style="list-style-type: none"> Magazine, social media, and online grievance handling center: Publication of the general logistics web-magazine, operation of social media for the foundation, implementation of online counseling Operation of Board of Directors

Performance of Logistics Courses to Develop Talent



Safety and Health Management



Safety and Health Management Policies and Strategies

Safety and Health Management Policies

Hyundai Glovis has recognized safety, health, and environment(SHE) as a top priority for the company and established a vision and management policy of “SHE Management-First” to contribute to a sustainable future society through the establishment of a mature SHE culture. We would like to realize the ultimate goal to secure future competitiveness through safety management with achievement of zero accident.

Safety and Health Policies and Objectives



With every activity related to these policies open to all interested parties, we take the lead in the corporate culture of safety, health, and environmental management through continued improvement and practice.

Establishment of the Safety Management Policy

Under the slogan “One Glovis! One Safety!” Hyundai Glovis continues to seek and implement measures to comply with the four policies of “SHE compliance,” “achieving no-disaster workplaces,” “zero environmental pollution penalties,” and “building a SHE corporate culture.” We established a integrated safety and health management support system through the composition of safety managers and safety and health TFTs, and strengthened the management system through safety & health committee hosted by executives and safety inspection with improvements. In addition, we have established a global standardized safety and health management system by acquiring ISO 45001 integrated certification of domestic and overseas corporations. To prevent safety accidents, Hyundai Glovis continues its activities to analyze accident types and prevent recurrence, and regularly conducts safety checks at workplaces to find and improve potential risks. In addition, we produce and distribute specialized safety training materials for each task in order to enhance educational effectiveness, and conduct safety campaigns to prevent traffic accidents through consultation with the Korea Transportation Safety Authority. Through this, we are systemizing on-site safety management such as new businesses and conducting safety-first management based on the safety and health management system.

Safety and Health Management

Key Activities and Achievements

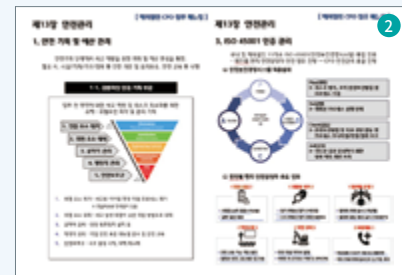
1 Global Standard Awarded Safety Management Award for 2 consecutive years

Hyundai Glovis won the Safety Management Award for the second consecutive year at the 2020 Global Standard Management Awards. Hosted by the Korea Institute of Management Certification(KMR) and sponsored by the Ministry of Trade, Industry and Energy and the Ministry of SMEs and Startups, it was trusted by the Korean industry and the government in the basic “safety management award.” Based on its own safety management system(GSMS), all records can be data reconciled, analyzed, and managed, and health and safety management is considered to be a top priority for systematic management of various types of workplaces.



2 Distribution/Management of Safety Work Manuals of Overseas Corporations

Hyundai Glovis has manualized and distributed material on the safety management at overseas corporations such as safety planning and budget management, QSHE manuals, ISO45001 certification management, and emergency response procedures to help to raise the safety awareness of managers at overseas corporations in relation to the safety tasks of CFOs.



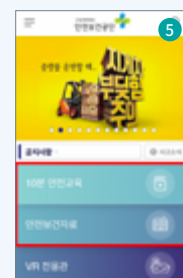
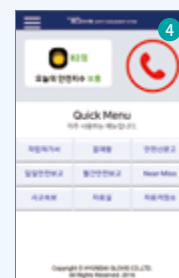
3 Production and Distribution of Training Materials Considering the Nature of Each Job

Departing from boring educational materials, the company collaborated with risk factor personnel by work process at the site through video images using stop motion to produce educational materials tailored to the company in relation to the transportation of finished vehicles, safety-related tasks of forklifts, and more. Not only has the company improved accessibility by making it available to everyone through user-generated content, but it has also capitalized on animation to inspire and engage workers.



4 Enhanced Mobile Site Safety Management System

By enabling workers to enter field inspection results for equipment, facilities, and job status directly on-site through a mobile phone, the company continues to improve safety on the site and increase the efficiency of relevant personnel. In the future, the company plans to widely extend the use of the safety management system to computerize the field safety management results, which have until now been carried out through paperwork.

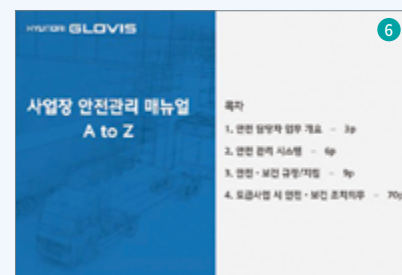


5 Health and Safety Training with an App

Due to the rising importance of occupational safety and health education, an app has been adopted to conduct regular health and safety training for workers as required by the Occupational Safety and Health Act and use a mailing system to manage the results electronically. This reduces the risk of spreading infection during group training in the era of COVID-19 and can increase safety training efficiency at business establishments with a small number of employees.

6 Establishment of a manual for site persons in charge of safety and health

Regarding the major tasks based on Hyundai Glovis' safety and health standards and safety regulations, the manual was produced so that the person in charge could easily understand it, and the safety and health management could be clearly carried out even when a new person was deployed.





7 Advancing the safety and health management system and enhancing the safety culture

Hyundai Glovis has obtained and managed the integrated certification of OHSAS 18001 domestic business establishment and certification of each overseas corporation. In particular, in 2020, the newly enacted ISO 45001 was acquired as an integrated global certification of domestic and overseas corporations, announcing the ‘One Glovis! One Safety!’ stance and operating global upward standardized standards. In addition, we operate a continuous communication system with global health and safety personnel through online and offline workshops.



8 Safety Service Diagnosis and Consulting for Suppliers

The company is seeking ways to achieve mutual prosperity of suppliers and implement its CSR through the safety management status diagnosis and consulting. The goal is to improve safety management of Hyundai Glovis and its suppliers by attracting attention to safety management and removing vulnerabilities. In addition, the company conducted a safety evaluation of 708 suppliers in 2020 to improve safety of suppliers in issues that may arise in the supply chain and provide safer services to its customers.



9 External Visitor Management

The modified scope of people subject to safety management under the revised Occupational Safety and Health Act was changed from “workers” to “any person who provides labor” has raised the importance of safety control of all people visiting business establishments, such as delivery drivers and visitors. Therefore, Hyundai Glovis has established links to a visitor reservation system to provide safety training for those who visit any of its business establishments.



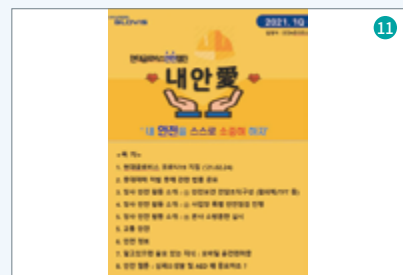
10 Global CCTV System Sophistication

Hyundai Glovis has an emergency situation room to address emergencies such as natural disasters like typhoons, earthquakes, and heavy rain, and monitors domestic and overseas corporations in real-time through a global surveillance camera system to prevent any delays in reporting due to physical and time differences. In 2021, the company will install additional AI surveillance cameras in hazardous areas at its business establishments and improve the global surveillance camera system to better function as part of its plans to improve safety management.



11 Spreading the Culture of Sensible Safety Through a Web Publication on Safety

The company publishes a quarterly safety web magazines to enable itself and its suppliers to rapidly respond to the changing safety environment. The web magazine contains safety-related information such as a brief description of our safety activities, international health and safety trends, and social safety issues. We will continue our horizontal development of inspiring safety awareness and safety culture by enabling workers to accept safety activities as the basic activities required to protect themselves, their family members, and colleagues, rather than something difficult and inconvenient.



Safety and Health Management

12 Fire Emergency Response Training

In February 2021, as Hyundai Glovis relocated its headquarters to Acro Seoul Forest in Seongdong-gu, spanning over the space between 21F and 33F, the company conducted emergency training against fire in which all employees at headquarters participated to improve the employees' ability to respond in the case of fire. Employees mastered emergency response measures by performing tasks they would encounter in the event of a fire or a collapsed patient. In the second half of this year, a joint fire-fighting drill will be conducted, involving all tenants of the building.



