

Enhance Sustainability for Global smart SCM

HYUNDAI GLOVIS
Sustainability Report 2022



HYUNDAI
GLOVIS

About this report

Overview

Hyundai Glovis has issued its 2022 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 (hereinafter referred to as "the report") has been compiled with the Global Reporting Initiative (GRI) Standards, focusing on major issues around economy, society and environment.

Reporting Period

The report covers the company's performance for the fiscal year 2021, from Jan. 1 to Dec. 31, 2021. Relevant information from FY 2021 Q1, however, have been included in the report when recognized as relevant to our stakeholder's interests. Quantitative analysis in the report includes the data of three consecutive years since 2019, 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, 2021, 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 continue to present further social and environmental data and aim to expand the geographical coverage of the sustainability report to include all offices and facilities worldwide.

Report Standards

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 on page 93 of this report.

Credibility

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.

Additional Information

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Letter from our CEO



Therefore, we promise to do our best to put sustainability in practice across the business management based on our policies of ‘diversified attempts, bold execution and speedy pursuance.’



Dear readers,

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 2021 has been a difficult year for the global economy and companies around the world due to the prolonged COVID-19 and related issues. Despite this challenging situation, Hyundai Glovis has tried its best every time to provide the highest-possible quality service through its optimized logistics system. As a result, we have achieved remarkable results to increase sales and diversify our customers, which includes the maritime transport contract with a global finished carmaker. Achievements from all business areas have accumulated to KRW 21 trillion worth of sales and KRW 1 trillion worth of operating profits. We would like to give all the credit to our stakeholders who have spared no support for us.

Hyundai Glovis is trying to establish and practice the sustainable management system in all business areas based on logistics, maritime transport, distribution and future business. Also, the highest priority is given to safety of all executives and employees and related policies have been reinforced.

Thanks to such efforts, Hyundai Glovis has been listed in the 2021 Dow Jones Sustainability Indices (DJSI) World as the first Korean logistics company, in recognition of its top level competitiveness for sustainability management in the global logistics and maritime transport fields. In addition to that, Hyundai Glovis has received various awards and certifications such as ‘Green-Logistics Company Certification’ from the Ministry of Land, Infrastructure, and Transport, ‘Grand Prize for Green Management’ and ‘Grand Prize for Safety Management’ at Global Standard Management Awards.

This year, the global economy is expected to have greater uncertainty and volatility due to complicated risks from the global inflation and the prolonged Russia-Ukraine war. This is the time that requires ‘strong

power to take action’ more than ever. Therefore, we promise to do our best to put sustainability in practice across the business management based on our management policies of ‘diversified attempts, bold execution and speedy pursuance.’

In order to achieve these goals,

Our Promise 1

Taking social responsibilities by strengthening ESG (Environmental, Social and Governance) management

Hyundai Glovis has been announcing its commitment for ESG management. One of the examples is joining UNGC (UN Global Compact) founded by UN for sustainable development and demonstrating its support for TCFD (Task Force on Climate-Related Financial Disclosure) launched by the Financial Stability Board, a council of G20 national finance ministers and central bank governors, as the first Korean logistics company.

It also has been cutting greenhouse gas emissions continuously across all the business areas. By implementing the modal shift to convert cargo transportation from road to coast shipping, it has reduced CO₂ emission by 70,000 tons annually and prevented road damages and traffic noise. Even though there is no requirement to control the amount of greenhouse gas emission from ocean-going ships, coast shipping and business travels in Scope 3, Hyundai Glovis keep them under control voluntarily and finished the third-party verification to obtain credibility.

Letter from our CEO



Hyundai Glovis will communicate and cooperate with all stakeholders including our shareholders, customers, employees, suppliers, local communities and the government to make contribution to establish a sustainable future.



Hyundai Glovis announced to create values in the green energy field by launching its new eco-friendly business brand 'ECOH' last October. Furthermore, it is pursuing green fuel businesses in partnership with 'Air Products,' a global industrial gas supplier, and 'Trafigura,' the biggest global raw material trader. In order to reflect global ESG trends, Hyundai Glovis has conducted human rights due diligence in 127 supplier companies in 2021, as a part of its efforts to make a process to help improvement.

Our Promise 2

Growing new growth-driving businesses and turning them into core businesses

Flexible response to changes in the global economy and logistics network is a vital survival strategy for a company. In accordance with this trend, Hyundai Glovis focuses on growing new growth-driving businesses such as the smart logistics solution and turning them into core businesses. The representative case is the smart logistics solution business that goes beyond automation of logistics centers. We are planning to establish this as a basis for all logistics businesses by creating a unique business model and growing core capabilities.

Also, Hyundai Glovis is pursuing a transition into the platform-based logistics business. We have sophisticated smart urban logistics services by creating a single platform combining the urban logistics platform and unmanned daily logistics services.

We will not spare any effort to change the current transport business structure into the platform-based one to change the future of transport and delivery areas. Hyundai Glovis is committed to strengthen existing business areas. We will continue to expand our sales efforts to win orders in global OEM integrated logistics. We will go on pursuing to acquire global strategic shippers as our customers and expand business areas in the forward business.

Our Promise 3

Expansion based on strong competitiveness of existing businesses

Last January, based on its know-how and expertise from the used car auction business, Hyundai Glovis launched 'Autobell,' an online platform for used car sales and purchases. By providing customized services to used car dealers and customers, it is achieving continuous growth.

Hyundai Glovis will communicate and cooperate with all stakeholders including our shareholders, customers, employees, suppliers, local communities and the government to make contribution to establish a sustainable future. Our deep appreciation goes to all stakeholders who have given continuous support and encouragement in the midst of global crisis. We wish for continuous communication from our stakeholders in the year of 2022. Hyundai Glovis will listen to every word from our stakeholders and do its best to meet your expectations.

CEO of Hyundai Glovis

JUNG-HOON KIM

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Hyundai Glovis in brief

Hyundai Glovis, reaching out to the world

Hyundai Glovis is a global SCM company with unrivaled logistics competitiveness, focusing to streamline the entire customer value chain. It provides the best service in a wide range of industries, such as logistics for global finished vehicle brands, energy, consumer goods and e-commerce. Other business areas include KD to supply parts for finished vehicle production in overseas plants, auto-biz to advance used vehicle distribution market and trading based on its global network that connects all over the world. Hyundai Glovis is also adapting itself to the future by establishing an integrated operation system for hydrogen and EV value chain and providing logistics services using self-driving robots, aiming to become a global top smart logistics company.

(As of Dec 31, 2021)

Category	Description	Category	Description
Company Name	Hyundai Glovis Co., Ltd	Sales	KRW 21.7796 trillion
Headquarter	83-21, Wangsimni-ro, Seongdong-gu, Seoul, Korea	Operating profit	KRW 1.1262 trillion
CEO	Kim Jung-hoon	Net income	KRW 783.1 billion
Major business	Integrated logistics, Distribution and Sales, Maritime transport	Credit rating	AA(NICE), AA(KR), Baa1(Moody's), BBB+(S&P)
Established	Feb. 22, 2001	No. of employees	Korea: 1,631 / Overseas : 8,677

¹⁾ Three registered executives, who are categorized as users, are excluded from the number of executives and employees

2021 Key Awards History

Listed in Dow Jones Sustainability Index World (As the first Korean logistics company) 	'Grand Prize for Green Management' at Global Standard Management Awards 	'Grand Prize for Safety Management' at Global Standard Management Awards
Biodiversity Conservation Commendation from the Minister of Environment 	CDP Carbon Management Honors Club Award 	Certified Green-Logistics Company from the Ministry of Land, Infrastructure, and Transport

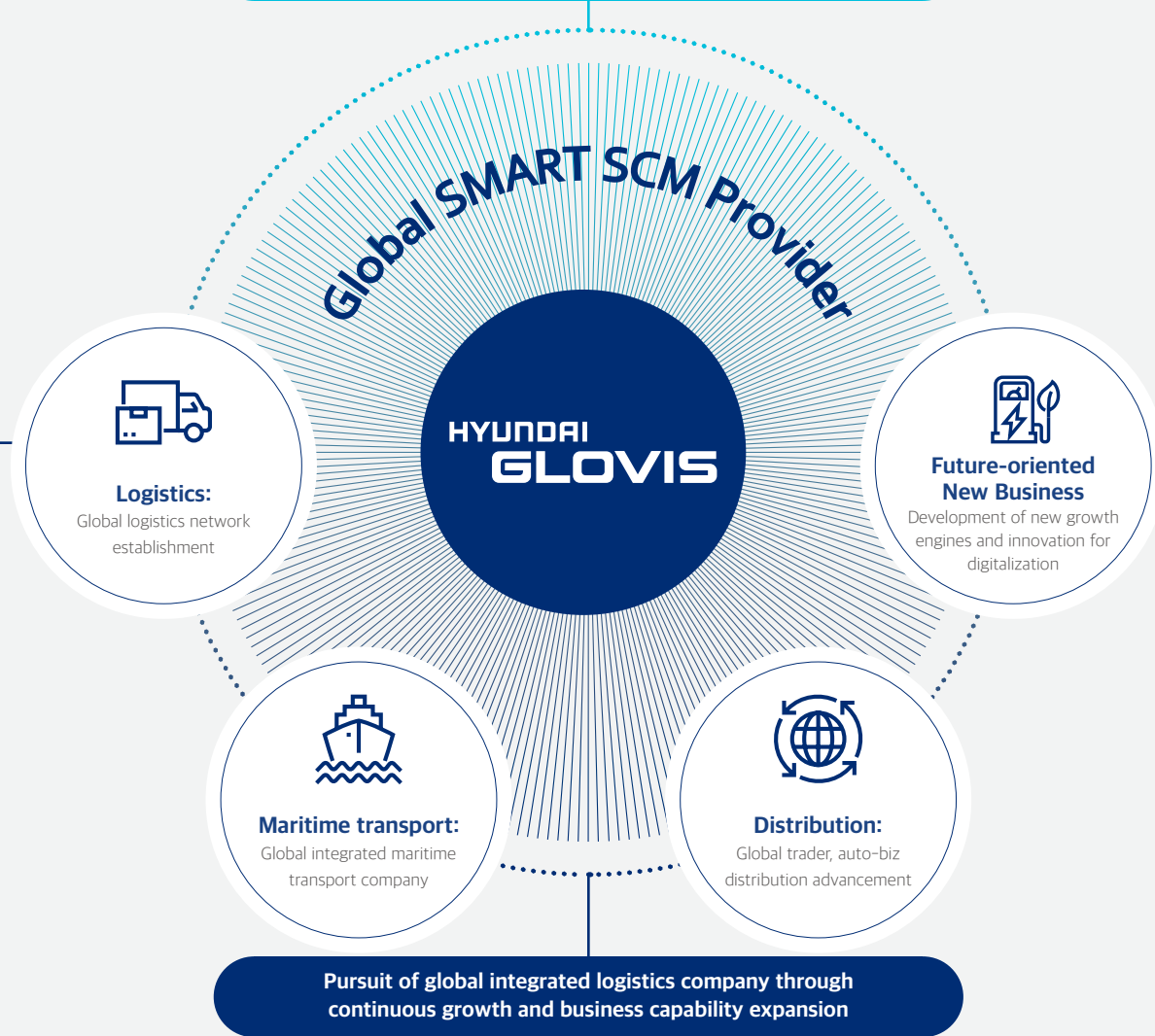
Sales volume KRW 21.8 trillion	Professional logisticians 991	Maritime import-export cargo transportation 858,697 TEU
Aerial import-export cargo transportation 63,307 ton	Finished vehicles transport 316 million cars	Bulk transport 4,251 million tons
KD supply 65,701 FEU	Controlled KD items 35,254 items	Number of overseas factories 15 factories
Number of automobile types 53 types	Fleet status 153 ships	Accumulated number of used cars entered into auction 1,314,822

(As of Dec 31, 2021)

Hyundai Glovis in brief

Vision & Philosophy

Pursue sustainable growth by streamlining the entire customer value chain through provision of differentiated values



- CUSTOMER**
Top Priority on Customers:
 Create the corporate culture to put the highest priority on customers at its all values by providing best quality products and services
- CHALLENGE**
Challenge-driven Approaches
Challenge:
 Achieve goals with confidence 'can-do' spirit, passion and creative mindset by challenging new possibilities, without being complacent
- COLLABORATION**
Communication-based Collaboration:
 Create synergy by building team spirit of 'us' through mutual communication and collaboration with other fields and suppliers
- PEOPLE**
Respect in the Workplace:
 Build the corporate culture to respect human resources and focus on individuals' development while believing that the future of our organization lies in each and everyone's mindset and capability
- GLOBALITY**
Global Company Orientation:
 Become a respected individual and organization as a global corporate citizen by respecting diversity of all culture and practices and aiming to become the global best in all areas

History

2001–2010

- 2001 02** Established as Hankook Logitech Co., Ltd.
- 2002 12** Established local logistics network in China and launched service
- 2003 06** Changed company's name to Glovis Co., Ltd.
- 2003 07** Started used car auction service
- 2004 04** Started HMMA CKD business
- 2004 12** Certified for ISO Quality Management System
- 2005 12** Listed on the Korean Stock Exchange
- 2006 03** Received the grand prize at the Korea Logistics Awards
- 2006 11** Received the grand prize at the Korea SCM Awards
- 2007 11** Certified as an integrated logistics company
- 2007 12** Certified for the ISO Environmental Management System
- 2008 06** Rated by international credit rating agencies(S&P, Moody's) for the first time as a Korean logistics company
- 2009 02** Certified for ISO 27001
- 2009 11** Received the presidential prize at the Korea Logistics Awards
- 2010 12** Received the USD 1 Billion Export Tower Award

2011–2020

- 2011 11** Changed the company's name to Hyundai Glovis Co., Ltd.
- 2011 12** Received the USD 2 Billion Export Tower Award
- 2012 02** Acquired 'GLOVIS CENTURY,' a newly built vehicle carrier
- 2012 12** Received the USD 3 Billion Export Tower Award
- 2013 09** Operated trial voyage of an Arctic Shipping Route for the first time in Korea
- 2013 12** Established the Foundation of Korea Logistics Industry Promotion
Received the USD 4 Billion Export Tower Award
- 2014 08** Selected as one of Forbes Asia Fab 50 stars in the making for five consecutive years
- 2015 10** Certified for OHSAS 18001(Safety and Health Management System)
- 2015 12** Received the USD 5 Billion Export Tower Award
Launched a rugby team
- 2016 11** Awarded the Grand Prize at the Korean Ethical Management Awards
- 2017 01** Established Chongqing Corporation (Chongqing GLOVIS)
- 2017 10** Received the "Best IRO Award" at Korea IR Awards
- 2018 06** Acquired ISO 37001 (Anti-Bribery Management Systems) Certification
- 2018 12** Acquired ISO 13485,(Medical Device Quality Management Systems) Certification
- 2019 07** Established Hyundai Glovis Vietnam Co., Ltd. In Northern Hanoi, Vietnam
- 2020 10** Awarded Green Management Grand Prize for three consecutive years and commendation of the Ministry of Trade, Industry, and Energy
Awarded Safety Management Grand Prize for two consecutive years
- 2020 11** Listed in Dow Jones Sustainability Index (DJSI) for Asia Pacific and Korea Indices for six consecutive years
Acquired Grade A in CDP Leadership and won the 'Carbon Management Honors Club'
Certified for Global Integrated ISO 45001 (Safety and Health Management System)

2021

- 2021 01** CDP Carbon Management Honors Club Award
- 2021 09** 'Best ESG Management Award' by Ministry of Environment
- 2021 12** 'Green Management Award' by Global Standard Management Awards
'Safety Management Award' by Global Standard Management Awards
Enlisted to the 'Dow Jones Sustainability Indices World' as the first logistics company in Korea
Certified Green-Logistics Company from the Ministry of Land, Infrastructure, and Transport
Biodiversity Conservation Commendation from the Minister of Environment

Logistics



General cargo

General cargo: Hyundai Glovis provide a 3PL integrated logistics service such as transportation, storage and loading to clients in diverse industrial fields, including housing, industrial materials, food, distribution, and consumer goods.



Transport

- Transporting products in quick and accurate ways, at the time and place desired by customers
- Logistics system designed and operated with efficient transportation and a cutting-edge information system
- High-efficiency logistics with optimized delivery routes and advanced transportation methods
- 3PL dedicated vehicles for fresh logistics, mart transportation, and online delivery
- Eco-friendly logistics services using electric vehicles



Storage

- JIT service through efficient product storage, sorting, and inventory management
- Storage environment optimized for various product conditions, such as proper temperature control
- Automated inventory management service based on the information system



Loading

- Cargo movement through all field processing operations
- Loading management at domestic and overseas terminals and emergency shipment service
- Safety training for cargo control to control and enhance service quality and registration to liability insurance



Business Strategy

- Customized 3PL integrated logistics service reflecting customers' characteristics and requirements
- Systematic operation based on TMS, WMS, and OMS system



Special cargo

We provide safer and faster transportation services for oil and special (hazardous material, military supplies) cargoes that require extra care.



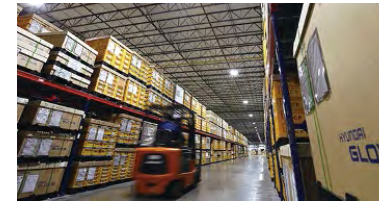
Special logistics (Hazardous materials)

- Oil supply logistics for Hyundai Oilbank
- Oil supply delivery for military bases
- Logistics of hazardous and security products such as ammunition and defense supplies



Business Strategy

- Safety management through hazardous material management manual (system)
- High visibility throughout the logistics processes based on TMS and OMS systems
- Expert personnel and transportation company for carrying out logistics of hazardous (security handling) material



Logistics



Inbound/Outbound Logistics:



Based on differentiated logistics process with global network and information system, Hyundai Glovis provides outbound services including packaging, storage and customs clearance and inbound services for domestic and international transport, and storage, etc.

Major logistics service

- Hyundai Glovis' inbound/outbound logistics system providing prompt information for cargo location tracking, storage, and estimated date of arrival
- Customized services for a complex transportation service to domestic/overseas markets
- Competitive shipping cost and transport route suggestion based on annual logistics volume, designing to improve customers' competitiveness in the inbound/outbound logistics
- Differentiated and integrated logistics service
- One-stop service from air freight to storage and clearance
- Global air transportation services to Korea, Europe, America, and Asia-Pacific
- Accurate and prompt information using Hyundai Glovis' global forwarding system (GLOVE)
- State-of-the-art automated logistics center at the Incheon International Airport in response to aerial transportation of cargoes for new growth industries (Groundbreaking slated at the end of 2022)

Finished Vehicle Logistics:



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

TP transport

- Delivering finished vehicles produced at automobile factories to local warehouse centers and export shipping ports using TP transportation equipment
- Providing a customer-oriented transport service with large-scale and linked transportation for maximized transport efficiency, and an on-time delivery service by operating the Glovis Transportation Management System (GTMS)



Delivery consignment

- Providing a consignment service to ensure the delivery of finished vehicles at the time and place desired by customers
- Providing on-time delivery service by operating the Glovis Transportation Management System (GTMS)
- Providing a real-time location tracking service



Pre-Release Service (PRS)

- Providing pre-releasing service such as storage, cleaning, and inspection in 21 shipping centers nationwide before delivering finished vehicle to customers
- Improvement of PRS work efficiency based on quality management and continuous improvement



Port processing

- Anti-corrosion work and yard operation management before shipping vehicles to export
- Integrated anti-corrosion service on vehicles to export in logistics bases at Pyeongtaek port and Mokpo port

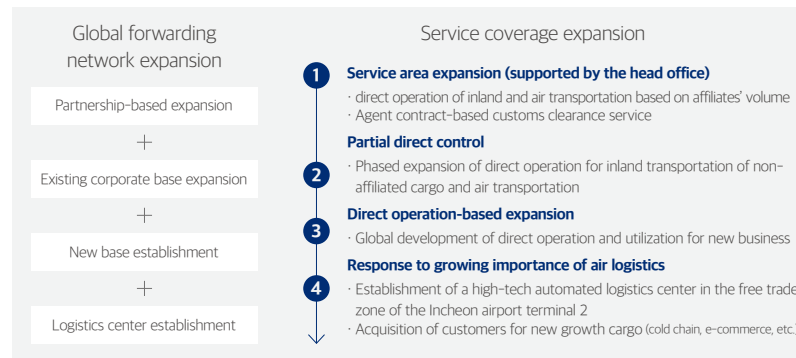


Business Strategy

- On-time customer delivery services for finished vehicles through high quality transportation
- Customer needs satisfaction with PRS and anti-corrosion work capabilities and quality management
- Safety environment improvement with growing importance of safety, such as implementation of the Severe Disaster Penalty Act
 - Strengthened safety regulation management / Installation of safety handrails to prevent falling accidents / Improvement of safety equipment



Business Strategy



← Upstream and downstream businesses →
Inbound and outbound/ Console



← Logistics center →
Storage



Labelling



← Upstream and downstream businesses →
Customs clearance



Last mile delivery

Logistics



Parts logistics

We provide the one-stop logistics service for parts throughout the entire finished vehicle production process in Korea and abroad, such as transportation of parts for finished vehicle production and after-sales services, and leasing of logistics containers.



Procured parts transport

- Multi-transport services in small quantity for automakers' JIT production system by supplying components produced by parts suppliers to the finished vehicle production line



After-sales service parts transport

- Parts transportation system to nationwide after-sales service centers and part sales networks; delivering parts within 24 hours upon an urgent request, through relay bases in seven locations across the country



Operation of consolidation center (C/C)

- 53 C/C that secure recommended part inventory for finished vehicle plants, provide JIT and JIS services, and supply sub-assembly



Leasing of logistics containers

- Services related to container management, including supply and collection of containers in domestic/overseas markets and maintenance, etc.



Smart CC establishment

- Smart CC establishment by developing smart facilities/containers and introducing an automated system



Business Strategy

- Value chain expansion based on operational competitiveness such as parts logistics experts and IT systems
- Sophisticated operation with eco-friendly parts such as batteries
- Efficient service provision by linking logistics system (GOALS/GPMS/GTMS/GWMS/VEST)

*Integrated TM/WM system for steel logistics slated to open in the 4th quarter in 2022



Bulk Logistics

Hyundai Glovis provides the customized third-party logistics (3PL) service for clients, by handling heavy and over-sized cargo logistics for steel, facilities and construction businesses of Hyundai Motor Group and providing logistics service for the overseas infrastructure industry including steel, construction and vehicles.



Steel logistics

- Domestic logistics: Comprehensive logistics service in road and offshore transport through steel logistics centers nationwide; customer-centered logistics service from the procurement of materials to production logistics and sales logistics by reducing logistics cost, inventory and lead time for customers
- Global logistics: International import and export forwarding services for steel products, import logistics services for steel scrap and raw materials, global supply chain establishment and customers' value chain optimization



Project logistics

- Integrated and comprehensive logistics service for safe and JIT transportation of various construction materials used in domestic/overseas EPC construction projects, aiming to support successful construction of large-scale plant projects
- Delivery of raw materials at domestic and overseas construction sites and providing services to build on-site infrastructure
- Differentiated logistics services for core parts of industrial machinery and plant facility heavy cargoes using domestic and overseas networks and in-house ships (car carriers or bulk carriers)



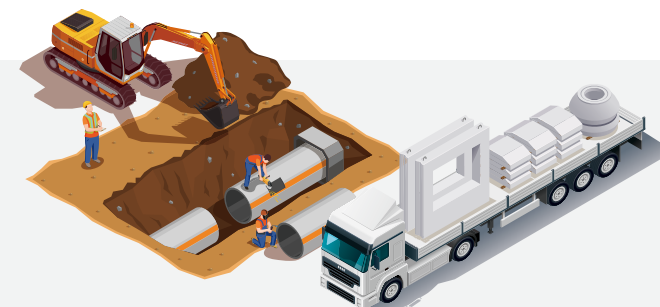
Logistics Center Operation

- Storage and operation service for steel products based on operation of a steel logistics center



Business Strategy

- Customer-oriented logistics service based on competitiveness in bulk logistics, such as expert personnel and infrastructure (sales office, vehicle, logistics center and ship)
- Efficient service by linking logistics systems (GLOVIS / VEST / Steel Logistics Integrated TM, WM service, etc.)



¹⁾ Term made with the first letters of engineering, procurement and construction. An ETC contract is a one-stop turnkey solution for large-scale projects including construction projects, in which the construction company provides a complete package of services encompassing designing, procurement of parts and materials, and construction.

Maritime Transport



Overseas Shipment for Finished Vehicle



We are transporting vehicles, commercial vehicles, special vehicles, heavy construction equipment and railway vehicles by using the Pure Car and Truck Carriers (PCTC) through close cooperation between our head office and overseas networks. For customer satisfaction during the paradigm transition towards green vehicle industry, Hyundai Glovis is providing fast and accurate EV maritime transport service based on its global network.

Finished vehicle shipping

- Operating approximately 90 PCTCs (Pure Car and Truck Carrier)
- Service quality management using an internally-developed next generation operation system and 80 global networks
- Proactive responses to changes in the automobile industry paradigm change focusing on green cars
- Manual developed for EV maritime transport as the first global vessel operator and its application to work processes (Loading-transportation-unloading)
- Expansion of share in the EV transportation market by providing high-quality service to customers based on the EV-specific transportation manual



Establishment of exclusive berths

- Improved maritime transport competitiveness by establishing private berths around global major regions
- Exclusive infrastructure in the port of Bremerhaven, Germany, including 3 berths and 100,000 square-meter open storage yard (A joint-stock company established to build exclusive infrastructure with BLG Logistics Group that manages the terminals), being the only one using the exclusive space among the global 11 vehicle shippers that use the port



Business Strategy

- Maritime transport services of finished vehicles
- Transport volume expansion by pioneering new markets such as expansion of break bulk and increase the proportion of the 3PL
- Specialized shipping services for electric vehicles by establishing marine transportation solutions customized to electric vehicles and provide the one-stop logistics service connecting terminals, bases on land and at sea
- Maritime transport competitiveness improved by continuous investment to the infrastructure such as establishment of exclusive berths and eco-friendly vessels



Bulk Transportation



Based on differentiated service and diversified network, we respond quickly to customer needs and provide the best logistics services for marine transportation such as iron ore, coal, crude oil, and iron products and carbon-free energy sources

Dry Bulk

- Differentiated operation and transport services to enhance customer satisfaction
- Optimized logistics services through global network and abundant knowledge
- Dry bulk maritime transport service such as coal, iron ore and grain using various types of vessels (e.g., Handy, Supramax, Panamax, and Cape)

Wet Bulk

- Long-term contract concluded with major oil refineries in Korea and abroad to provide stable crude oil transport services
- Maritime transport service of high-value wet bulk cargo such as petrochemical and crude oil products
- Environment-friendly and safe transport services by introducing new high efficiency ships and differentiated ship management
- Green energy transportation business such as LNG, LPG and ammonia
- LPG and ammonia maritime transport contract concluded with Trafigura Pte Ltc based in Switzerland, one of the global top 3 raw material trading company, by introducing VLGC (Very Large Gas Carriers)

Business Strategy

- Dry Bulk: Stable business growth based on long-term contracts with global shippers by providing optimized transport service
- Wet Bulk: LNG carrier transportation business expanded through long-term contracts with major domestic and foreign shippers; pursuit of transportation businesses using next-generation carbon-free energy sources such as ammonia and hydrogen



Distribution



KD Business

We carry out the KD (Knocked Down: Products exported in the form of parts to be assembled, produced, and sold to local factories, rather than finished products) business to supply parts from domestic and overseas suppliers to overseas finished vehicle plants.



KD distribution

- Comprehensive distribution service from ordering, packaging, quality inspection, customs clearance, transportation, local inventory management to JIT delivery
- Differentiated know-hows on logistics, quality management and trade support provided to improve customers' productivity and cost competitiveness



KD packing

- Optimized auto parts packing service for assembly and production of overseas finished vehicles factories



Business Strategy

- Continuous expansion in new affiliates and non-affiliated businesses
- Proactive response system established for new production plants
- Optimization of packaging operations to maximize profits



Trading

Based on our specialized trading personnel with deep experiences in non-ferrous metal trading, we are providing trading services in import, export and cross trading to expand logistics distribution services.