13 Improving the Disaster Response Capabilities

Based on the disaster analysis results that can occur in high-rise buildings, Hyundai Glovis aims to strengthen its disaster response capabilities and implementation capabilities by establishing disaster response guides, guiding key contacts, floor evacuation routes, and disaster types.



Maritime Transport Safety Control and Policy Establishment

Hyundai Glovis has established a maritime transport safety control policy to prevent maritime and personal injuries and continued to make efforts to implement the policy. The goal is to establish a safety culture and to reward the trust of our suppliers, customers, employees, and other internal and external stakeholders.





Establishment of a Safety System for Maritime Transport

Establishment of a Dedicated Satellite for Maritime Communication System

Hyundai Glovis built a high-speed, unlimited communications system(MVSAT, Maritime Very Small Aperture Terminal) on all ships in 2016 to improve the working environment of its offshore staff and improve their capability to respond to the prevention of ship accidents, installing a rapid emergency response system between ships and ground divisions.

Extended Installation of Surveillance Cameras Inside Cargo Warehouses of Vehicle Carriers

Existing car-ship cargo trucks consist of 12 floors on average, making it difficult to access and monitor in the event of fire, flooding, etc. To overcome this limitation of existing car-ship cargo trucks, Hyundai Glovis test-installed a total of eight CCTVs in GLOVIS COUGAR in 2018. Through continuous efforts, 16 CCTVs have been installed so far and a total of 7 will be installed this year. As a result, the prevention system has been strengthened to respond quickly to problems such as fire, theft, and flooding in cargo windows.

Reinforcement of ship stability through a big data-based monitoring systems

The construction of a ship monitoring system using big data has increased the safety of the vessel and increased the competitive edge of our ships. We have confirmed the improvement in the data collection ability of vessels on this system as a result of the pilot operation and the resultant improvement in safety and efficiency. As an example, we analyzed information extracted from the vessel engine to predict faults, allowing us to conduct maintenance preemptively and diagnose the current status of the engine. Hyundai Glovis will continue to apply a ship monitoring system that incorporates smart technologies such as big data to further enhance ship safety.

Implementation of Periodic Vessel Safety Inspection Program

Hyundai Glovis makes continuous efforts to identify the safety-vulnerable facilities of the ship in advance to minimize safety incidents. The company periodically inspects the safety of vessels to check security details and improve them.

Participation in a Pilot Telemedicine Program to Prevent Crew Casualties

The company continues to reinforce its prevention program to treat any illnesses that crew members may develop on board. The company participated in the pilot telemedicine program and installed telemedicine equipment in 11 vessels together with the Ministry of Maritime Affairs and Fisheries and Pusan National University. In 2021, our five ships were designated for installation. In addition, we have supplied a larger pool of automated external defibrillators(AED) to 44 vessels in total to respond to any emergency situations.

Safety and Health Management

Health and Safety Management

Health and Safety Management System

Accident management	<ul style="list-style-type: none"> Hyundai Glovis manages the history of safety-related accidents through the GSMS(Safety Management System). Accidents are categorized into general accidents and serious accidents for history management, and the responses against the accidents are analyzed and organized by case and handled as the improvement metrics.
Risk management	<ul style="list-style-type: none"> We create and manage a risk assessment table to evaluate potential risk factors present in each of our business establishments. Evaluated risk factors are classified under 25 risk levels according to quantitative measurement, and response measures and activities are in place depending on the priorities.
Safety training	<ul style="list-style-type: none"> By implementing the GSMS(Safety Management System), we register the personnel who are assigned to the field where the GSMS(Safety Management System) is in place to provide safety-related information to allow our employees and suppliers to freely access safety-related accidents, safety policies, and other safety-related data as educational materials.
Site inspection	<ul style="list-style-type: none"> Regularly site inspection and issuance of guideline on a half-yearly basis and also for holiday period are being implemented(implements) with regular Randomly site inspection. In addition, we provide training in advance on safety-related accidents that may occur every half year and during long holidays.
Accident prevention activities	<ul style="list-style-type: none"> Monthly themed activities for accident prevention Every year, we select monthly themes and engage in the activities in relation to preventive activities, education, and management within the organization as part of our efforts to provide support for the safety of our business establishments. Accident cost analysis to enhance risk management In order to enhance the effectiveness of safety management and management of risk factors, we analyze the cost of accidents that occur during transportation. Analysis of the traffic law violation rate to raise the driver safety awareness Each month, we perform an analysis and provide feedback based on the data on the violation of traffic laws to arouse attention to risk factors that may lead to serious accidents and encourage people to drive safely.

Safety and Health Management System

Hyundai Glovis acquired the ISO 45001 global integrated certification in 2020 in compliance with international standards for safety and health management of domestic and overseas corporations. Safety & Environment team from the headquarters and the associated business organization are responsible for the distribution of the safety regulations by the business unit and the supervision and management of the execution results. The Occupational Safety and Health Committee and the Ship Safety Management Committee have held meetings on health and safety issues and continue to discuss matters.

Site-Specific Safety and Health Performance Assessment

The goal is to manage site-specific KPI to improve safety and continue to make improvements to the management. The maritime transport evaluation places a focus on the number of accidents and losses arising from the accident. The evaluation of the business establishments reflects with more weight on safety-related accidents and safety management evaluation. In addition, the company conducts integrated occupational accident management for cooperation with its suppliers and continues to keep an eye on this issue as part of its efforts to prevent occupational accidents at Hyundai Glovis and its suppliers.

Lost Time Injury Frequency Rate(LTIFR¹⁾)

Classification	Unit	2018	2019	2020
Employees	%	0.38	0.35 ³⁾	0.33
Internal supplier ²⁾	%	2.22 ⁴⁾	1.35	2.08

Disaster Rate

Classification	Unit	2018	2019	2020
Employees	%	0.08	0.07 ³⁾	0.07
Internal supplier ²⁾	%	0.51 ⁴⁾	0.28	0.44

1) Lost-Time Injuries Frequency Rate(LTIFR)

2) Internal suppliers: Employees of suppliers within the self-owned and rented distribution centers

3), 4) Data modified with additional recognition of occupational accidents

Participation of Stakeholders

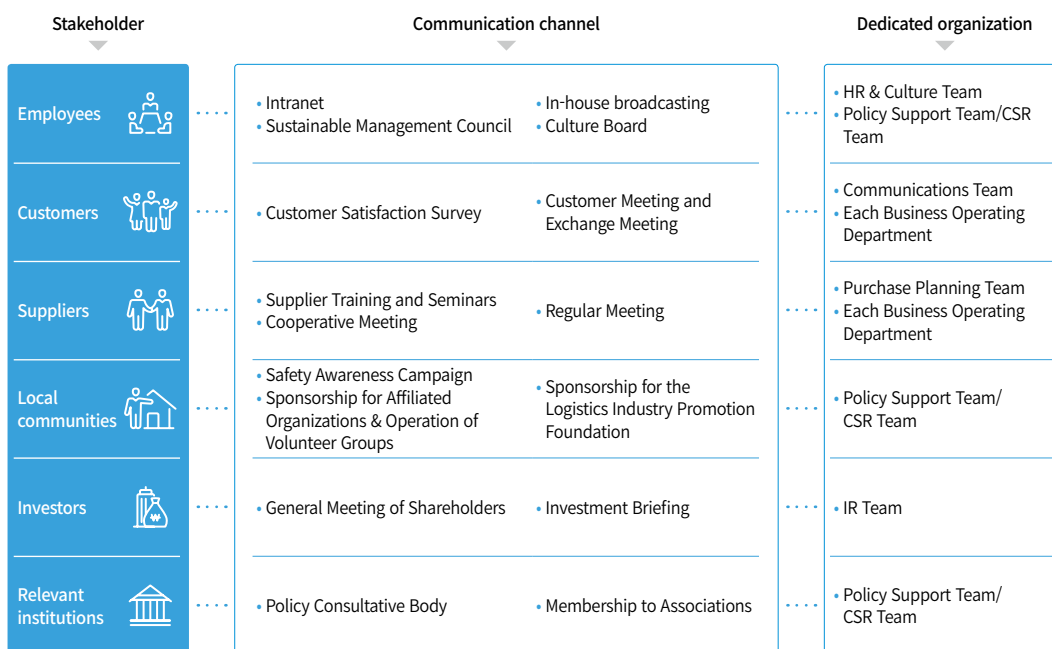


Participation of Stakeholders

Hyundai Glovis would like to collect input from internal and external stakeholders to drive sustainable management. The company has established a variety of stakeholder engagement channels to continue communication.

Stakeholder Participating Channels

The company has set its employees, suppliers, customers, investors, communities, and associated organizations as its key stakeholders and administers communication channels. The company has a dedicated organization for each channel for a professional response.



Creation and Distribution of Economic Performance

Classification	Unit	2018	2019	2020	Note
Employees	Wage for employees Thousand won	374,821	423,921	447,341	2020 Annual report p131, 2019 Annual report p129
Shareholders and investors	Interest cost Thousand won	75,635	103,508	84,796	2020 Annual report p146, 2019 Annual report p142
	Total dividend Thousand won	123,750	131,250	131,250	2020 Annual report p127, 2019 Annual report p227
Government	Income tax expense Thousand won	188,940	225,008	160,406	2020 Annual report p146, 2019 Annual report p142
Local community	Contribution Thousand won	3,336	2,854	3,409	2020 Annual report p130, 2019 Annual report p128 (Consolidated)
Supplier	Purchase amount Thousand won	34,060	37,851	37,859	Service, subcontracting, general purchases (bunker, shipping material, packaging, equipment/design, materials etc.)

APPENDIX

88 Financial Data

90 Materiality Assessment

94 GRI Content Index

96 WEF Content Index

98 TCFD & UNGC

99 Hyundai Glovis Charter for Human Rights

104 Greenhouse Gas Emissions Verification Description

105 Greenhouse Gas Emissions Verification Statement for Ships

106 Third-party Assurance Report



Financial Data

The 20th term 2020.01.01 to 12.31 2020
The 19th term 2019.01.01 to 12.31 2019

Consolidated Financial Statement

(Unit: KRW million)

Accounts	Based on the consolidated accounting standards	
	20th term	19th term
Current assets	5,950,125	5,054,301
Non-current assets	4,948,579	5,075,435
Total assets	10,898,704	10,129,736
Current liabilities	3,547,702	3,413,465
Non-current liabilities	2,284,634	2,045,991
Total liabilities	5,832,336	5,459,456
Capital stock	18,750	18,750
Capital surplus	153,619	153,619
Accumulated other comprehensive income	-72,816	6,301
Retained earnings	4,966,822	4,492,540
Other components of equity	-927	-927
Non-controlling interests	922	-3
Total capital	5,066,369	4,670,280

Consolidated Income Statement

(Unit: KRW million)

Accounts	Based on the consolidated accounting standards	
	20th term	19th term
Sales	16,519,885	18,270,050
Cost of Sales	15,229,429	16,903,574
Gross profit	1,290,456	1,366,476
Sales and administrative expenses	628,305	489,939
Operating income	662,151	876,538
Financial income	34,209	37,257
Other non-operating income	672,536	350,239
Financial income	84,796	103,508
Other income	547,138	474,935
Equity method income	29,588	41,740
Net income before income tax expense	766,549	727,331
Income tax expense	160,406	225,008
Net income	606,143	502,323

Consolidated Comprehensive Statements of Income

(Unit: KRW million)

Accounts	Based on the consolidated accounting standards	
	20th term	19th term
Net income	606,143	502,323
Other comprehensive income(Loss)		
Items reclassified subsequently to profit or loss	-68,224	12,320
Gain(loss) on the valuation of AFS financial assets	-1,133	-7,302
Changes in capital from equity method investments	-67,091	19,623
Gain(loss) on overseas operations translation	-11,595	19,220
Items not reclassified subsequently to profit or loss:	-10,925	22,601
Retained earnings from equity method investments	450	-998
Remeasurement of defined benefit plans	-1,120	-2,383
Others	-79,819	31,540
Total comprehensive income	526,324	533,863

The 20th term 2020.01.01 to 12.31 2020
The 19th term 2019.01.01 to 12.31 2019

Consolidated Statement of Changes in Stockholders' Equity

(Unit: KRW million)

Category	Capital stock	Capital surplus	Accumulated other comprehensive income	Retained earnings	Other equity components	Profit attributable to owners of parent company	Non-controlling interests	Total
January 1, 2019 (FY 2019 beginning)	18,750	153,619	-28,620	4,117,349	-927	4,260,170	-3	4,260,167
Total comprehensive income:								
Net income				502,323		502,323	0	502,323
Other comprehensive income			22,601			22,601		22,601
- Valuation profit and loss of financial asset at fair value								
Remeasurement of defined benefit plans				-2,383		-2,383		-2,383
Changes in capital from equity method investments			-7,302			-7,302		-7,302
Retained earnings from equity method investment				-998		-998		-998
Gain(loss) on overseas operations translation			19,623			19,623		19,623
Total			34,921	498,942		533,863		533,863
Transactions with shareholders directly reflected in capital:								
Annual dividend				-123,750		-123,750		-123,750
Changes in the scope of consolidation								
December 31, 2019 (FY 2019 end)	18,750	153,619	6,301	4,492,540	-927	4,670,283	-3	4,670,280
January 1, 2020 (FY 2020 beginning)	18,750	153,619	6,301	4,492,540	-927	4,670,283	-3	4,670,280
Total comprehensive income:								
Income before income tax expense				606,201		606,201	-58	606,143
Other comprehensive income			-10,925			-10,925		-10,925
- Valuation profit and loss of financial asset at fair value								
Available-for-sale(AFS) financial assets				-1,120		-1,120		-1,120
Changes in capital from equity method investments			-1,133			-1,133		-1,133
Retained earnings from equity method investments				450		450		450
Gain(loss) on overseas operations translation			-67,059			-67,059	-32	-67,091
Total			-79,117	605,531		526,414	-91	526,324
Transactions with shareholders directly reflected in capital:								
Annual dividend				-131,250		-131,250		-131,250
Changes in the scope of consolidation							1,015	1,015
December 31, 2020 (FY 2020 end)	18,750	153,619	-72,816	4,966,822	-927	5,065,447	922	5,066,369

Consolidated Cash Flow Statement

(Unit: KRW million)

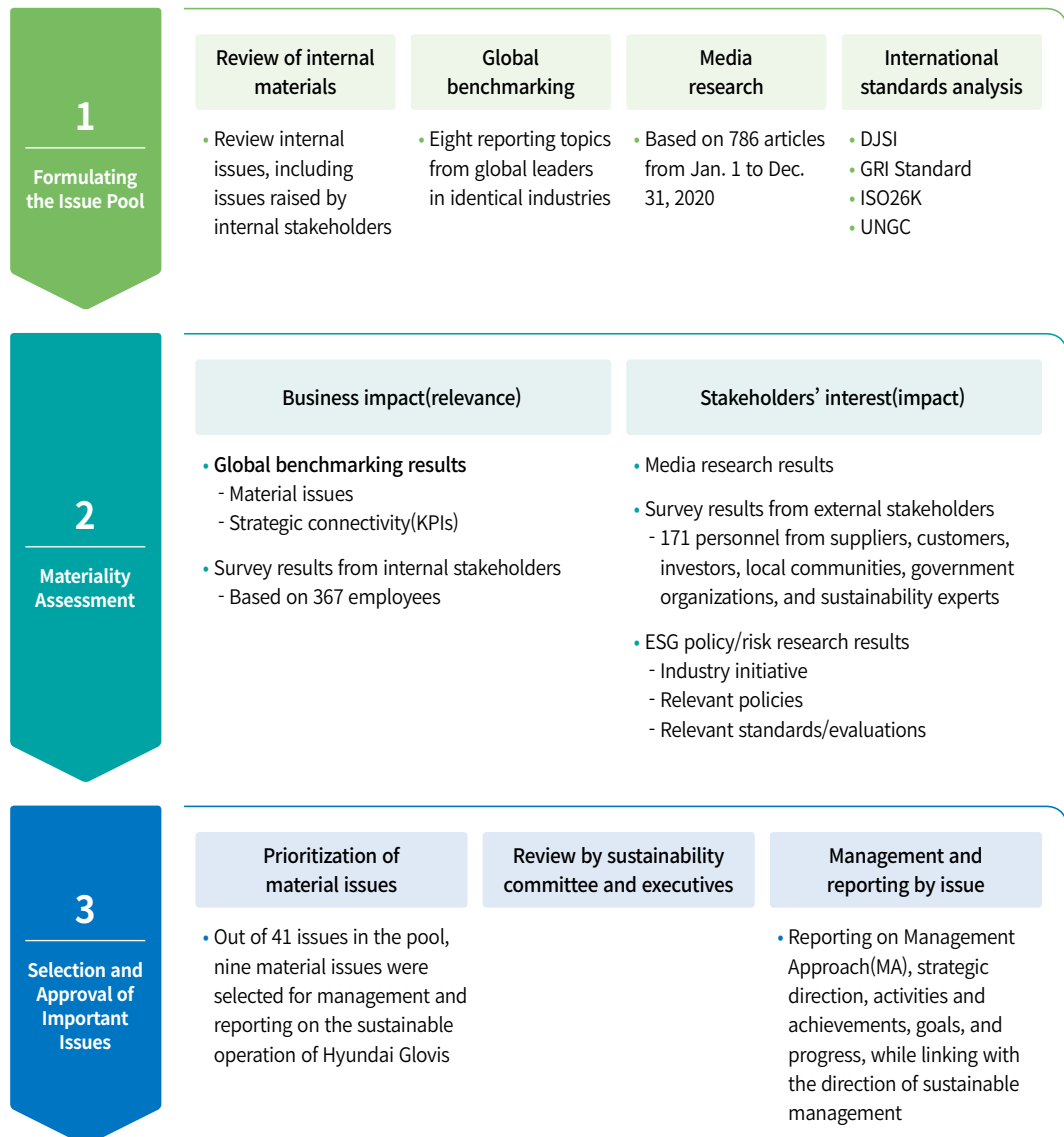
Item	Based on the consolidated accounting standards	
	20th term	19th term
Cash flows from operating activities	976,883	740,967
Cash flows from investing activities	-198,426	-342,642
Cash flows from financing activities	-31,498	-364,106
Increase in cash and cash equivalents	746,959	34,219
Changes in cash and cash equivalents by foreign currency translation	-35,602	14,221
Cash and cash equivalents at the beginning of year	689,790	641,350
Cash and cash equivalents at the end of year	1,401,147	689,790