Trading

- Raw materials, intermediary goods and finished products of non-ferrous metal imported from overseas suppliers
- Comprehensive distribution services such as customs clearance and transportation, domestic inventory management, and JIT supply



Business Strategy

- New customers acquisition, expansion in related new items and sales to meet customers' demand
- Expansion in cross trade sales and business among the three East Asian nations based on overseas networks



Distribution



Auto-biz

Hyundai Glovis aims to advance the paradigm of used car distribution market which puts all market participants are at the center



Used car purchase

- Operation of 'Autobell' an online platform for used car sales and purchases
- One-stop vehicle sales services including a free car price assessment and visit by professional evaluators, instant money transfer, and ownership change



Used car auction

- Three used car auction centers in major regions (Bundang, Sihwa, Yangsan)
- Transparent and reasonable used car sales by distributing 10,000 used vehicles in average per month for auctions with around 2,200 used car dealers
- Transparent disclosure of product information and 1-on-1 consulting services by professional personnel



Exporting used cars / Overseas business

- Global used car export business in operation based on offline bases (SMC)
- Local distribution of used cars in global areas (e.g. U.S., Europe, India, China) using overseas network



Business Strategy

- Auction services suitable for digital environments through efforts such as building a network auction system
- Various additional services to meet segmented needs of customers
- Used car export through online and offline channels at domestic and overseas corporations and expansion of overseas used car distribution business



Autobell



Online platform for used car sales and purchases

Customized services for used car dealers and maximization of consumers' convenience



Win-win opportunities for market participants:

Provision of services connecting used car dealers and consumers based on multi-years' experiences in auction operation



Used car market vitalization:

Expansion of the market by securing transparency in the market and vitalization of transactions



Continuous service upgrade:

Increase of service users by improving consumers' convenience

Win-win platform that connects used car dealers and consumers directly based on accumulated know-hows and expertise through the used car auction business



New Business

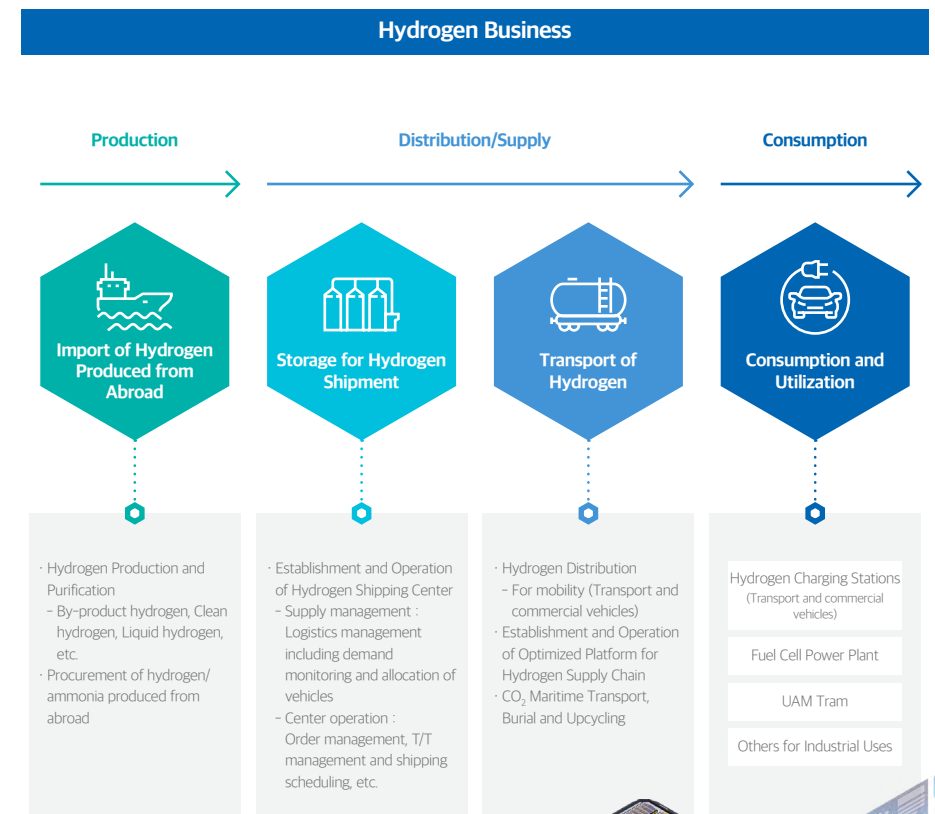
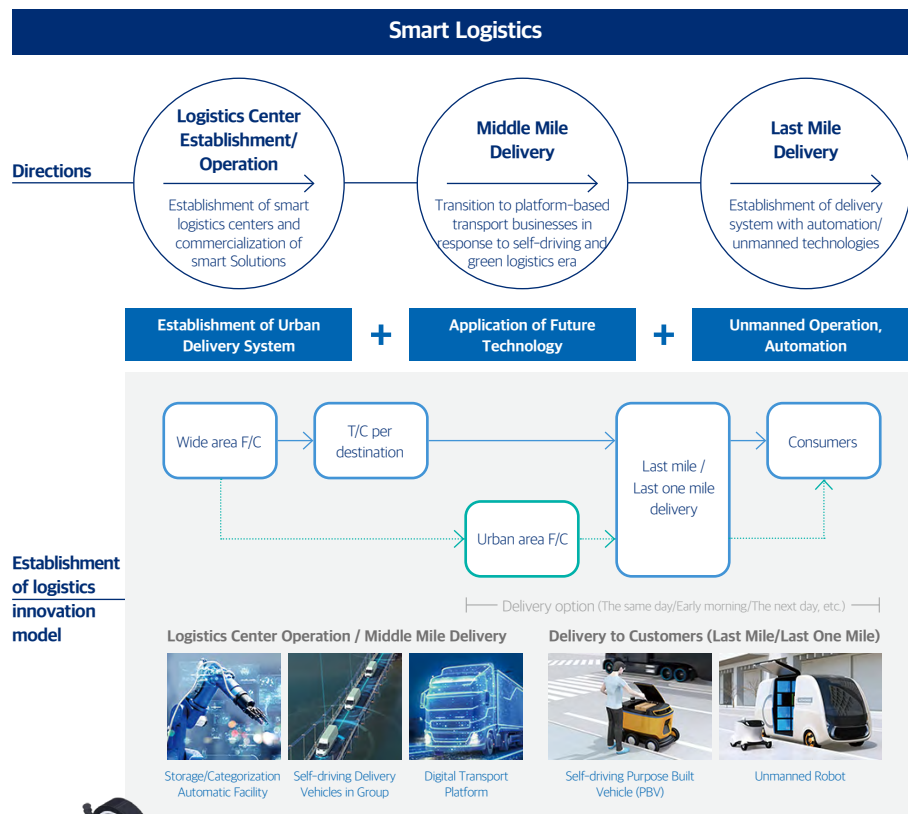


Eco-friendly smart logistics

Eco-friendly smart logistics centering on green EV comprehensive solution and hydrogen business

Hyundai Glovis is operating the EV Value Chain Integrated system to create eco-friendly values and solutions. Based on our charging facilities and charging center operation system, we are carrying out a battery distribution and recycling business to enhance social values.

Additionally, in order to provide optimized services in all areas of the hydrogen supply network, we are providing the one-stop service from transportation to final sales based on our optimized hydrogen supply network platform.



New Business

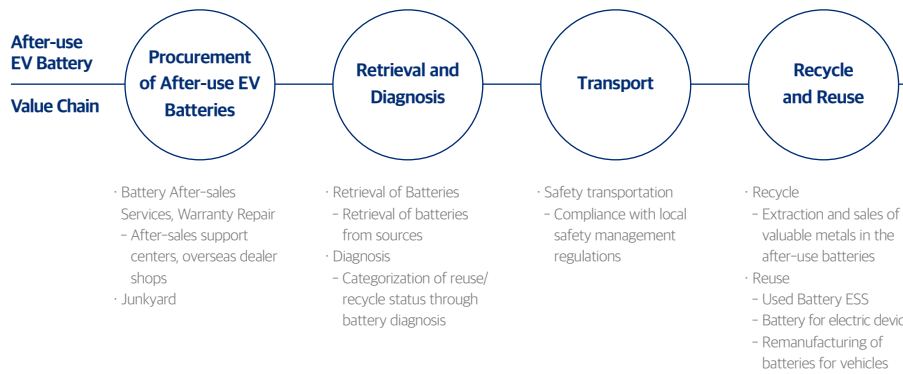


Future-oriented Smart Logistics

In order to develop business opportunities in the EV battery industry, which is expected to grow rapidly, Hyundai Glovis is planning a business to retrieve, diagnose and transport after-use batteries to recycle and reuse them.

Also, we have a system to provide a digital technology-based consulting service and customized solution, and commercialize them to develop new businesses continuously for future innovation.

After-use EV Battery Business



Battery Retrieval and Transportation

Securing Batteries in Korea and from Abroad

- Battery retrieval process in and out of Korea
- Safe battery transportation system

Domestic and global network to secure batteries

Reuse

Development of Business Opportunities for Reuse

- Development of other opportunities for battery reuse including UBESS

UBESS

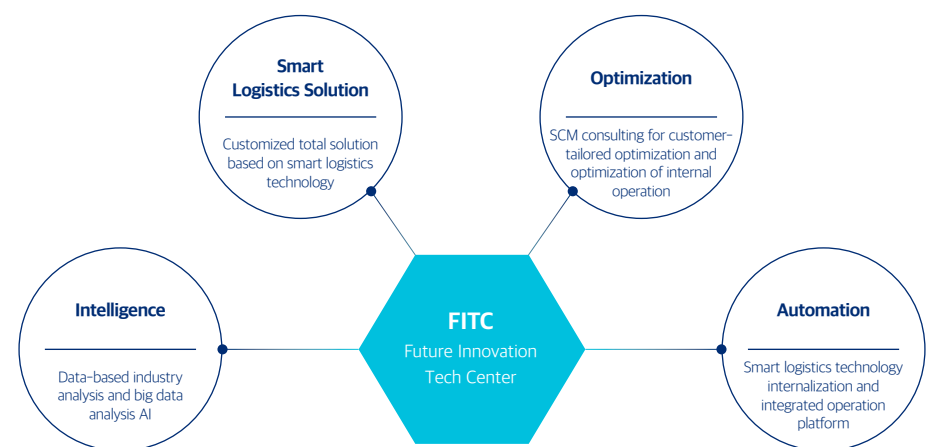
Recycle

Establishment of Global Recycle Network

- Partnership with recycling businesses in and out of Korea
- EV battery raw material circulation and distribution system

Battery destruction and extraction of black mass powder

Future Innovation R&D



Smart Logistics Solution	Optimization	Intelligence	Automation
<ul style="list-style-type: none"> Provision of consulting, design engineering and solutions for establishment and operation based on smart logistics technology Strategic cooperative business tailored for customers 	<ul style="list-style-type: none"> Consulting for streamlining and optimization of logistics processes Strategies to establish and expand businesses in target and wide areas Automotive SCM optimization Innovation for company-wide operation 	<ul style="list-style-type: none"> Industry and market analysis Market condition analysis and forecast Big data and AI 	<ul style="list-style-type: none"> Automation solution development Automation design and engineering



Business Performance

Sales from key businesses

The sales achieved by Hyundai Glovis largely come from three business divisions; logistics from domestic and overseas markets; maritime transport related to vessel operations; and distribution, which includes CKD parts and used cars, etc. Based on cargo volume increases due to COVID-19 and profitability improvement, all business areas worked to enhance competitiveness and achieved balanced growth. As a result, we generated sales of KRW 21.7 trillion in 2021.

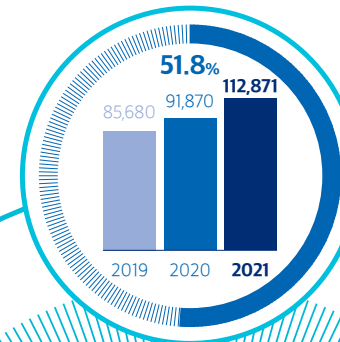
Sales from key businesses in 2021

(KRW 100 million)

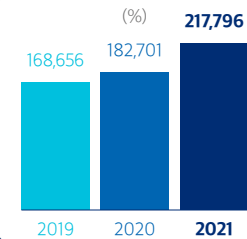
Category	Sales
Logistics	71,507
Maritime transport	33,418
Distribution	112,871
Total	217,796



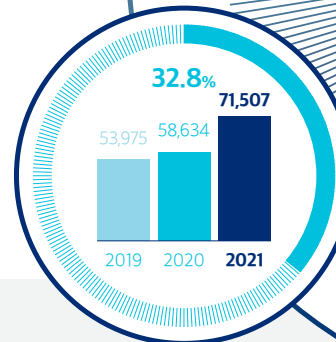
Distribution



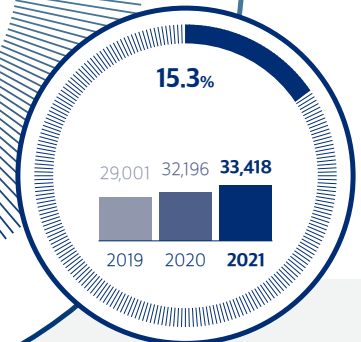
Total



Logistics



Maritime transport



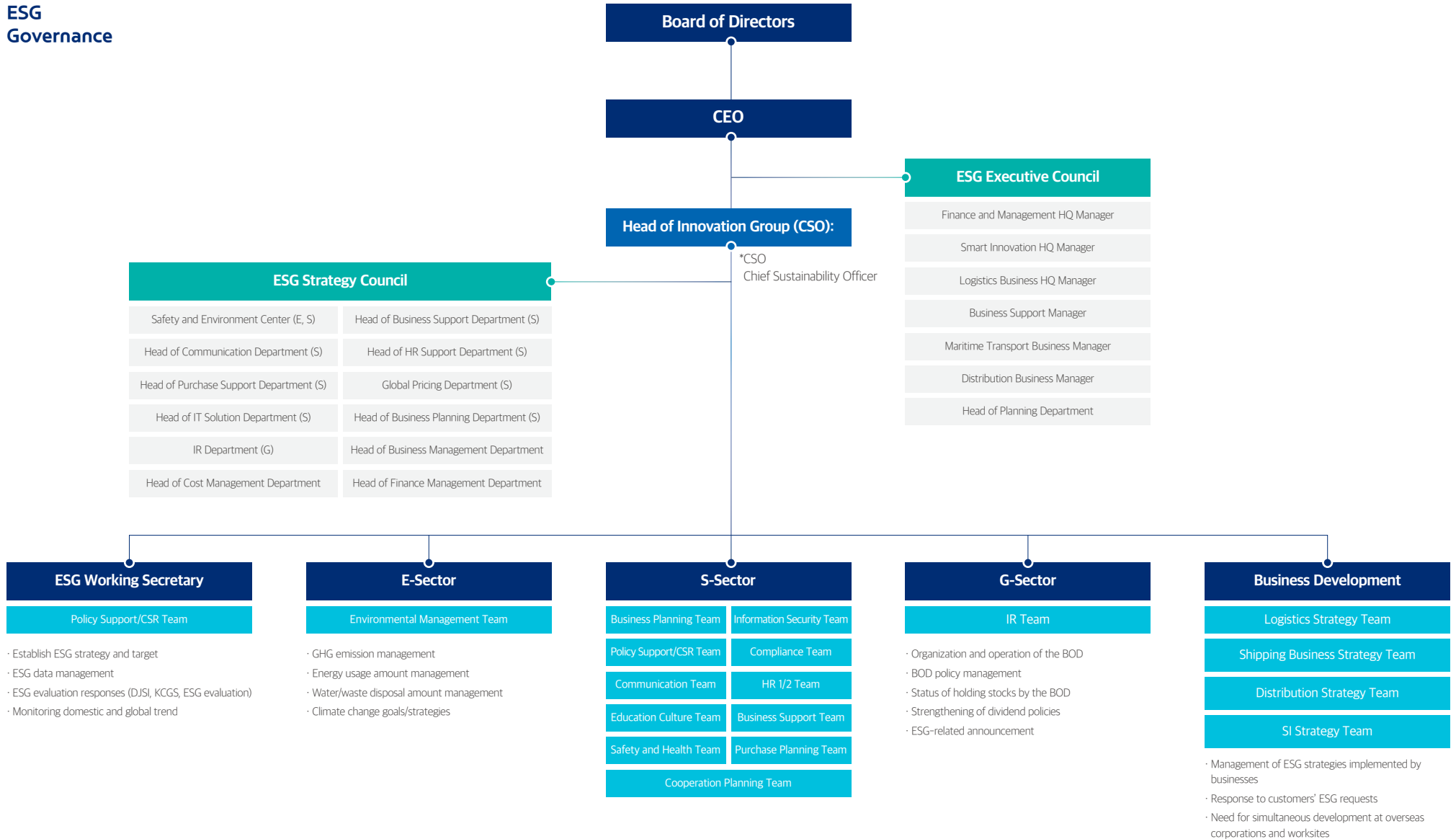
Logistics

Maritime transport

ESG Governance

(As of February 10, 2022)