Materiality Assessment

Materiality Assessment Overview

Every year, Hyundai Glovis examines material issues in accordance with the materiality method stated by Global Reporting Initiative(GRI) Standard guidelines. We reviewed our internal and external environment; including benchmarking of leading companies in our sector, media exposure, global standards, and initiatives; to form a pool of issues for sustainability in the economic, social, and environmental fields to promote the sustainability management aspect of its business. The materiality assessment results are ultimately reviewed by sustainability organizations and executives for approval. This report was written in the first half of 2021 and reflects Hyundai Glovis’s material issues in economy, society, and environment as well as response methods and performance for 2020. Also, we will respond to the critical issue by writing it on the management approach page(32, 44, and 50 pages).

Materiality Assessment Process



Result of Material Assessment

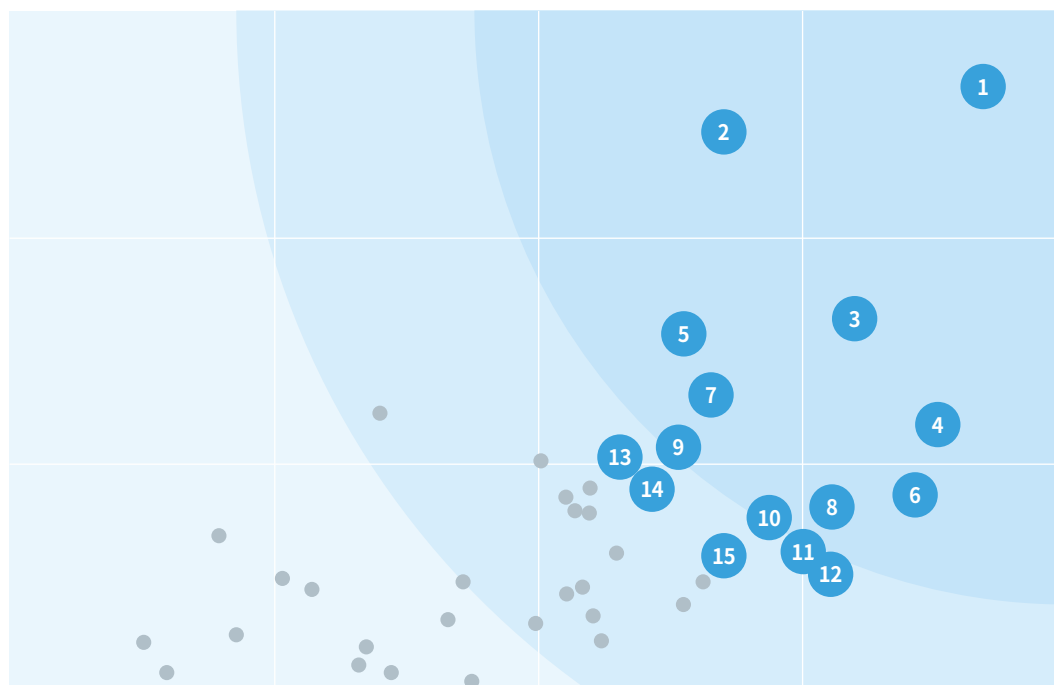


Table of contents for reporting core issues

No	Important issues	Related report topics	Impact of the issue			Report page
			Cost	Revenue	Risk	
1	Creation of economic value through core business operation	Business Performance Achievements		●		27
2	Global expansion of logistics business	Our Business - 01. Logistics		●		18-23
3	Execution of social contribution activities connected to work characteristics	Corporate Social Responsibility	●			76-78
4	Provision of eco-friendly logistics services	Material Issue 1. Environmental Management		●	●	32-43
5	Affiliate growth policy and activity enhancement	Material Issue 2. Differentiation of Supply Chain for the Future		●	●	44-49
6	Enhancement of moral actions of executives and employees	Ethical Management			●	68-70
7	Execution of social contribution activities that take community characteristics into account	Corporate Social Responsibility	●			76-78
8	Enhancement of corruption prevention activities for executives and employees	Ethical Management			●	68-70
9	Enhancement of customized customer satisfaction activities	Material Issue 3. Organization for People	●	●		57-61
10	Management of energy consumption and increased efficiency	Material Issue 1. Environmental Management			●	32-43
11	Greenhouse gas discharge volume management and reduction	Material Issue 1. Environmental Management	●		●	32-43
12	Enhancement of welfare system for executives and employees	Material Issue 3. Organization for People	●			55
13	Efforts to manage community safety and health	Safety and Health Management			●	79-84
14	Enhancement of management systems based on executive & employee safety and efficiency	Safety and Health Management			●	79-84
15	Execution of educational programs for executives and employee capacity enhancement	Material Issue 3. Organization for People	●			52-53

Materiality Assessment

Management of important issues

Material Issue	Context
<p>Creation of economic value through core business operation</p> <p>1</p>	<p>One of the most important responsibilities for a company is to achieve survival and sustainable growth through economic profit-making. Therefore, it is necessary to secure and maintain competitiveness in business operations such as technology, know-how, human resources, and systems. It is necessary to run a business that responds quickly to changes in the environment around the business and demonstrates its competitive edge.</p>
<p>Global expansion of logistics business</p> <p>2</p>	<p>Pioneering new markets and finding customers are the first steps toward continuous economic value creation. As a result, global companies are working harder to establish overseas bases and find new customers overseas. Due to the characteristics of the logistics business, which is important to respond more quickly and accurately to customer needs, it is necessary to place overseas corporations and offices in major hubs.</p>
<p>Execution of social contribution activities connected to work characteristics</p> <p>3</p>	<p>Through social contribution activities linked to business characteristics, companies and communities directly and indirectly interact. In order to expand positive perception of companies and seek diverse cooperation in the course of management activities, we need to contribute to creating social values such as active communication and social contribution activities.</p>
<p>Provision of eco-friendly logistics services</p> <p>4</p>	<p>As stakeholders strengthen their needs, the environmental responsibilities and impact of logistics companies are becoming enormous. The International Maritime Organization(IMO) implemented regulations to reduce sulfur oxides in 2020, and the European Parliament announced its decision to include shipping in the EU Emissions Trading System(ETS).</p>
<p>Affiliate growth policy and activity enhancement</p> <p>5</p>	<p>Demand for supply chain ESG risk management is increasing for corporate growth engines and job creation and shared growth through securing global competitiveness.</p> <p>The importance of preemptive response to sustainability management of suppliers has increased, with the EU's legal committee adopting a mandatory report on supply chain human rights and environmental due diligence.</p>
<p>Enhancement of customized customer satisfaction activities</p> <p>6</p>	<p>Because the growth of companies in the logistics industry is directly related to the growth of customers, it is very important to build trust through realizing customer value and improving satisfaction. In addition, as a Global Smart SCM Provider, customer value must be realized by gaining diverse customers and recognizing customer satisfaction as a prerequisite for enterprise growth.</p>

Our Approach	2020 Achievement	Reporting Page
<p>Hyundai Glovis has differentiated competitiveness based on know-how in logistics and distribution and global network. We are also promoting growth as a global comprehensive logistics company through continuous growth and constant business capabilities in the five core business sectors of military logistics, shipping, KD, trading, and auto-biz. Ultimately, we want to deliver the best service to our customers.</p>	<ul style="list-style-type: none"> • Greatest record performance since company establishment - Sales amount KRW 16 trillion 519.9 billion - Current net income KRW 601.1 billion 	6, 27
<p>Hyundai Glovis aims to establish itself as a Global Top Tier logistics company by establishing a global network through strategic alliances or mergers and securing local logistics execution capabilities. We are establishing regional differentiation in marketing and services through a total of 84 overseas bases including 35 overseas corporations. Also, we would like to send 'Global Pioneer' to the unexplored logistics market to explore business opportunities in emerging logistics markets.</p>	<ul style="list-style-type: none"> • New branch established in Kazakhstan • European completed car shipping contract for China signed with Volkswagen Group • Advancement into Chinese cold chain market 	14-15, 18-23
<p>Hyundai Glovis has established a social contribution strategy to reflect changing social challenges and carry out more systematic social contribution activities. We are implementing social contribution activities that link the business characteristics of comprehensive logistics companies with management policies that prioritize "safety" through community sharing activities, including safety empathy campaigns.</p>	<ul style="list-style-type: none"> • Free shipping of supplies to areas affected by COVID-19 • Road dust removal project • Delivery of relief trucks to disaster zones • Contact-free delivery of safe driving kits • Improvement of sleeping rest areas on highways 	76-78
<p>Hyundai Glovis has established and implemented detailed plans for each workplace to realize eco-friendly green logistics based on its goals of reducing greenhouse gas emissions, minimizing pollutant emissions, and strengthening environmental awareness. In addition, Hyundai Glovis plans to expand internal and external reductions in greenhouse gas emissions by upgrading the management of greenhouse gas emissions as it is designated as a target for emission trading system allocation.</p>	<ul style="list-style-type: none"> • Global Standard Green Management Award • Clean shipping index(CSI) certified • CDP Carbon Management Honors Club four years in a row • Korea Corporate Governance Service ESG environmental sector evaluation A grade 	32-43
<p>Hyundai Glovis identifies and manages ESG risks in the supply chain every year through performance evaluation, credit evaluation, and ethical management evaluation. We have checked and prioritized the financial environment and environmental management level of our partners, and we consider these ESG elements as important in selecting new partners by reflecting them in the supply chain management system registration evaluation.</p>	<ul style="list-style-type: none"> • Expanded the operation of the evaluation system for ethical practices of suppliers • Supply chain ESG risk assessment conducted • Held meetings with suppliers 	44-49
<p>To provide the best service to satisfy customers, Hyundai Glovis has established a vision of streamlining the entire customer value chain. We are conducting effective customer satisfaction improvement activities with CS leaders of each team and corporation, such as conducting customer satisfaction surveys and VOC systems developed according to the characteristics of each business, and providing service quality training to employees and suppliers.</p>	<ul style="list-style-type: none"> • Hosted the 2020 CS Awards • Built Glovis CS Career Path • Online training for information security for executives and employees • Regular online phishing mail response training 	57-61

GRI Content Index

UNIVERSAL STANDARDS(GRI 100)

GRI Standards	Public	Index	Page	Remarks
Organizational profile	102-1	Organization name	6	
	102-2	Activity and representative brand, products, and services	6	
	102-3	HQ location	6	
	102-4	Business region	14-15	
	102-5	Possessive structure characteristics and legal form	-	Annual report p.340
	102-6	Market area	18-26	
	102-7	Organizational size	6	
	102-8	Information regarding executives, employees, and laborers	51	
	102-9	Organizational supply network	49	
	102-10	Important changes in organizations and supply networks	-	No cases
	102-11	Preventive principles and approaches	71-73	
	102-12	External initiative	-	UN SDGs, UNGC, CDP, VSR(Vessel Speed Reduction), TCFD, WEF
	102-13	Association membership	69	
Strategy	102-14	CEO statement	4-5	
	102-15	Major influences, threats, and opportunities	72	
Integrity and cleanliness	102-16	Values, principles, standards, code of conduct	6, 73, 99-103	
	102-17	Ethical information and difficulty processing mechanism	68-69	
Governance	102-18	Governance	64-67	
	102-32	Role of top decision-making organ's role regarding sustainability report	90	
	102-36	Repair decision procedures	67	
Interested party participation	102-40	List of interested parties related to the organization	85	
	102-41	Group agreement	54	
	102-42	Interested party ascertainment and selection	85	
	102-43	Interested party participation method	85	
	102-44	Core topics and interests suggested by interested party participation	90-91	
Reporting practices	102-45	List of entities included in the organizational connection financial statements (subsidiaries and joint ventures)	-	Annual report p.340
	102-46	Definition of boundaries for report content and topics	2	
	102-47	List of important topics	91	
	102-48	Redescription of information	53	
	102-49	Changes in reporting	-	No cases
	102-50	Reporting period	2	
	102-51	Most recent reporting date	2	
	102-52	Reporting period	2	
	102-53	Inquiries about reports	2	
	102-54	Reporting method according to GRI Standards	2	
	102-55	GRI index	94-95	
	102-56	External verification	106-107	



ECONOMIC PERFORMANCE(GRI 200)

GRI Standards	Public	Index	Page	Remarks
Economic achievements	201-1	Creation and distribution of direct economic value	27	Annual report p25-26
Indirect economic effects	203-1	Infrastructure investment and service support for public service	76-78	

Environmental Performance(GRI 300)

GRI Standards	Public	Index	Page	Remarks
Energy	302-1	Energy consumption inside the organization	42-43	
	302-3	Energy intensity	42-43	
	302-4	Energy consumption reduction	42-43	
	302-5	Reduction of energy use by products and services	39,43	
Available water	303-3	Water-intake	43	
	303-5	Available water use	43	
GHG Emissions	305-1	Direct(Scope 1) GHG emissions	43	
	305-2	Indirect(Scope 2) GHG emissions	43	
Waste	306-3	Waste production	43	
	306-4	Recyclable waste	43	
Environmental grievance processing system	307-1	Environmental law/regulation violation	41-42	No cases
Supplier environmental review	308-1	New suppliers selected using environmental standards	48	
	308-2	Negative environmental influences that exist or have the potential to exist inside the supply network and relevant actions	47-48	

SOCIAL PERFORMANCE(GRI 400)

GRI Standards	Public	Index	Page	Remarks
Hiring	401-1	Hiring new employees and transfers	53	
	401-2	Compensation for regular employees not offered to temporary or part-time workers	55	
	401-3	Parental leave	55	
Labor-management relations	402-1	Minimum announcement periods regarding management changes	55	
Industrial safety and health	403-1	Management approaches	79-84	
Training and education	404-1	Average education time for each executive/employee	52	
	404-2	Programs for enhanced capacity of executives and staff	52-53	
	404-3	Ratio of executives and employees who have produced regular achievements and received work experience reviews	54	
Diverse performance metrics, fair opportunities	405-1	Governance body and executive/employee diversity	51	
Prohibition against discrimination	406-1	Discrimination and corrective measures against such	-	No discrimination case reported
Compliance	419-1	Violation of social/economic laws and regulations	-	1 case