ESG Governance





ESG Mid and Long-term Strategies



Established 11 mid and long-term strategies to strengthen ESG competitiveness of Hyundai Glovis based on the gap and best practice analysis

Category	Direction			Key strategies
	Strengthen	Maintain	New	
Carbon emission management plan	●		●	<ul style="list-style-type: none"> Hyundai Glovis 'Net-zero' plans <ul style="list-style-type: none"> Carbon neutrality plan established in accordance with IMO regulations and the Korean government plans Comprehensive plans established to reduce carbon emission and use new and renewable energy
Eco-friendly service	●		●	<ul style="list-style-type: none"> Transition to eco-friendly vessels in maritime transport business Transition to FC/EV in logistics cargo vehicles
Human rights management / human resource management	●		●	<ul style="list-style-type: none"> Management of goals established and implemented for human rights of executives and employees, such as anti-discrimination <ul style="list-style-type: none"> Mid and long-term goals for woman executives/managers, management of executives and employees based on diversity indices Diversity policies established and its implementation management disclosed Provision of expanded opportunities to develop employees' capabilities and strengthening of ESG education for all executives and employees
ESG of supplier companies	●	●	●	<ul style="list-style-type: none"> Supporting supplier companies to establish ESG risk assessment system and strengthen ESG capabilities <ul style="list-style-type: none"> ESG (Safety, environment, human rights and ethics) evaluation reflected in the comprehensive evaluation for suppliers, provision of support to strengthen capabilities through ESG education and consulting with on-site due diligence processes
ESG of overseas workplaces			●	<ul style="list-style-type: none"> ESG management pursued at all overseas worksites of subsidiaries <ul style="list-style-type: none"> Management of non-financial ESG data (environment, safety, human resources) of all worksites in subsidiaries in response to the request for expansion of ESG management coverage Regulation analysis and responses reinforced by assigning designated personnel at overseas worksites per ESG region according to acceleration in ESG regulations by individual countries
Governance improvement	●	●	●	<ul style="list-style-type: none"> Strengthening of shareholder return policies and improvement in independence and transparency of governance
ESG risk report system	●	●	●	<ul style="list-style-type: none"> Strengthening of ESG risk report system to the BOD <ul style="list-style-type: none"> Establishment of ESG risk monitoring and response plans (e.g. Net-zero, safety/human rights plans) → Reporting to the BOD and decision making
Social contribution	●	●	●	<ul style="list-style-type: none"> Implementation of global social contribution activities including overseas worksites (e.g. collaboration with KIA Ocean Cleanup), strengthening of measurement for business values from social contribution activities <ul style="list-style-type: none"> Development and implementation of new social contribution activities related to businesses, establishment of criteria and goals to measure social contribution activities, implementation management
Safety and health	●	●		<ul style="list-style-type: none"> Continuous management to achieve ZERO fatalities in awareness of safety importance <ul style="list-style-type: none"> Continued implementation of safety awareness programs while carrying out campaigns and on-site monitoring to reduce the number of accidents
Ethical management		●		<ul style="list-style-type: none"> Continuous management to achieve ZERO violations in anti-corruption and fair trade regulations in awareness of its importance <ul style="list-style-type: none"> Pursuit of ZERO violations through various activity programs including a CP system, a reporting system and immediate response, employees education and signature collection
Customer satisfaction	●	●		<ul style="list-style-type: none"> Establishment of goals to improve customer satisfaction and continued management, disclosure of customer complaint handling performance

Global Network

(As of December 31, 2021)



Overseas corporation(36)

Overseas branch(21)

Overseas office(31)

- | | | | | | | | | |
|---------------------------|----------------------|------------------------------|------------------------------------|-------------------------|-----------------|----------------|-----------------|-----------------|
| 1. GLOVIS America | 11. GLOVIS Slovakia | 21. Beijing GLOVIS | 31. GLOVIS India Chennai | 1. Kazakhstan | 11. Shenzhen | 1. Atlanta | 11. Gliwice | 21. Moscow |
| 2. GLOVIS Alabama | 12. GLOVIS Czech | 22. Tianjin GLOVIS | 32. GLOVIS India Anaptapur | 2. Curitiba | 12. Singapore | 2. New Jersey | 12. Bremerhaven | 22. Vladivostok |
| 3. GLOVIS Georgia | 13. Adampol S.A | 23. GLOVIS Changjiu Used Car | 33. GLOVIS Australia | 3. São Francisco do Sul | 13. Chakkan | 3. Mobile | 13. Hamburg | 23. Bursa |
| 4. GLOVIS Canada | 14. Adampol Czech | 24. Beijing Zhongdu GLOVIS | 34. GLOVIS Vietnam | 4. Vineena | 14. Mumbai | 4. Michigan | 14. Gdansk | 24. Dubai |
| 5. GLOVIS Brazil | 15. Adampol Slovakia | 25. Zhongdu Chongqing GLOVIS | 35. GLOVIS Indonesia International | 5. Cooper | 15. Delhi | 5. Mexico City | 15. Malaszewice | 25. Fos sur |
| 6. GLOVIS Mexico | 16. Vectura | 26. Zhongdu Changzhou GLOVIS | 36. GLOVIS Indonesia Logistics | 6. Tianjin | 16. Santos | 6. London | 16. Tychy | 26. Dallas |
| 7. G.E.T Express | 17. Vectura Invest | 27. Sichuan GLOVIS | | 7. Qingdao | 17. Georgia | 7. Manchester | 17. Torino | 27. Laredo |
| 8. G.E.T Freight | 18. GLOVIS Russia | 28. Jiangsu Yueda GLOVIS | | 8. Yancheng | 18. Belgium | 8. Tarragona | 18. Livorno | 28. Frankfurt |
| 9. Extreme Transportation | 19. GLOVIS Turkey | 29. Changjiu GLOVIS | | 9. Shanghai | 19. Ho chi Minh | 9. Barcelona | 19. Wroclawskie | 29. Mersin |
| 10. GLOVIS EUROPE GmbH | 20. Stena GLOVIS | 30. Jiangsu Gelian Logistics | | 10. Wuxi | 20. Chongqing | 10. Izmir | 20. Arslanbey | 30. San Diego |
| | | | | | 21. Barcelona | | | 31. Sao Paulo |

Domestic Network

(As of December 31, 2021)

Head Office

Hyundai Glovis

Logistics/Distribution Center (12)

Pyeongtaek Port Logistics base	Asan 2nd KD Center	Ulsan 1C/C	Gwangju C/C
Hyangnam Logistics/Distribution Center	Ulsan KD Center	Ulsan 2C/C	Seosan C/C
Asan KD Center	Mokpo Port Logistics Base	Jeonju C/C	Incheon Export SMC

Sales Office (6)

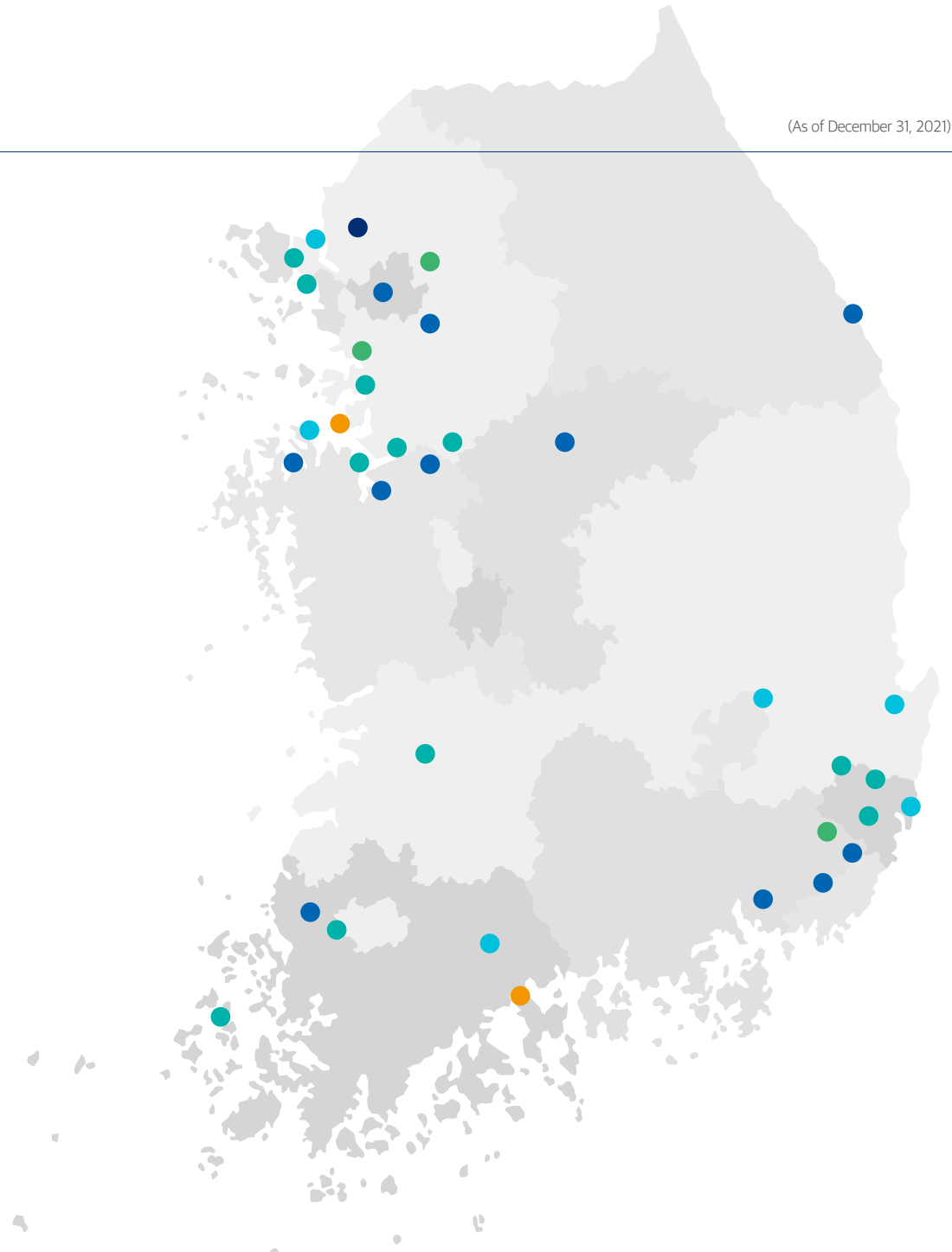
Incheon Sales Office	Gwangyang Sales Office	Ulsan Sales Office
Dangjin Sales Office	Pohang Sales Office	Daegu Sales Office

Office (11)

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

International Terminal (2)

Gwangyang International Terminal	Pyeongtaek International Terminal
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Environment:

Green Logistics



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- 27 Environmental Impact Mitigation
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- 30 Efficiency Improvement of Logistics and Transportation Energy
- 31 Biodiversity
- 32 Environmental Management Achievements

Issue Background & Management Performance

ISSUE BACKGROUND

Since the Paris Agreement entered into force, major nations are consecutively initiating carbon-neutral policies and there is a growing trend to connect this to development of new businesses. In July, 2021, European Union (EU) adopted a package of legislative proposals named 'Fit For 55', which set out 12 items for climate change responses. Under the package, the union announced goals to cut the average carbon emissions of EU by 50% until 2030, relative to 1990 levels. Accordingly, the European Parliament announced its decision to include maritime transport businesses into subjects for the EU Emissions Trading System (EU ETS) in September, 2020 and started implementing this. Along with the strengthening of regulations in and out of Korea, which have pushed up prices of CER and fuels, the importance of eco-friendly logistics system is on the rise.

MANAGEMENT APPROACH

Hyundai Glovis establishes and implements detailed plans per worksite every year, which includes reduction of GHG emissions, minimization of pollutants and raising environmental awareness, in order to establish the eco-friendly green logistics. With its designation as a participant for the Emission Trading Scheme in 2020, Hyundai Glovis started controlling its GHG emissions from 2021. By becoming the first domestic ETS participant to join supporters of the TCFD (Task force on Climate-related Financial Disclosure), an advisory body for disclosure of companies' financial information related to climate change, Hyundai Glovis announced its strong commitment for green management such as reduction of GHG emissions. It is now expanding green and low carbon management in various areas. One of the representative cases is launching 'ECO.H,' a new business brand, for hydrogen logistics and EV battery recycling.



Grade A

Grade A in CDP and Carbon Management Honors Club for 2 consecutive years



Grade A

Grade A in Environment by KCGS ESG



Government Commendation

Environment Minister Commendation for Biodiversity Preservation and Reduction in Fine Dust From Cargo Vehicles



Environmental Management Policies and Strategy

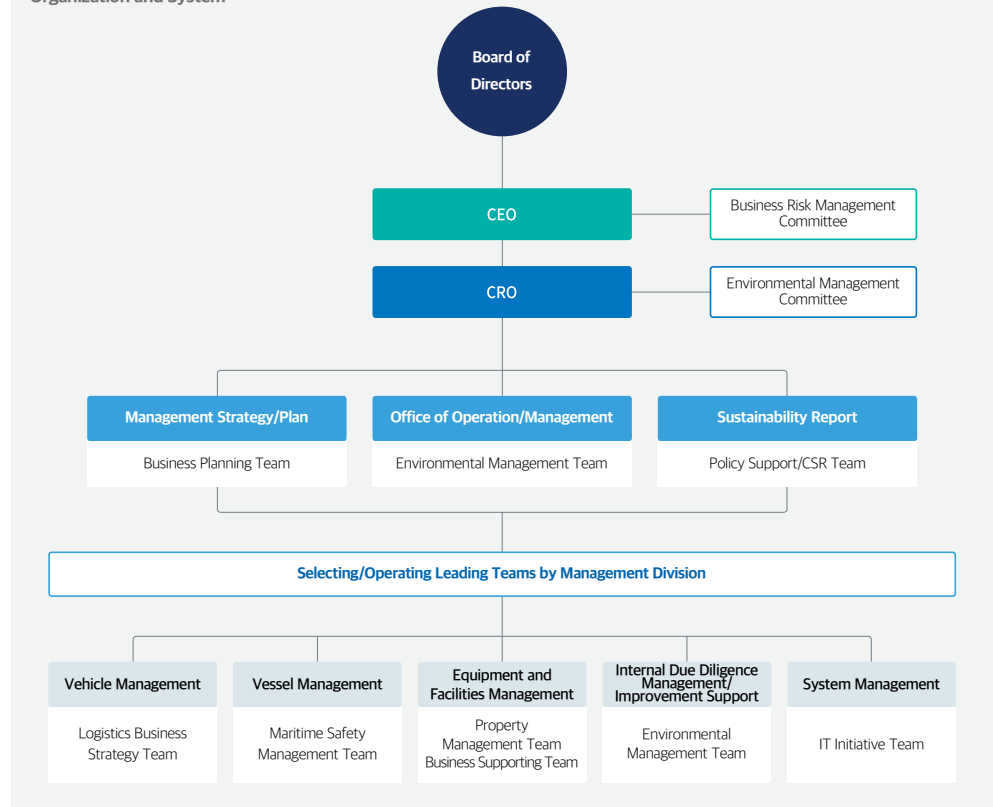
Environmental Management Policies and Goals

Hyundai Glovis applies an environmental management system throughout all our production activities and business processes and carries out various activities for environment conservation such as reducing GHG emissions and minimizing pollutants. With three environmental policies of reducing GHG emissions, minimizing pollutant emissions and raising awareness on the environment, which have been announced internally and externally, Hyundai Glovis is trying to establish the environmental management system and protect the environment consistently.

Environmental Management System Operation

Hyundai Glovis has an Environmental Management Team as a working-level organization dedicated for systematic responses to environmental management risks. We have selected leading teams for individual risk areas and the Environmental Management Committee, to which the CRO belongs, makes company-wide decisions for major environment-related issues. Any material risks found is reported to the Business Risk Management Committee, chaired by the CEO, for a decision-making process and is further reported to the board. Hyundai Glovis has built and been operating an environmental management system, including an environmental performance evaluation scheme, to steadily improve environmental management performance. Also, environmental performances are reflected into the KPI which is linked to rewards for executives and employees (including CRO).

Environmental Management Organization and System¹⁾



¹⁾ Environmental management issues and achievements are collected and reported to the board of directors on a regular basis. If any special issue occurs, it is reported immediately.



Climate Change



Mid- and Long-Term Carbon Management Goals

As a global logistics company, Hyundai Glovis sets and pursues goals to ‘Become a leading global green logistics company by advancing our eco-friendly green logistics system’ in response to the new climate regime and environmental policies in and out of Korea. We establish detailed GHG reduction goals for each businesses and plan to reduce GHG emissions from vehicles and buildings by 37.8% (compared to 2018 level) by 2020, which is the same goal of the transport sector set by the national GHG reduction roadmap. We apply the long-term goal of the International Maritime Organization (IMO) to our fleet, which is ‘50% reduction in GHG emissions by 2050 compared to 2008.’

Carbon Management and GHG Reduction Strategy

Hyundai Glovis is actively coping with climate change by setting goals and strategies for GHG reduction. We have introduced the MRV (Monitoring, Reporting and Verification) system on our logistics vehicles and vessels, and constant improvement is being made to upgrade the system. We are continuously expanding the modal shift that converts road transportation to coast shipping for higher energy efficiency. By launching green business brand ‘ECOH,’ we are carrying out hydrogen logistics and EV battery recycling businesses, along with a green fuel business. We also constantly participate in the Carbon Disclosure Project (CDP), a global environmental management evaluation system, to identify matters related to climate change issues and implement measures for improvement. In the future, Hyundai Glovis will continue to improve capabilities for green logistics operation and expand utilization of renewable energy sources such as hydrogen in partnership with government organizations and customers. As a leading company in logistics and distribution, we are committed to fulfill our social responsibility by developing and implementing ways to reduce GHG emissions.

Energy Use and GHG Emissions Management

Advanced Management of GHG from Vehicles and Buildings

Hyundai Glovis is designated as one of the government’s GHG/energy management target companies in accordance with “The Framework Act on Low Carbon Green Growth” in 2014. We monitor and calculate GHG emissions from vehicles and buildings. Since 2016, we have independently established an MRV system to improve our ability to calculate, report, and verify GHG emissions. Third-party verification is practiced every year by a government-authorized institution to manage and estimate annual greenhouse gas emissions.

Hyundai Glovis started participating in the Emission Trading Scheme (ETS) in 2021. To be in line with industry trends, we publish ‘Glovis ETS INFORMATION,’ a monthly information magazine about ETS performance and the trading market, introducing analysis on emission trends, GHG emissions and climate change issues.

Hyundai Glovis also adds and manages GHG reduction as an essential item in each worksite’s environmental management goals through the environmental management system. A company-wide consultative group for carbon management is in operation to examine current status, targets and methods for GHG reduction.

Shipping Sector GHG Emissions Management

Since 2019, following the IMO DCS (International Maritime Organization Data Collecting System) legislation that requires reporting of information about fuel consumption and GHG emissions of global vessels, Hyundai Glovis has been collecting and reporting data from all our vessels.

To comply with the EU MRV (Monitoring, Reporting and Verification) enforced in 2018, we measure, report, and verify GHG emissions of vessels arriving and departing ports of the EU member countries. To this end, we collect data related to GHG emissions, such as fuel consumption and CO₂ emissions, from 31 vessels calling at European ports through our vessel management system and have the data verified through an EU-designated organization.



Environmental Impact Mitigation



Environmental Management System (ISO 14001:2015)

Hyundai Glovis operates the environmental management system that meets ISO 14001:2015, the most up-to-date specifications. In order to fulfill our environmental management commitments and goals, we assess environmental impact and manage risks for each worksite. We also establish, conduct and monitor environmental targets and plans, and continuously improve weaknesses identified through more than two audits every year. Environmental goals and performances are efficiently managed through our IT system, and management review is conducted every year to reflect results to establish targets for the next year. In addition, we train our employees about environmental targets and improvement methods twice a year to manage our processes.

Detailed Operation Plan Establishment and Implementation

In order to achieve three environmental targets to 'reduce GHG emissions, minimize pollutants and strengthen environmental awareness' under our operation policy to 'Become a leading global green logistics company by upgrading eco-friendly green logistics operating system' we establish detailed operating plans for each worksite and conducts them every year. Appropriate indices are set for the environmental performance evaluation and detailed plans per worksite or organization are used to evaluate performances. Internal and external audit processes are used to verify items for management and validity. Although our worksites doesn't affect the environment much, besides GHG emissions, because of the nature of the logistics, we implement a wide activities to improve management for waste and water for living. By implementing detailed plans under the environmental impact mitigation plan, we maintain ISO 14001 certification for all worksites.

Detailed Activities per Environment Target



- Eco-friendly logistics service expansion
- Efficient packaging through development of collapsible boxes
- Green logistics device such as light-weight trailer
- Training to improve driving habits, setting appropriate indoor temperatures and energy saving



- Mandatory use of tumblers instead of disposable products at the head office cafe
- Diesel Particulate Filter (DPF) installed on vehicles
- Scrapping old diesel-driven vehicles
- Food waste minimized by managing the number of diners



- Raising awareness of climate change and environmental issues with G-Climate (webzine)
- Eco-driving culture promoted using digital tachographs
- Training on environmental regulations information
- Training on environmental information management and energy saving to those responsible for the related duties

Environmental Impact Mitigation

Resource Saving with Smart Office

To reduce waste and recycle resources, Hyundai Glovis has introduced the cloud-based work system and free-address setting in the office. In addition, paperless office environment and smart meeting/reporting culture helps to save resources.

Tumblers Instead of Disposable Cups

Hyundai Glovis has expanded policies to ban disposables to mitigate the environmental impact and reduce waste, even though it doesn't have any legal duty about disposables. Since 2019, we have been distributing tumblers to all employees and installed tumbler washing machines in the main office in March, 2022. Since April in 2022, drinks and beverages at the cafe in the headquarters are provided in tumblers only.

Car Wash Water Reuse

Hyundai Glovis recognizes 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. However, we take a further step to purify and reuse wastewater generated from car wash facilities at used car auctions. This is to reduce tap water consumption and minimize the environmental impact of our business activities. Also, environmental targets are established to save water per every business.

Waste Management

Based on its nature of the logistics company, waste generated from Hyundai Glovis is mostly general waste. We are establishing and implementing waste management standards for storage, transport and processing in order to minimize waste amount and process them efficiently. Based on the previous year's waste processing results, the headquarters and all worksites estimate the expected annual amount of waste, prepare plans to reduce them and manage their performances every month. Also, according to the management standards per type of waste, Hyundai Glovis is performing duties to store and transport waste and manage outsourcing companies to handle waste properly under the applicable laws.

Voluntary Agreement to Reduce Fine Dust from Cargo Trucks

In June of 2021, Hyundai Glovis signed a 'voluntary agreement for reduction of fine dust from old trucks' with 20 organizations including the Metropolitan Air Quality Division under the Ministry of Environment. Under the agreement, Hyundai Glovis has been installing and managing Diesel Particulate Filter (DPF) to lower the pollution by trucks, and implementing environmentally-friendly driving. Furthermore, fine dust reduction measures including installation of DPF is being encouraged and promoted to supplier companies.

Green Logistics Service



Hydrogen Logistics System and Hydrogen Logistics Services

Hyundai Glovis is focusing on establishment of hydrogen SCM and expansion of infrastructures to build a hydrogen ecosystem in line with the upcoming hydrogen society.

MOLIT-hosted Hydrogen Truck Pilot Project

Hyundai Glovis runs pilot tests of hydrogen-fueled cargo vehicles at logistics sites as part of its step-by-step transition from diesel cargo vehicles to hydrogen-driven ones to improve the atmospheric environment. In order to pursue a hydrogen cargo vehicle supply business, while introducing and expanding hydrogen-powered cargo trucks into the logistics market, Hyundai Glovis concluded a multilateral business agreement with the Ministry of Environment, the Ministry of Land Infrastructure and Transport (MOLIT), the Ministry of Trade, Industry and Energy, and Hyundai Motors. In line with its transition plan to eco-friendly vehicles, from industrial vehicles with greater impact on carbon emissions reduction, Hyundai Glovis is participating in the MOLIT-led hydrogen cargo truck pilot project. This aims to develop various support measures to provide 10,000 hydrogen trucks by 2030. Under the 'agreement for implementation of the hydrogen truck pilot project,' Hyundai Glovis is running a pilot project of Xcient trucks, hydrogen and electricity-powered cargo vehicles, to transport steel to Ulsan for a year from December of 2021. With a plan to establish two large-scale charging stations at major logistics hubs every year, the MOLIT will verify the hydrogen-fueled cargo vehicles' performance and hydrogen consumption during the pilot project. Data from the project will be utilized for processes related to establishment of hydrogen-based logistics system and commercialization of hydrogen-driven cargo vehicles.

Hydrogen Supply System Establishment

In 2020, 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. Under the MOU, 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. For the best customer satisfaction, Tube trailers, vehicles designed to transport hydrogen, are used for the project and the transportation process is connected within network.

Hydrogen Forklift Vehicles Test Sites

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 forklifts, which was jointly developed with Hyundai Motor Company, Hyundai Mobis, and Hyundai Construction Equipment, were introduced to the Ulsan KD center to carry out a pilot project. Hydrogen-powered forklift vehicles have the advantage of having short recharging and longer operating

times without exhausting gas emissions, unlike existing electric counterparts. Hyundai Glovis plans to keep on actively introducing eco-friendly energy to logistics equipment.

Clean Hydrogen Supply Network Agreement

According to an estimation by 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 Company 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. We intend 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.

Logistics Infrastructure Using Electric Vehicles

Delivery Services with Eco-friendly Refrigerated Electric Vehicle

In November of 2020, Hyundai Glovis became the first Korean logistics company to introduce a 1 ton truck powered by electricity as a delivery car for SSG.com's fresh products in the cold chain logistics system. This pilot operation targeting Seoul and the Metropolitan areas aimed to verify and improve delivery performances by eco-friendly refrigerated EVs. Introduction of EVs for delivery has been expanded gradually to have 26 EVs running for delivery services as of May in 2022.

Eco-friendly electric delivery vehicles are able to run for around 150 km with an hour of rapid charging. Electric batteries are separated for the body and refrigerated and frozen compartments to improve driving efficiency and stability in the cargo compartment. As these vehicles deliver refrigerated and frozen products, freshness of products is the key priority. Vehicles are equipped with facilities of high insulation performance and a monitoring device is installed for real time monitoring and automatic control of temperatures in the cargo compartment.

It is expected that introduction of eco-friendly electric delivery vehicles decreases air pollutants such as fine dust and nitrous oxides from cargo trucks, contributing to improvement of the air condition in urban areas. Hyundai Glovis is exerting efforts to establish eco-friendly facilities to minimize pollutants emission from logistics processes by operating EVs and focusing on eco-friendly management in its all domestic and international business areas.

Green Logistics Service



Korea's First Patent for After-use EV Battery Transportation Container¹⁾

Hyundai Glovis has developed an exclusive container that enables dead EV batteries to be transported in an economically efficient manner and acquired a patent in February, 2021. This 'platform container' allows to carry after-use EV batteries of different shapes per EV model together in a single container. The container business is expected to grow since there is a growing demand to recycle after-use EV batteries while the EV market is growing.

With the abolishment of the mandatory policy to return dead EV batteries to local government, which took effect with EVs produced in 2021, Hyundai Glovis' Future Innovation Technology Center has speeded up to obtain the patent. The patented container features a variable rail structure that allows to adjust the container's size freely. This container, which allows multi-layer loading, can increase the number of used batteries loaded into an 11-ton cargo truck from five to 17, increasing the efficiency more than three times. Now that the container can be loaded into a container box, used batteries can be exported through maritime transport in the future.

Insulation material is adopted for prevention of electrical short. Special fixing equipment is used to transport dead batteries safely. Since 2020, test transportation has been conducted to verify its performance. With the monitoring system, it is possible to find a patented container's location in real time for more systematic transportation.

Eco-Friendly Maritime Transport Business

Scrubber Installation on Ships

Hyundai Glovis is actively preparing for implementation of 'IMO 2020 Environment regulations,' which regulate the volume of sulfur emissions from vessel exhaust gas from the current level of under 3.5% to under 0.5% to improve atmosphere environment. As a part of such efforts, Hyundai Glovis starts installing scrubbers on vessels from 2019 to reduce sulfur oxide emissions that causes environmental pollution. We have completed scrubber installation for six car carriers in 2021, and plan to install more in 10 car carriers. We will keep on expanding scrubbing facilities in our ships and strive for eco-friendly fleet operation.

Port Incentive Program for Eco-friendly Vessels

Hyundai Glovis is participating in the ESI (Environmental Ship Index) system which provides port fee reduction as incentives for better scores in evaluation. This environmental evaluation system on vessels for vessels provides numerical values digitized in consideration of voluntary efforts to reduce pollutant emissions such as nitrogen oxides, sulfur oxides, diesel particulate matters, and CO₂ that exceeds the international environmental standards by the International Maritime Organization. For the first half of 2021, 60 car carriers (as of the latter half of 2021) are participating in this system at 52 ports. We continue to try to increase the number of ports and vessels to receive incentives under the ESI.