WEF Content Index

1. Principles of Governance

Metrics	Disclosures	2020 Reporting Page
Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	30-31
Governance body composition	Composition of the highest governance body and its committees by:	64-65
	- Competencies relating to economic, environmental and social topics	66
	- Executive or Non-Executive	64
	- Independence	65-66
	- Tenure on the governance body	In the Annual Report 1. Board of Directors
	- Number of each individual's other significant positions and commitments, and the nature of the commitments	In the Annual Report 1. Board of Directors
	- Gender	64
	- Membership of under-represented social groups	-
Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company,	90-91
	how the topics were identified and how the stakeholders were engaged.	90-91
Anti-corruption	1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region	69
	a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years	68
	b) Total number and nature of incidents of corruption confirmed during the current year, related to this year	68
	2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption	68
Protected ethics advice and reporting mechanisms	A description of internal and external mechanisms for:	68
	1. Seeking advice about ethical and lawful behaviour and organizational integrity;	68
	2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	68
Integrating risk and opportunity into business process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks). These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship	72
	- the company appetite in respect of these risks,	72
	- how these risks and opportunities have moved over time and the response to those changes	72

2. Planet

Metrics	Disclosures	2020 Reporting Page
Greenhouse gas (GHG) emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions	43
	Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate	-
TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)	98
	If necessary, disclose a timeline of at most three years for full implementation	-
	Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement	31
Land use and ecological sensitivity	- to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C	
	- and to achieve net-zero emissions before 2050	
Water consumption and withdrawal in water-stressed areas	Report the number of sites owned, leased or managed in or adjacent to protected areas** and/or key biodiversity areas (KBA*)	-
	* Biodiversity area identifiable at * KBA: http://www.keybiodiversityareas.org/site/mapsearch	
	** Protection zone: Means a place designated as a protection zone pursuant to laws/regulations of each country	
	Report for operations where material: with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool	-
	* Water Stress Zone Identifiable at WRI: https://www.wri.org/aqueduct	
- megalitres of water withdrawn	-	
- megalitres of water consumed	43	
- and the percentage of each in regions	-	
Estimate and report the same information for the full value chain (upstream and downstream) where appropriate	-	

3. People

Metrics	Disclosures	2020 Reporting Page
Diversity and Inclusion	Percentage of employees per employee category,	-
	- by age group	51
	- by gender	51
	- by other indicators of diversity(e.g. ethnicity)	51
Pay equality	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality:	-
	- women to men	52
	- minor to major ethnic groups	-
	- and other relevant equality areas	-
Wage level	Ratios of standard entry level wage by gender compared to local minimum wage	52
	Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO	66
Risk for incidents of child, forced or compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to:	-
	- Type of operation(such as manufacturing plant) and type of supplier; and	-
	- Countries or geographic areas with operations and suppliers considered at risk	-
Health and safety	The number and rate of fatalities as a result of work-related injury	-
	The number and rate of high-consequence work-related injuries(excluding fatalities)	84
	The number and rate of recordable work-related injuries	84
	The number and rate of main types of work-related injury	-
	the number of hours worked	-
	An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers	-
		-
Training Provided	Average hours of training per person that the organization's employees have undertaken during the reporting period, (total number of hours of training provided to employees divided by the number of employees)	-
	- by gender	52
	- by employee category	52
	Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees)	52
		-

4. Prosperity

Metrics	Disclosures	2020 Reporting Page
Absolute number and rate of employment	1. Total number and rate of new employee hires during the reporting period,	-
	- by age group	53
	- by gender	53
	- by other indicators of diversity	53
	- by region	53
	2. Total number and rate of employee turnover during the reporting period,	53
	- by age group	-
	- by gender	-
	- by other indicators of diversity	-
	- by region	-
Economic contribution	1. Direct economic value generated and distributed(EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: <small>Accounting for accrual shares: accounting for corporate accounting separately calculating profit or loss for the period</small>	-
	- Revenues	88
	- Operating Cos	88
	- Employee wages and benefits	85
	- Payments to providers of capital	85
	- Payments to government	85
	- Community investement	85
	2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period	-
		-
		-
Financial investment contribution	1. Total capital expenditures(CapEx) minus depreciation, supported by narrative to describe the company's investment strategy	-
	2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders	-
Total R&D expenses	Total costs related to research and development.	-
Total tax paid	The total global tax borne by the company	-
	- corporate income taxes	85
	- property taxes	-
	- non-creditable VAT and other sales taxes ※ Non-deductible VAT: (FOB price of export goods - bonded raw material price) × (increase tax rate-refund rate)	-
	- employer-paid payroll taxes	-
	- and other taxes that constitute costs to the company, by category of taxes	-
		-

TCFD & UNGC

TCFD Index

Category	TCFD Recommendation	Remarks
Governance	a) Explanation of oversight of board of directors regarding the threats/opportunities regarding climate change	CDP C1.1a, C1.1b
	b) Explanation of the role of management who evaluate and manage related to the dangers and opportunities related to climate change	CDP C1.2a
Strategy	a) Explanation of threats/opportunities regarding climate change found by the organization over the short, mid-, and long term	CDP C2.2a, C2.3a, C2.4a, C3.1f
	b) Explanation of the impact of threats/opportunities regarding climate change on the organization's business, strategies, and financial plans	CDP C3.1d, C3.1e
	c) The resilience of the organizational strategy that take various climate-change related scenarios (including the Paris Climate Change Agreement's 2°C scenario) into account	CDP C3.1b, C3.1f
Risk management	a) Explanation of the organization's process for identifying and evaluating climate change-related dangers	CDP C.1.2a, C2.2
	b) Explanation of the organization's process for managing climate change-related dangers	CDP C2.2
	c) Explanation of how the process of identifying, evaluating, and managing climate change-related dangers integrates with the organization's overall danger management	CDP C2.2
Indicators and reduction goals	a) Revealing indexes used for evaluating threats and opportunities by the organization according to the strategy and risk management process	CDP C2.1b
	b) Revealing discharge volume of greenhouse gases and related dangers according to scope 1, scope 2, and(if necessary) scope 3	CDP C2.2a, C5.1, C6.5
	c) Explanation of targets used by the organization to manage threats, opportunities, and goals (compared to performance) related to climate change	CDP C4

UN Global Compact

Category	Principle	Description
Human rights	Principle 1	The corporation must support and respect the internationally declared protection of human rights
	Principle 2	and work actively not to be involved in their infringement.
Labor	Principle 3	The corporation supports the actual acknowledgement of the right to bargain collectively freedom of association,
	Principle 4	excludes all forms of forced labor,
	Principle 5	effectively abolishes child labor,
	Principle 6	and abolishes discrimination in hiring and work.
Environment	Principle 7	The corporation supports preventive approaches to environmental concerns,
	Principle 8	executes measures to enhance environmental responsibilities,
	Principle 9	and facilitates the development and proliferation of eco-friendly technology.
Anti-corruption	Principle 10	The corporation opposes all forms of corruption including wrongful acquisition, bribery, etc.



Hyundai Glovis Charter for Human Rights

1. OUTLINE

A. Purpose of Establishing the Charter for Human Rights

In order to have Hyundai Glovis proactively support human rights, prevent human rights violations following the operation of the business simultaneously and moderate pertinent risk, Hyundai Glovis hereby proclaims the Charter for Human Rights. For human rights management, Hyundai Glovis is committed to complying with a wide range of recognized human rights/labor-related international standards and guidelines, such as the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights and International Labor Organization, key agreements, and OECD Due Diligence Guidance for responsible Business Conduct, among others.

B. Scope of Application of the Charter for Human Rights

This Human Rights Charter applies to all executives and employees(including those working in irregular positions) of Hyundai Glovis, including production and sales corporate bodies at home and abroad, subsidiaries, second-tier subsidiaries, and joint ventures. In addition, executives and employees of Hyundai Glovis follow this Charter for Human Rights when collaborating with suppliers, sales and service organizations, and furthermore, we recommend that all stakeholders under the transaction relations respect this Charter for Human Rights. In the event that the matters handled under this Charter for Human Rights contradict the laws and regulations of the local state, the local laws and regulations are complied with first, and with the exception of cases of having special provisions in the laws of local states, articles of incorporation or company regulations of organization, and so forth the works are carried out in accordance with this Charter for Human Rights of Hyundai Glovis.

C. Human Rights Risk Management System

Hyundai Glovis should establish an internal system required for implementing the human rights management in accordance with this Charter for Human Rights for respecting the human rights of all officers and employees and relieves the ensuing risk, and the human rights risk is regularly evaluated and improved, sufficiently sharing the result with stakeholders. The organization in charge of human rights management for Hyundai Glovis carries out the management system of human rights risk following the principle of good faith and due diligence, and reviews the human rights management procedure on a regular basis, actively reflecting social change to revise the management system.