Investment for Vessel Efficiency Improvement

According to the IMO's GHG emission reduction goals, Hyundai Glovis is actively preparing and investing to improve vessel efficiency. In order for GHG emissions reduction and vessel efficiency improvement, we are planning to apply low frictional paints to four vessels and verify its effectiveness in 2022. We are committed to invest actively to improve vessel efficiency and create an eco-friendly fleet by expanding its application in 2023.

Eco-friendly Green Logistics Circumstances

Upgrading Eco-friendly Green Logistics Operation System for 'Leading Global Green Logistics Company'

As a global logistics company, Hyundai Glovis aims to 'become a leading global green logistics company' by upgrading our eco-friendly green logistics operating system. To this end, we have established mid- and long-term GHG emissions reduction goals and detailed targets for each business. The goal of GHG reduction from vehicles and buildings is to cut by 29.3% compared to the 2030 BAU (Business-as-Usual) projection. The goal for fleet is to cut by 50% compared to 2008 level by 2050, in the same ratio of the long-term goals by International Maritime Organization (IMO).

Hyundai Glovis is actively carrying out climate change responses including mid- and long-term carbon management, GHG reduction strategies, achievements of GHG reduction goals and energy saving. State-of-the-art technologies are introduced to our vehicles and vessels and GHG MRV (Monitoring, Reporting and Verification) system has been upgraded.

¹⁾ After-use EV battery refers to a battery with performance lower than 70% of the new one's level, which means there is no value in use. These batteries can be re-used and re-cycled in other areas such as EV charging station, which grows the related market steadily.

Green Logistics Service



Clean Ammonia Alliance for Carbon Neutrality

In July of 2021, 'Green Ammonia Alliance' was launched to achieve carbon neutrality. This alliance is the first one of its kind in Korea, formed for technology development cooperation across the life cycle of clean ammonia from production, transport, extraction to utilization, as a part of efforts to achieve the 2050 carbon neutrality goals. The agreement ceremony brought together nineteen organization and companies including the Ministry of Trade, Industry and Energy and Hyundai Glovis to establish and expand the domestic technology-based clean ammonia value chain across production, transport, extraction to utilization industries.

Detailed technologies that require for cooperation include production of clean ammonia at affordable prices, utilization for transport and vessel fuel, supply of hydrogen by extracting hydrogen from clean ammonia, gas turbine and boilers, combustion and co-combustion, and utilization of no-carbon fuel for fuel cells, etc. In order to produce, transport and use clean ammonia safely, participants agreed to set up safety standards across the life cycle of ammonia.

To achieve hydrogen supply goals in the Korea Hydrogen Economy Roadmap (2019), import of green hydrogen from abroad is inevitable. Ammonia is considered as the most potential hydrogen carrier and the hydrogen supply goal is expected to be increased from 1.94 million tons in 2030 to 5.26 million tons in 2040. Unlike liquid hydrogen, ammonia is liquefied easily at room temperatures and its ability to store hydrogen per unit volume is 1.7 times higher than liquid hydrogen. Thanks to such advantages, transportation and logistics infrastructure has been well-developed and commercialized around the world. According to reports by the International Energy Agency and the International Renewable Energy Agency, clean ammonia is expected to play a key role in the carbon neutrality era as a hydrogen carrier and non-carbon fuel.

Energy Efficient Logistics and Transportation Energy

Hyundai Glovis provides eco-friendly logistics services and continues activities to reduce environmental impact on all business areas and services to follow the ISO 14001 system. Since our initial designation as a Certified Green Logistics company by the Ministry of Land, Infrastructure and Transport in 2012, we have been maintaining the certification through periodic inspections every year. We will keep on developing our eco-friendly logistics services through active communication with our customers.

GHG-related Energy Saving Activities

Efficient Packaging through Foldable Boxes

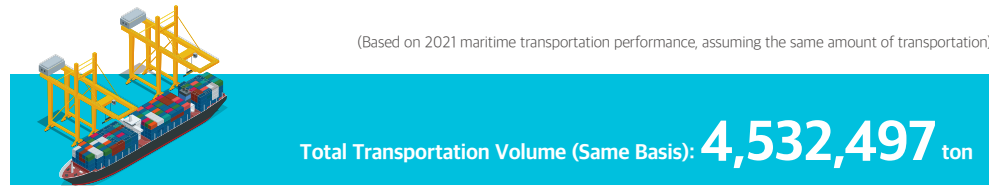
Packaging is an essential process for safe transportation without damage on parts during import and export. Hyundai Glovis has developed a foldable box that can improve energy efficiency of logistics and used it for parts in logistics or export services instead of the disposable cardboard packaging or unfoldable plastic boxes. After transportation, when empty foldable boxes are stored or retrieved, they can be stacked in 1/5 height compared to the counterparts' level by folding down the sidewall.

In 2016, this foldable box was awarded with the Minister's Prize at the government award ceremony for future packaging technology development by the Ministry of Trade, Industry and Energy in recognition of the technology's future values. We are also increasing the energy efficiency in logistics by pursuing efficient packaging technology through collaboration with our suppliers.

Modal Shift to Eco-friendly Transportation Methods

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

Energy Efficient Logistics and Transportation Energy Biodiversity



Category	Item	Result	Category	Item	Result
Land Trans- portation	Transportation weight per case (MT/case)	25	Maritime Trans- portation	Transportation weight per case (MT/case)	9,212
	No. of land transportation	184,572		No. of maritime transportation	492
	Diesel consumption (kℓ)	41,165		Ship oil consumption (MT)	16,327
	Energy consumption (TJ)	1,552		Energy consumption (TJ)	706
	GHG emissions (t CO ₂ e)	107,676		GHG emissions (t CO ₂)	51,071

Eco-Driving of Cargo Vehicles

Hyundai Glovis is taking initiative for green logistics through eco-driving of cargo vehicles to improve the fuel efficiency, which results in upgrading our integrated transport management system. With 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 a driver's driving habits is sent to the driver's smartphone while being monitored to encourage fuel efficiency improvement activities.

Alternative Marine Power (AMP) Pilot Project MOU

As a part of its active responses to climate change, Hyundai Glovis entered an MOU in 2019 for a pilot project of Alternative Marine Power (AMP) facilities to achieve mutual collaboration with the Ministry of Oceans and Fisheries, the Port Authority, shipping companies and operators. The AMP refers to facilities that supply electricity generated from inland instead of self-generated power while a ship is anchoring. Our AMP-installed ships have been supplied with land electricity without their generator power when anchored at Gwangyang Port for two years between January 1st, 2020 and December 31st, 2021.

Hyundai Glovis is joining global efforts for biodiversity conservation and protection of endangered species by expanding ballast water treatment system installation and reducing our vessels' operation speed.

Ballast Water Treatment System Installation

The IMO has adopted the Ballast Water Management Convention, which is designed to prevent disruption in marine eco systems and conserve biodiversity, in order to prevent harm to the marine ecosystem. Since the convention entered into effect as of September 2017, it has become mandatory to install a ballast water treatment system on all vessels. In response to this, we completed installing ballast water treatment systems in six vessels in 2021, and is currently carrying out installation in seven more vessels in 2022. We will continue to expand the installations of relevant equipment until 2024.

Marine Ecosystem and Endangered Species Protection Initiative

As a leading global logistics company with fleets operating around the world, Hyundai Glovis is exerting various efforts to minimize our vessels' impact on the environment. We are joining initiatives to protect marine ecosystems and endangered species as a part of these efforts. Hyundai Glovis has been voluntarily participating in the Vessel Speed Reduction (VSR) program by the National Oceanic and Atmosphere Administration (NOAA), which requests vessels to limit their speed under 10 knots, when operating our vessels in the America's west coast since 2018.

This contributes to minimization of air pollutant emissions from vessels and prevent destruction in marine ecosystems due to collision between ships and whales. Especially, this helps to protect endangered species such as blue whales, humpback whales and fin whales during their mating seasons. In May of 2021, NOAA announced that efforts from maritime logistics companies including Hyundai Glovis have reduced whales' death cases in collision by 35%. This whale protection activity was introduced as best practice by BBNP (Biz N Biodiversity Platform) in Korea. Also, the maritime transport initiative program by Santa Barbara County's Air Pollution Control District certified Hyundai Glovis as the logistics company that has reduced air pollutant emissions, and our activities to protect endangered species through the car carrier whale protection initiative in the U.S. received commendation from the Minister of Environment in 2021.





Environmental Management Achievements

Carbon Management Honors Club of CDP for 2 Consecutive Years

Hyundai Glovis received the 'Leadership A rating' in '2021 Climate Change Questionnaire' hosted by Carbon Disclosure Project (CDP) for two consecutive years. In addition, we won 'Carbon Management Honors Club,' which is awarded to top 5 companies in evaluation scores among the 200 highest-valued Korean companies. Hyundai Glovis is the only logistics company that won the A rating and the carbon management honors club, which recognizes its eco-friendly management performances. In order to lead changes in global environmental regulations and policies and meet stakeholder demands for disclosure of environmental information, we have our carbon management system verified and disclose related results as the first Korean logistics company to participate in CDP.

Grade A in ESG Environment Sector by KCGS

In 2021, 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) which evaluates companies' ESG levels and disclose results to stakeholders. We make public our environmental management system and improvement in the area to stakeholders through various channels, while continuously achieving the Grade A rating in the environment sector continuously since 2019.

Green Management Award Global Prize for 4 Consecutive Years

In 2021, Hyundai Glovis received the Green Management Awards for the fourth consecutive year at the Global Standard Management Award in recognition of its performances in continuous development of GHG reduction businesses and operation of eco-friendly new businesses. Global Standard Management Award, which commemorates its 20th anniversary this year, is hosted by Korea Management Register (KMR) and sponsored by the Ministry of Trade, Industry and Energy and the Ministry of SMEs and Startups. In order to strengthen global competitiveness of companies, the award evaluates various sectors of a company, including business strategies, future values, products and services, and give awards in 10 areas. Green Management Awards is given to businesses that establishes and operates eco-friendly business management and utilizes them as a growth engine for sustainable management.

Clean Shipping Index (CSI) Certification

Hyundai Glovis has received the CSI certification for two vessels in recognition of our performance in eco-friendly transportation over the past 15 years and continued efforts to earn this certification for more vessels. In addition, we continue to work for efficient data management and systematic ship management system to reduce GHG emission from vessels, while investing in R&D to increase fuel efficiency and applying technologies for GHG emission reduction.

Environment Minister Commendation for Biodiversity and Fine Dust Reduction

In 2021, Hyundai Glovis received the commendation from the Minister of Environment for its efforts to the biodiversity conservation. This commendation is given in recognition of Hyundai Glovis' commitment to protect marine ecosystems by participating in the Vessel Speed Reduction (VSR) program of NOAA as the only Korean logistics company since 2018, joining the car carrier conservation of endangered species through the U.S. Whale Conservation Initiative and reducing fine dust and toxic pollutant emissions. Also, our activities to reduce fine dust emissions from freight vehicles, which includes Diesel Particulate Filter (DPF) installation and eco-driving promotion to drivers won the commendation from the Minister of Environment.

Support for TCFD and Initiatives (Joining Supporters)

For integrated management of its climate-related financial information and management strategies, Hyundai Glovis became the first Korean logistics company that joined 'Task Force on Climate-related Financial Disclosures (TCFD)' as Supporters and announced its commitment for eco-friendly management activities including GHG emissions reduction in October, 2021. TCFD is an international council established by the Financial Stability Board upon requests of G20 nations in 2015. TCFD requests global businesses to disclose their expected financial impact caused by climate change through public announcement in transparent manners, which are used as a major index for a company's ESG management evaluation.

Environmental Management Achievements

Environmental Regulations Compliance

GHG Emissions and Energy Regulations

Hyundai Glovis has been implementing targets in GHG emissions and energy consumption under the 'Framework Act on Low Carbon, Green Growth' and participating in the Emission Trading Scheme since 2021 after its designation in 2020. In order to abide by the new regulations, we created a company-wide carbon response administrative group and have been monitoring GHG emissions for each month and developing items for GHG reduction.

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 the 'Energy Use Rationalization Act.' We diligently report GHG emissions and energy consumption from all worksites to the government and publish the data in our sustainability report for our stakeholders as required by law.

Environmental Regulations Regarding Freight

Hyundai Glovis systematically manages and controls dangers that may result from cargoes when transporting freight, which includes proper handling of chemicals in accordance with the 'Chemicals Control Act.' 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 a monitoring system in accordance with the Act on the Safety Control of Hazardous Substances. Through this system, we conduct monthly inspections as well as irregular checkups.

Although there is no high-risk or toxic product handled by our company for now, we are planning to manage these products following the ISO 13485¹⁾ and ISO 45001²⁾ guidelines and procedures for chemical and toxic materials in case of expansion of related businesses. Especially, we are planning to thoroughly manage medical devices against the risk of exposure according to the guidelines for shipping and managing medical devices.

Vehicle-related Environmental Regulations

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 scrapping of old diesel vehicles and adjust allocation of vehicles when the order for extraordinary fine dust reduction measures is issued.

¹⁾ International certificate for quality management of medical devices,

²⁾ International certificate for safety and health management systems

Vessel-related Environmental Regulations

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. Hyundai Glovis uses low-sulfur oil and operates scrubbers on ships to comply with this regulation. We are in compliance with all regulations for air and marine environment protection in global shipping, such as the IMO Ballast Water Management Convention.