2. BASIC PRINCIPLE

Article 1 Prohibition of Discrimination

Hyundai Glovis does not discriminate against anyone in the aspect of employment, promotion, education, wage, welfare, etc. on the ground of gender, race, ethnicity, nationality, religion, disability, age, family status, social status, and political opinion for all officers and employees and it structures the organizational culture to respect the diversity of officers and employees.

Article 2 Compliance with Working Conditions

Hyundai Glovis complies with the legal work hours for each country where it engages in business and it pays all officers and employees reasonable wages for the work together with the wage statement. In addition, it provides a work environment appropriate for the performance of duties and sufficient opportunity of education for developing the competency of and improving the quality of life for all officers and employees.

Hyundai Glovis Charter for Human Rights

Article 3 Humane Treatment

Hyundai Glovis respects the privacy of officers and employees and fully protects personal information and it does not abuse, mentally or physically, or adversely treat any officer or employee.

Article 4 Guarantee of the Freedom of Association and Collective Bargaining

Hyundai Glovis respects the labor relations laws of the country where this Charter for Human Rights is applied to provide sufficient opportunity for communication with all officers and employees.

Article 5 Prohibition of Forced Labor and Child Labor

Hyundai Glovis does not engage in any act of violence, threat, false imprisonment or the like against any officer or employee and it does not coerce any work against the free will by the method of demanding a personal ID or company ID. In addition, child labor is prohibited in principle and the company takes measures so that minors' opportunity for education will not be restricted due to their work.

Article 6 Guarantee of Industrial Safety

Hyundai Glovis regularly inspects the facilities, equipment, tools and others of the business premises for all officers and employees to work in a safe work environment and prepares the support plan for post management and appropriate measures for the purpose of preventing physical and mental hazards.

Article 7 Protection of the Human Rights of Local Residents

All officers and employees of Hyundai Glovis are cautioned not to interfere with the human rights of the local residents when carrying out their work. Moreover, the rights to safety and health for local residents, and freedom of residence are protected.

Article 8 Protection of the Human Rights for Customers

All officers and employees of Hyundai Glovis must make it their highest priority to protect the life, health and property of customers when providing products and services, and must make their best endeavors to protect the personal information collected from management activities.

3. ESTABLISHMENT OF THE SYSTEM

A. Establishment of Governance

① Responsibility of Human Rights Management

Hyundai Glovis should manage and supervise the status of promoting the human rights management through the meetings of committees or management conferences participated in by the highest decision makers or decision makers of major departments or working conferences participated in by decision makers of key departments. The role of committees, management conferences, or working meetings and the scope of responsibility could be classified for the 1) review of the establishment or revision of the Charter for Human Rights, 2) presenting opinions on revising pertinent internal regulations, such as the personnel system, employment regulations, audit standards and others, 3) recommendation for actions on implementation and result of evaluating human rights risks, 4) instruction for investigation on cases of human rights violations and deliberation for relief plans, and 5) other matters deemed to be required for the protection of human rights.

② Performance of Human Rights Management

Hyundai Glovis should have the organization to be in charge of human rights management to carry out the relevant affairs. The works to be carried out by the organization in charge of human rights management may be classified for the 1) establishment and revision of the Charter for Human Rights, 2) establishment of the human rights management execution plan, 3) evaluation of the human rights risk, 4) operation of the grievance channel, and, 5) in-house education and report as well as external communication.

B. Operation of the Grievance Procedure

① Report and Reception of Violations of Human Rights

Hyundai Glovis should operate a channel to receive the report from officers and employees or other persons or organizations (reporters) that suffer a human rights violation or perceived human rights risk. Upon receiving a report of a human rights violation, the characteristics of the individual report case are considered in discussion for a detailed relief plan regarding the case of human rights violence by the pertinent department.

Grievance Channel to Report Violations of Human Rights

- Name of department: HR&Culture Team
- E-mail: euna@glovis.net
- TEL: +82-2-6191-8892
- FAX: +82-2-6191-8114

② Processing of Reports on Violations of Human Rights

Hyundai Glovis shall, with reference to court precedents, regulations of relevant government agencies, past internal practices and other industrial practices, strive to identify the best course of remedial action with support from the legal department. In the event that the cases of human rights violence exercise significant influence on freedom and the rights of victims or it is highly likely to create risks to the corporate reputation, the relief plan may be discussed by a committee, management conference, practical meeting and gatherings in which the highest decision makers participate.

③ Guarantee of Status for Reporters

Executives and employees of all Hyundai Glovis affiliates must not disclose, reveal or otherwise report any personally identifiable information that may be used to identify a reporter. All information relating to victims, incidents, remedial procedures and outcomes, as transmitted during the reporting and notification process, must be kept strictly confidential. In addition, measures must be implemented to protect employees from adverse consequences arising from the reporting of human rights violations and risks.

C. Education and Efforts to Raise Awareness

① Human Rights Management Education

Hyundai Glovis should encourage the promotion of the understanding of human rights of officers and employees and improvement of perception, and process the human rights management education with the purpose of the internal promotion scheme for human rights management and delivery of the enforcement plan. Through the human rights management education, discriminatory acts by officers and employees are prohibited and should also encourage aggressive reporting of detected cases and risks of human rights violation.

② Enhancing Human Rights Management

Hyundai Glovis is encouraged to share information pertaining to the Charter for Human Rights, its implementation plan, and the human rights risk assessment process and associated outcomes, not only within Hyundai Glovis, but also with suppliers, sales/service organizations and other organizations with which affiliates have trading relationships. Such content is shared via the optimal channels (voice, video and written media) and methods (Korean, English, etc.) for all organizational members to conveniently access information relating to human rights management.

Hyundai Glovis Charter for Human Rights

4. RISK MANAGEMENT

A. Evaluation of Risk

① Development of the Evaluation Index

Hyundai Glovis should reflect the UN Guiding Principles on Business and Human Rights, OECD Due Diligence Guidance for Responsible Business Conduct, human rights management guidelines from the Ministry of Justice (currently in development), and others based on the basic principle of this Charter for Human Rights to develop and operate the assessment and due diligence index to evaluate the work environment, work conditions, human resource operation, industrial safety, and human rights risks to local residents and customers.

② Operation of the Evaluation Process

Hyundai Glovis should operate the evaluation process to confirm the possibility of having potential human rights risks and status of actual cases of human rights violence with the subject of the organization included within the scope of this Charter for Human Rights. The self assessment should be made by providing the evaluation index and guidelines to the subject of evaluation, and with respect to the insufficient matters shown in the result of self assessment by the subject of evaluation, the establishment of a self improvement plan is recommended. On the basis of the written assessment result, the on-site due diligence that confirms the risk in detail may be processed through the internal regulations, system confirmation interview, on-site assessment process related to human rights with the subject of the organization. In addition, in order to secure the objectivity of written assessments and on-site due diligence, a 3rd party audit may be processed through an independent 3rd party agency. Further, with respect to 'high risk' and 'non-conforming matters' detected through written assessment, on-site due diligence or 3rd party audit, it may request immediate improvement or establishment of an improvement plan. Hyundai Glovis should regularly review and revise the evaluation index and process for human rights risks in order to accurately find cases of human rights violations and efficiently operate the evaluation process.



B. Performance of Risk Improvement

① Formulation and Stipulation for Improvement

Hyundai Glovis should establish plans for improvement and performance regarding the human rights risk formulated as a result of evaluating the human rights risk. The head office that received the evaluation of human rights risk, production and sales corporate bodies at home and abroad, subsidiaries, second-tier subsidiaries, suppliers, sales/service organization, and other organizations in transactions should formulate the detailed enforcement tasks to carry out the improvement plan for the risks.

② Monitoring of the Performance Status

Hyundai Glovis should continuously monitor whether the person in charge of the organization that received the evaluation of human rights risks is diligently and effectively performing the mutually stipulated improvement plans. Mutual communication should be made regularly in order to process for the detailed task execution to meet the schedule and the expected outcome is secured in time, and if it is expected not to carry out the improvement plan, required measures can be undertaken.

C. Disclosure of Status and Outcome

① Report to the Key Decision Makers

Hyundai Glovis should report meaningful indications, important risks and improvement plans confirmed through the evaluation of human rights risk to the major decision makers, including the committees and working conference of management meetings. The report data obtained with the approval of the committees, management meetings, major decision makers, etc. may be shared with the applicable departments and others through enhancing the effectiveness in promoting the human rights management.

② Information Disclosure

Hyundai Glovis should disclose the information on cases of reports for human rights violations and evaluation results on human rights risks, measures of its improvement and moderation on the homepage, integrated report, and sustainable management report or separate channels on human rights white book, etc., and it should select the disclosure channel that offers easy access and clear understanding for officers, employees and other stakeholders.

Greenhouse Gas Emissions Verification Description

HYUNDAI
GLOVIS

GHG Verification Summary

HYUNDAI GLOVIS co.,ltd

83-21, Wangsimni-ro, Seongdong-gu, Seoul, Republic of Korea

✔ Verification Scope

Korean Standards Association has conducted reasonable GHG emissions verification based on GHG report provided by Hyundai Glovis which includes Scope1 and Scope2 emissions.

✔ Verification Standards and Guidelines

To conduct verification activities, verification team applied verification standards and guidelines. The standards and guidelines are as follows.

- GHG&Energy Target Scheme, Korea ETS guideline provided by Ministry of Environment, Republic of Korea
- KS Q ISO 14064-1,2,3 : 2006
- IPCC Guideline

✔ Verification Conclusion

As a result of verification activities, verification team has found no significant errors. Therefore, Korean Standards Association confirms that following emissions data are adequately quantified.

• 2020 Emissions(Scope1, Scope2)

(Unit : tCO₂eq)

Year	Scope 1	Scope 2	Total
2020년	69,909	9,439	79,348

※ Decimal place is not considered when calculating the emission of each workplace.

March 31, 2021



KOREAN STANDARDS ASSOCIATION

Greenhouse Gas Emissions Verification Statement for Ships



GHG Verification Statement of Fleet

HYUNDAI GLOVIS co.,ltd

83-21, Wangsimni-ro, Seongdong-gu, Seoul, Republic of Korea

✔ Verification Scope

Korean Standards Association has conducted GHG emissions verification of Hyundai Glovis's Fleet, which includes Scope1.

✔ Verification Standards and Guidelines

To conduct verification activities, verification team applied verification standards and guidelines. The standards and guidelines are as follows.

- GHG&Energy Target Scheme, Korea ETS guideline provided by Ministry of Environment, Republic of Korea
- KS Q ISO 14064-1,2,3 : 2006
- IPCC Guideline : 2006
- EEOI Guideline(IMO)

✔ Verification Conclusion

As a result of verification activities, verification team has found no significant errors. Therefore, Korean Standards Association confirms that following emissions data are adequately quantified.

• 2020 Emissions(Scope1)

(Unit : tCO2)

Year	GHG emission
2020	3,053,851

※ Decimal place is not considered when calculating the emission of each workplace.

May 07, 2021

KOREAN STANDARDS ASSOCIATION

Third-party Assurance Report

To: The Stakeholders of Hyundai Glovis Co., Ltd.

Introduction and objectives of work

BSI Group Korea(hereinafter “the Assurer”) was asked to verify Hyundai Glovis Co., Ltd.’s ‘2021 Sustainability Management Report’(hereinafter “the Report”). This assurance statement applies only to the relevant information contained in the scope of the assurance. Hyundai Glovis Co., Ltd. is solely responsible for all information and assertion contained in the report. The responsibility of the assurer is to provide independent assurance statement with expert opinions to Hyundai Glovis’ executives by applying the verification methodology and to provide this information to all stakeholders of Hyundai Glovis.

Assurance Standards and Levels

This assurance was based on the AA1000AS v3(2020) Assurance Standard and confirmed that the report is prepared in accordance with the Core Option of GRI Standards. The assurance level was based on the Type 1 that confirmed compliance with the four principles of AA1000 AP(2018) in accordance with the AA1000 AS and the Type 2 assurance that verified the quality and reliability of the information disclosed in the report. Type 2 was verified for water consumption, waste generated and fatalities as a result of work-related injury and Lost Time Injury Frequency Rate(LTIFR) among GRI Topic-specific Standards for domestic operations.

Scope of Assurance

The scope of assurance applied to this report is as follows;

- Based on the period from January 1st to December 31st, 2020 included in the report
- Appropriateness and consistency of processes and systems for data collection, analysis and review
- Major assertion included in the report such as sustainability management policies, strategies, objectives, business and performance
- Information related to material issues determined as a result of materiality assessment
- The following items were not included in this assurance
 - Financial information, WEF Content Index and TCFD Index included in the report appendix
 - Other related additional information such as the website presented in the report

Methodology

As part of its independent assurance, the assurer has used the methodology developed to collect relevant evidence to comply with the verification criteria and to reduce errors in the reporting, and has performed the following activities;

- To determine verification priorities, review of materiality issue analysis process and verification of the results
- System review for sustainability strategy process and implementation
- Review the evidence to support the material issues through interviews with senior managers with responsibility for them
- Verification of data generation, collection and reporting for each performance index

Assurance Opinion

On the basis of our methodology and the activities described above, it is our opinion that

- The information and data included in Hyundai Glovis’ report are accurate and reliable and the assurer cannot point out any substantial aspects of material with mistake or misstatement.
- The report was prepared according to the core option of the GRI Standards

The assurance opinion on the four principles presented by the AA1000 AP(2018) is as follows.

AA1000 AP(2018)

- **Inclusivity:** Stakeholder Engagement and Opinion

Hyundai Glovis has a stakeholder engagement process in which key stakeholders such as executives and employees, customers, suppliers, local communities, government and relevant organizations participate. It was confirmed that departments were designated for each key stakeholder group, their expectations and various opinions were collected through each communication channel, and material issues derived were reflected in decision-making on sustainability management.

- **Materiality:** Identification and reporting of material sustainability topics

Hyundai Glovis conducted an analysis of issues raised by internal and external stakeholders, benchmarking of global advanced companies, media research, and analysis of international standards related to CSR in order to derive economic, social, and environmental material reporting issues related to sustainability management, and determined priorities by measuring social interest and evaluating business impact, and reported a total of 9 material sustainability management topics.

- **Responsiveness:** Responding to material sustainability topics and related impacts
Hyundai Glovis established the response strategies for each material topic after reviewing the sustainability council and top management to appropriately respond to the topics determined by materiality in a direction that reflects stakeholders' expectations, and reported the performance of activities.
- **Impact:** Impact of an organization's activities and material sustainability topics on the organization and stakeholders
Hyundai Glovis implemented the process to identify and evaluate the impact on organizations and stakeholders related to material topics, and in terms of sustainability, financial and reputational impacts determined by material topics were identified as cost, revenue, and reputation risk, and disclosed in the table of material issue reporting and issue background.

Key areas for ongoing development

To the extent that the results of the verification are not affected, the following comments were made.

- If the internal verification process is implemented to manage the data quality and reliability disclosed in the report, it is expected that the reporting process will be continuously improved.
- In order to identify material issues, it is necessary to include a wider range of sustainability themes in the pool, and when selecting material topics, it is necessary to increase the proportion of external stakeholders so that issues with high social interest can be selected.
- Although the impact on organizations and stakeholders related to material topics is identified in terms of financial and reputational, it is recommended to include a means to measure potential impacts, including environmental and social impacts.

Statement of independence and competence

The assurer is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services. No member of the assurance team has a business relationship with Hyundai Glovis. The assurer have conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as AA1000AS assurer, have a lot of assurance experience, and understand the BSI Group's assurance standard methodology.

Evaluation against GRI 'In Accordance' Criteria

The assurer confirmed that this report was prepared in accordance with the GRI Standards Core Option and the disclosures related to the following Universal Standards and Topic-specific Standards Indicators based on the data provided by Hyundai Glovis.

- [Universal Standards]**
Organizational Profile 102-1~13 / Strategy 102-14~15 / Ethics and Integrity 102-16~17 / Governance 102-18, 102-32, 102-36 / Stakeholder Engagement 102-40~44 / Reporting practice 102-45~56 / Management Approach 103-1~3
- [Topic-specific Standards]**
- Economic: 201-1, 203-1
 - Environmental: 302-1, 302-3~5, 303-3, 303-5, 305-1~2, 306-3~4, 307-1, 308-1~2
 - Social: 401-1~3, 402-1, 403-1, 404-1~3, 405-1, 406-1, 419-1

HYUNDAI
GLOVIS