Minimized 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 Auto Bell Bundang 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 2021

Category	Plan & Target	Performance	Achievement	
Management Results ¹⁾	GHG Emissions ²⁾ (tCO ₂ eq/ KRW 100 million)	0.56	0.39	Achieved
	Energy Consumption ³⁾ (MWh/ KRW 100 million)	2.40	1.93	Achieved
	Water Consumption (m ³ /m ²)	0.32	0.21	Achieved
	Waste Disposal ⁴⁾ (Kg/m ²)	1.37	0.99	Achieved
Eco-friendly Product/service Purchase and Investment	Eco-friendly Investment and Expenditure (KRW 100 million)	794	864	Implemented
Environmental Improvement by Representative Worksite ⁵⁾	Minimized GHG Emission Reduced Power Consumption (Ulsan1C/C) (MWh/year)	983	940	Achieved
	Minimized Pollutant Discharge THC Emissions (Pyeongtaek Port Logistics Center) (MWh/Quarter)	55	5.45	Achieved
	Waste Reduction Reduction of Food Waste per Person (AUTOBELL Yangsan center) (g/(Person * month))	80	67	Achieved

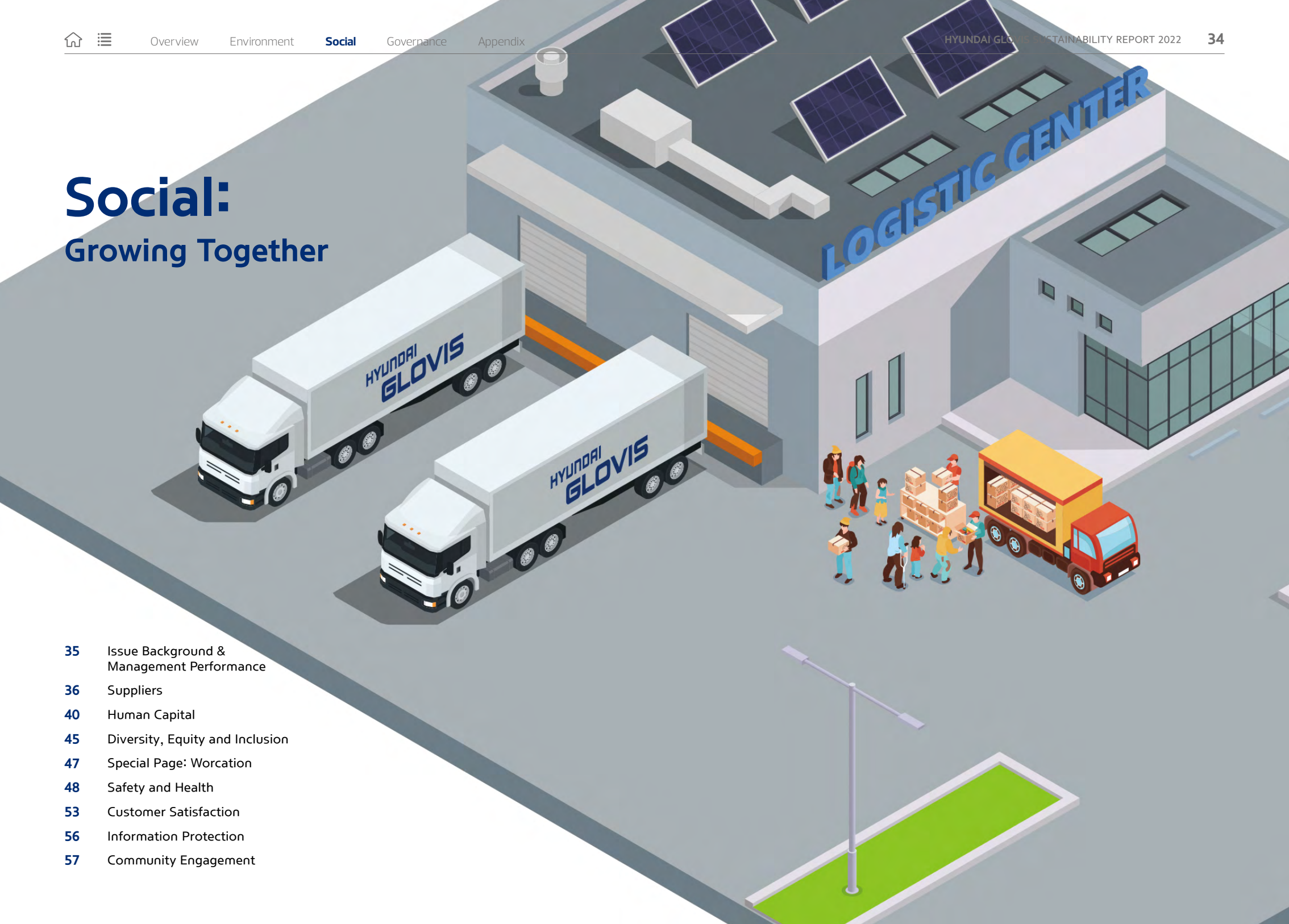
^{1),2)} Plans and targets are the average value between 2018 and 2020 (three years), ²⁾ Domestic GHG emissions / sales (Based on separate financial statements),

³⁾ Domestic energy consumption / sales (Based on separate financial statements), ⁴⁾ Waste disposal / domestic worksite size

Social:

Growing Together

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Issue Background & Management Performance

ISSUE BACKGROUND

As the society is paying growing attention to issues from supply chains of companies, supply chain risk management through global competitiveness is becoming a growth engine for a company. As the EU Committee on Legal Affairs adopted the supply chain human rights and environmental due diligence report, the importance of preemptive responses is also increasing for establishment and sustainable management of responsible supply chains.

MANAGEMENT APPROACH

Through performance, credit, and ethic management evaluation, Hyundai Glovis is managing ESG risks in our supply chain each year. We inspect financial status and environmental management levels of our suppliers and manage them in the order of priority. These ESG factors are reflected in registration evaluation for the supply chain management system and are considered as an important indicator for selecting new supplier companies. In order to raise safety awareness of our suppliers and expand their scope of safety management, we have included safety assessment in our supplier registration evaluation for the category of port service/material purchase. We are reviewing continuous scope expansion and management.



10times

Supply Chain Ethics and Environmental Training in 2021



45.7%

Percentage of Suppliers subject to ESG Risk Assessment in 2021
(Total ratio went down due to expansion of evaluation target suppliers compared to 2021)



8times

Meetings with suppliers in 2021

Suppliers



Management Policies and Strategies

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 stable supply on a regular basis.

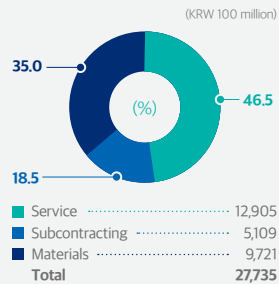
ESG Strategy Development and Goal Management

Hyundai Glovis manages suppliers by comprehensively considering their price competitiveness, performance capabilities, financial strength, ethical management, and safety and environmental status. To prevent unethical conducts that can occur in the supply chain, we make it mandatory for our suppliers to abide by their pledge to practice ethical management. In order to manage the ESG goals in the supply chain, we inspect our suppliers' financial environment and environmental management standards according to priorities. The ESG elements are reflected to the supplier registration assessment in the supply chain management system and considered as important factors in the process of new supplier selection. In 2021, the percentage of ESG risk assessment for supply chain was 45.7%. The number of assessed suppliers went up by 6.7%, totaling 817 suppliers, compared to 2021.

2021 Supplier Composition

Category	No. of suppliers
Service	695
Subcontract	74
General Purchase	74
Others	967
All Suppliers	1,784

Supplier Purchase in 2021



Supplier ESG Assessment

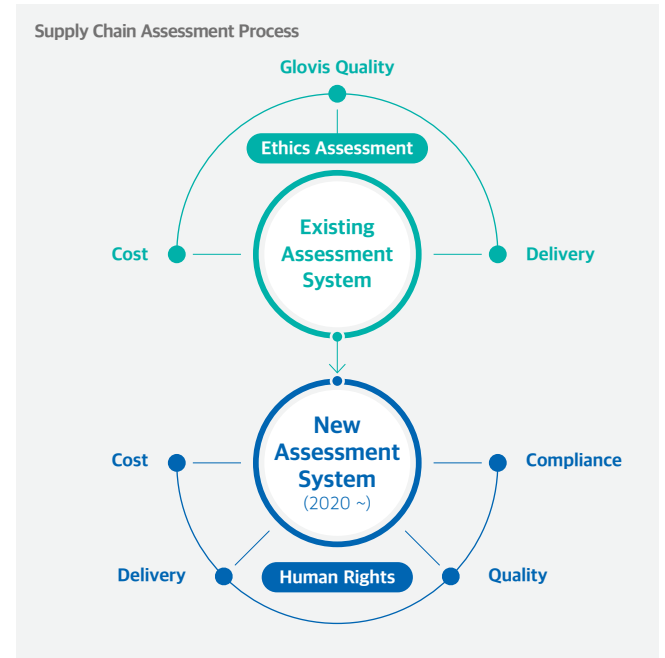
Major Suppliers Management

Hyundai Glovis manages its supply chain by selecting key suppliers considering their transaction amount, contract duration, and availability of specific services, along with other factors. Out of approximately 1,800 suppliers, 800 key suppliers account for 86% of our purchases. For mutual benefits and joint development, we invite our key suppliers in major sectors to have collaborative meetings for communication between us and suppliers or among suppliers.

Transparency in Supplier Selection

Hyundai Glovis operates a fair and transparent supplier selection process through its purchase management system. For systematic management of suppliers, we have established a 'bidding-contracting-assessment-follow-up management' process starting from supplier registration assessment in our purchase management system. Based on our supplier selection and contract guidelines established in 2009, we decide a 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 sign the ethics practice agreement. In addition, we are leading suppliers to expand ethical management practices by giving bonus points to the suppliers that have participated in the 'Supplier Ethical Practice Program.'



Supply Chain ESG Risks Management

Hyundai Glovis identifies and manages ESG risks in its supply chain on an annual basis through assessment on their performance, credit rating and ethical management. In 2021, we conducted an ESG assessment of 817 major suppliers, which is a 6.7% increase in the number of assessed suppliers compared to the previous year. Assessment indicators include estimation, bidding, cooperation, and ethical management practice, etc. Suppliers that received low ratings in overall assessment are categorized as "high-risk". To suppliers in the high-risk group, we impose penalties in order to promote their continual improvement. The same ESG assessment is conducted to suppliers in supply chain who are newly designated as the assessment target.

Suppliers



Corrective Actions from 2021 Supplier ESG Risk Assessment

Description	No. of suppliers	Ratio(%)
Suppliers with High ESG Risk that Developed Improvement Plans	98	100%
Suppliers with High ESG Risk	98	100%
Follow-up Measures	Termination	-
	Temporary Suspension	-

* Suppliers that have obtained Grade S (bottom 10% in the relative evaluation) from the Supplier Comprehensive Evaluation (including ESG items) are considered as the suppliers with high ESG risk.

Supply Chain Sustainability Assessment

In order to maintain a sustainable supply chain and practice ESG in suppliers and overseas worksites both, Hyundai Glovis assesses both financial and non-financial aspects. The assessment covers items about ethical management and logistics quality. 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, related systems, as well as attendance of ethical management training.

For the assessment of logistics quality, we conduct due diligence using checklists tailored to each industry and provide customized management for our suppliers according to the results. We promote suppliers' self-improvement activities and provide incentives to minimize potential ESG risks through active management and support following the evaluation. Through due diligence processes, ESG training and consulting, we support our suppliers to enhance their capability and encourage them to practice improvement activities.

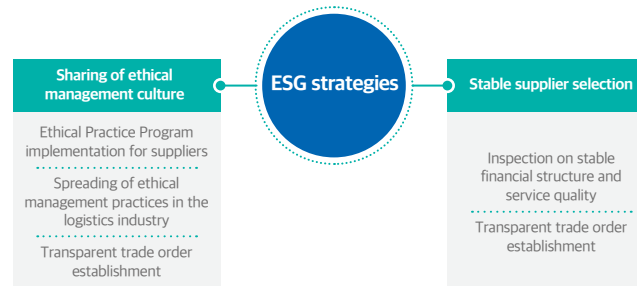
Since 2021, we have updated our supplier assessment system to gauge economic, environmental, and social risks that may arise within the supply chain and manage the risks according to their priority level. Assessment results are used as an important index in selecting and contracting with suppliers. When a supplier receives the registration evaluation after being registered in our purchase management system, extra 10 points are given for its safety evaluation item.

Category	Risk Assessment Element	Description
Economy	Financial Assessment	<ul style="list-style-type: none"> Inspection of financial stability, such as cash flow and debt ratio, through external credit rating assessment Assessment of cost competitiveness using indicators such as bidding participation, contribution to cost reduction, and successful bids
	Ethical Management Assessment	<ul style="list-style-type: none"> Reflecting participation in ethics practice programs and breach of transparent business 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 companies in the sourcing group excluding forwarders and material suppliers that do not have a workplace under the regular supplier registration standards. The percentage of suppliers in the group who receive a safety score assessment is 100% (Safety score is 10 out of total 100 points for supplier registration assessment.)

ESG Support for Suppliers

Safety & Environment Consulting Support Items



Hyundai Glovis Supplier Maintenance KPI

(% and times)

Category	Goal	Target year	Achievement Rate Compared to 2021
Supply Chain ESG Assessment ¹⁾	100	By 2025	45.7
Supply Chain Ethics and Environment Training	12	By 2021	10
Meeting with Suppliers	10	By 2021	8

¹⁾ Supply Chain ESG Assessment is the evaluation for safety and environment.

Support for Suppliers' Ethical Management

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

Support for Suppliers' Ethical Management

In 2015, Hyundai Glovis launched the Supplier Ethical Practice Evaluation system with the goal of establishing ethical management among our suppliers. The evaluation is conducted on the basis of infrastructure, communication, training, and monitoring indicators. In 2021, 368 out of 719 suppliers participated were selected as highly-evaluated companies. We provided ethical management consulting services to small- and medium-sized suppliers that had insufficient capacity in cooperation with an external specialized organization.

The Supplier Ethical Practice Program includes ethical practice guidelines for the CEO, ethical practice pledges by all employees, establishment of code of ethics and guidelines, and ethics training. We are providing continual support to help our suppliers internally strengthen and develop the foundation of their ethical management.

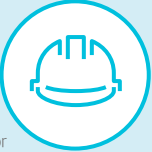
Suppliers



Supplier Ethical Practice Program Status

Safety

- Occupational Safety and Health Act Compliance
- Safety Management System
- Industry Disaster Management
- Emergency Response System
- Safety Training




Questionnaire

- Questionnaire adjusted according to the sector
- A total of 50 questions including specific ones for the sector
- Evaluated through 17 questions on average

Environment

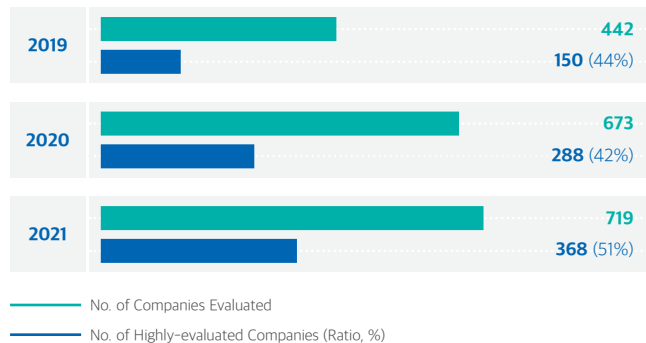
- Environmental Management System and Goals
- Environmental Impact Management Performance
- Environmental Products and Services
- Environmental Information Disclosure
- Energy Efficiency Improvement



Questionnaire

- Questionnaire adjusted according to the sector
- A total of 27 questions including specific ones for the sector
- Evaluated through 16 questions on average

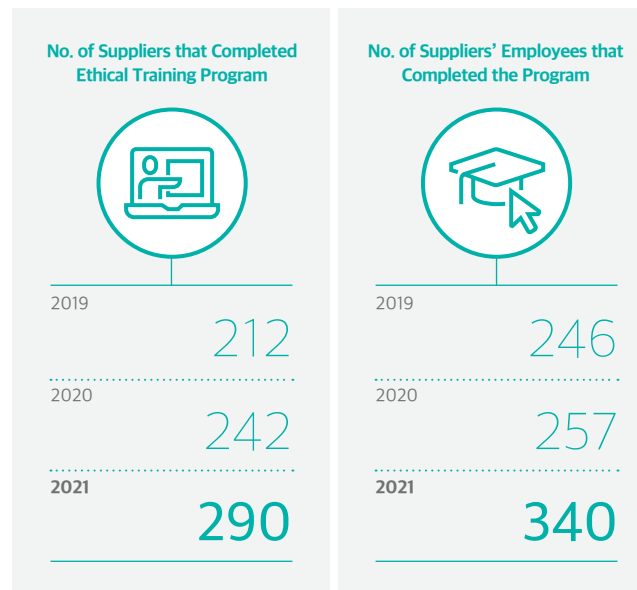
Supplier Ethical Practice Program Status



Supplier Ethics Training Programs

In cooperation with the Foundation of Korea Logistics Industry Promotion, which was established for the purpose of promoting the mutual growth in the domestic logistics industry, Hyundai Glovis is providing training courses on ethical and environmental issues for mutual growth with small, medium, and large enterprises. We share the latest trends and best practice 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. In the latter half of 2022, an ESG training seminar is slated to be held with 111 supplier companies as a part of the supplier business management seminar. This ESG seminar will be in the form of offline courses using our Policy Support/CSR Team, with a focus on raising awareness on ESG concept and its importance. We are reviewing to hold the ESG seminar on an annual basis.

Safety and Environmental Management Consulting Support



Supply Chain Safety Management Support

Supplier Safety and Environment Performance Assessment

Hyundai Glovis have a strong understanding of suppliers' issues in safety and environment areas and related regulations. Ratings are given to these issues according to their risk levels to manage them accordingly. Based on potential risks' impact on us and their possibilities considering the business characteristics, we categorize, diagnose and monitor potential risks continuously. Incentives are provided to outperforming suppliers who have executed pre-emptive measures. In addition, we conduct on-site due diligence at suppliers and worksites that are closely related to safety-related regulations to support their compliance.

Consulting Support for Suppliers' Safety

Hyundai Glovis provide consulting and training programs to small- and medium-sized logistics enterprises to establish a safety and environmental management system through the Korea Logistics Industry Promotion (KLIP). Small- and medium-sized logistics enterprises can apply for consulting through the KLIP website and receive financial support to cover the entire consulting expense. The consulting support project, encouraged by the Ministry of Land, Infrastructure and Transportation (MOLIT), complies with the industrial safety regulations and supports small- and medium-sized logistics enterprises to acquire the Green Logistics Company certification. The consulting project provides guidelines to help small- and medium-sized logistics companies to detect and address risk factors so that they comply with the revised Occupational Safety and Health Act. It also helps suppliers of small- and medium-sized logistics companies improve their environmental management capabilities, establish an environmental management system meeting the requirements of Green Logistics Company certification by the MOLIT, and practice environmental management activities continuously. Support areas include innovation in logistics process quality, consulting services for logistics worksites, solution of logistics system, safety and health, environmental management and general business management. Besides, it provides free-of-charge safety and environmental training courses about the latest laws and regulations in addition to information on safety and environment trends. Particularly, separate programs of safety manager training are operated as required by the Occupational Safety and Health Act

Suppliers



Support for Supplier Safety and Environment Assessment

Hyundai Glovis conducted safety and environment assessment on suppliers in 2021. The result shows that most suppliers followed regulations to prevent industrial disasters and took initiative in the area of safety. For suppliers with high grades in the evaluation, follow-up programs will be conducted including incentives for bidding or supply quantity allotment, etc. In addition, we promote safety management in our suppliers by establishing systems and supports to prevent accidents and raise general safety levels. In order to encourage suppliers' voluntary safety management and collect their opinions, we are planning to visit our suppliers to provide safety training support services on a semi-annual basis. In addition, we provide customized training services based on our characteristics to strengthen safety and health capabilities of employees and operate a safety management incentive system for outperforming suppliers and drivers.

Safety & Environmental Management Consulting Support Items



Analysis of risks and improvement
Guidance on Occupational Safety and Health Act
Compliance with Occupational Safety and Health Act

- Job tasks and safety/health activities analysis
- Risk assessment and improvement solution
- Occupational Safety and Health Act training
- Subcontractor's safety obligations training
- Safety training system
- Safety management recording system



Environmental management scope and level
Green logistics project plans and implementation
Environmental management effectiveness analysis

- Environmental management scope and related system establishment
- Logistics energy consumption and GHG emissions calculation
- Development and planning of green logistics business items
- Logistics energy saving and GHG reduction goals
- Periodic evaluation and analysis system on environmental management activities
- Training and support for government reporting and third-party verification

Safe Work Environment

Hyundai Glovis, in partnership with the Foundation of Korea Logistics Industry Promotion, publicly gathered applications from small- and medium-sized logistics firms that needed construction support to improve their work environment. Thirteen companies in 2019, 10 companies in 2020 and 10 companies in 2021 were selected and supported. We covered all the expenses to create a safe and healthy environment for the small- and medium-sized logistics companies in the supply chain.

Growing Together

Mutual Cooperation Fund

Hyundai Glovis operates the Mutual Cooperation Fund to a scale of KRW 20 billion in order to financially aid freight vehicle drivers and small- and medium-sized 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 business management, we use this fund to partially support the interest expenses. With the assistance in resolving their financial difficulties, we contribute to strengthening financial stability and competitiveness of small- and medium-sized 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.

Green Purchase Policy

Hyundai Glovis has been implementing a Green Purchase Policy that considers eco-friendliness in purchasing activities throughout the overall logistics processes, including delivery, transportation and unloading. The Green Purchase Policy includes detailed contents such as its definition and scope, as well as eco-friendly considerations for sustainability. As a part of our strong commitment for green purchases, we are actively developing and introducing green materials to vitalize green purchases.

Freight Vehicle Tire Replacement

Hyundai Glovis promotes mutual growth with freight vehicle owners and suppliers by implementing a program to support 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 driving safety and transportation quality by supporting replacement of six tires per vehicle every year so as to prevent the use of recapped tires and ensure compliance with the recommended replacement cycle.

Active Communication with Diversified Channels

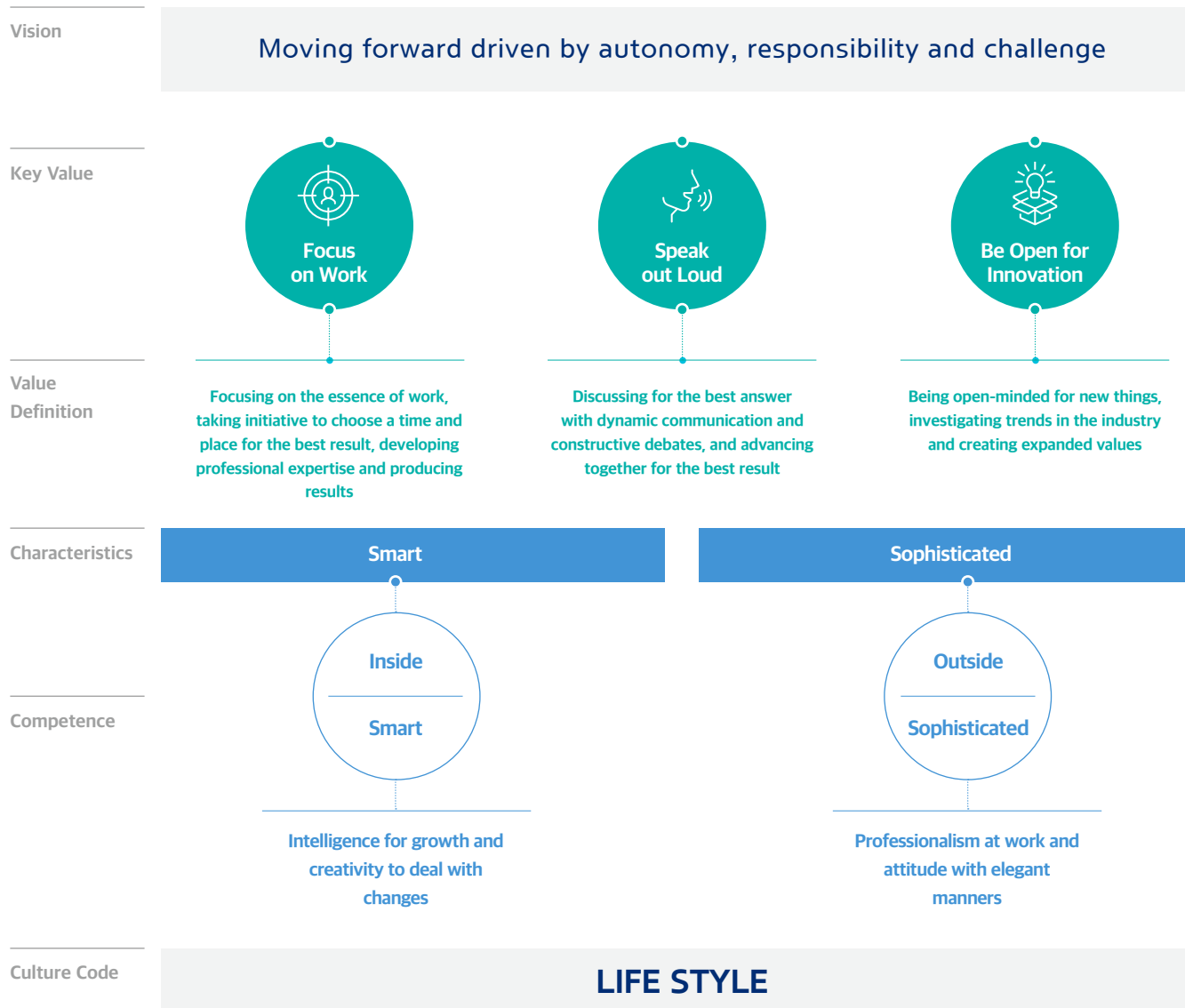
In March of 2020, Hyundai Glovis converted its company newsletter <GLOVIS+> published since 2007 into a multimedia-type webzine (<https://webzine.glovis.net>) to promote communication with stakeholders. As a book-type company newsletter that contains news about Hyundai Glovis, GLOVIS+ has been published every month for 13 years to promote communication between executives and employees. Its plus sign (+) implies 'more' and 'connect,' which aims to go with our customers, local communities, and stakeholders.

Webzine GLOVIS+ consists of a variety of sections including major news about Hyundai Glovis, introduction of overseas corporation, team interviews, information on the corporate culture and industry trends. Some of its content is also created as videos. This 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. The webzine provides great accessibility with a reactive web feature 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 and promote exchanges with a variety of customers and stakeholders.

Human Capital



Organization Culture System and Strategy



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

Category		2019	2020	2021
Total No. of Employees in Korea		1,392	1,450	1,634
By Employment Type ¹⁾	Regular	1,333	1,392	1,509
	and Contract-based	59	58	125
By Gender	Male	1,207	1,255	1,362
	Female ²⁾	185	195	272
By Age Group	Under 30	120	247	294
	30~50	1,138	1,106	1,223
	Over 51	134	97	117
Management Position ³⁾ (Section Chief or in Higher Ranking)	Male	602	667	749
	Female	18	30	44

* As of December 31 in 2021

**The total number in 2021 includes three standing directors

¹⁾ As of 2021, employees consisted of 452 local employees, 15 persons with disabilities, 6 foreign persons and 23 persons with national merit

²⁾ Percentage of female directors in 2021: 11.11%
Female ratio in junior manager positions (Female manager ratio): 23% in 2018/2019, 21% in 2020, 23% in 2021

³⁾ Percentage of female employees in STEM (Science, Tech, Engineering and Math) related positions (Ratio of female employees in departments of research institute and finance, etc.): 13% in 2018/2019 and 12% in 2020/2021 Percentage of females in departments that generated revenues: 2% in 2018, 2.7% in 2019, and 13.6% in 2020 and 17% in 2021

Human Capital



Gender Equality Culture

Having recognized the difficulty in recruiting female employees due to the characteristics of the logistics industry, Hyundai Glovis tries to overcome this by pursuing policies to increase female recruitment. We are continuously managing of the female leader group and hiring female talents from the outside. As a result, the number of female managers and executives increased for the first time in the history of the company in 2021(1 in 2020, 2 in 2021). In order to spread the culture of gender equality, Hyundai Glovis continues to increase the number of new female employees and raise the promotion ratio of female talents compared to other companies in the industry.

Male to Female Salary Comparison in 2021

Category	Manager Position	Non-manager Position
Basic Salary	Basic salary + Bonus and Other Cash Incentives	Basic Salary
Male-Female Salary Ratio	100%	100%

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

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 the legal criteria.

Salary Comparison to Statutory Minimum Wage in 2021 (%)

Gender	Ratio
Male	1.41995
Female	1.37695

Talent Development

Systematic Talent Development System

Hyundai Glovis believes that the core competitiveness of a logistics company lies in its 'people.' We are committed to create a company that improves

competitiveness of its employees in a positive work environment. For this, we are operating a systematic talent development system that helps employees design their career paths and develop expertise by themselves. In addition, we provide strategic talent development training programs to equip our employees with leadership capabilities, job competency and global competency. These efforts aim to support worksite-driven performance and foster our employees into key talents for the future growth.

Job Competency Development Programs

In order to develop job competency of our executives and employees, we run the job competency improvement course by linking the Individual Development Plan (IDP) system with on-the-job training that considers each organization's strategy directions and individuals' needs to improve competency. In 2021, training programs in major business sectors such as logistics, shipping, and distribution were provided with various competency programs to develop driving force for new businesses and improve business support capabilities. Courses with internal and external specialists and consortium programs were provided for job competency-related training and training, totaling 107 courses. We also run the language competency development course throughout a year in response to expansion of global businesses. In addition, we run a retirement conversion program to provide e-learning on changing the career for those who are scheduled to retire. We also offer training on designing the life, training on asset management and health, other online training content and 1:1 consulting related to designing the life or changing the career for those who apply. Various training programs are designed to provide effective training and training to all executives and employees throughout their experience cycle from the beginning to the end of their career paths.

Competency Development through Education and Training

In response to external changes caused by COVID-19 pandemic in 2021, Hyundai Glovis has expanded investment for online e-learning training courses compared to the previous year. We also expanded on-the-job training for new businesses such as cold chain. Also, supports were provided for acquisition of

certificates by executives and employees. Digital Transformation Academy, which is the training package in the field of programming and data analysis, was provided to all executives and employees to enhance their digital capabilities. In order to develop leadership capabilities and produce organizational performances, leadership coaching programs were run to all team leaders. Through a team-based mutual understanding program, support was given for on-boarding of those assigned to new positions. In 2021, new pragmatic programs are slated to be provided in accordance with post COVID-19 ear, aiming to support employees' growth and capability improvement.

Category	2019	2020	2021	
No. of People Trained	Total	1,230	1,447	1,634 ¹⁾
	Gender			
	Male		1,252	1,362
	Female		195	272
Hours of Training	Total	82,622	52,737	60,138
	Gender			
	Male		45,983	47,378
	Female		6,754	9,522
Cost of Training (billion KRW)	Total	16.1	7.7	13.5
	Gender			
	Male		36.65	34.79
	Female		34.58	35.01
Training Hours per Person	Natio-nality			
	Korean		36.4	36.82
	Other		20	29.33
Level	Executive (Manager level)		47.18	27.12
	Middle-manager Level (Corporate head, team leader, director, etc.)		3.77	26.46
	General Staff		34.36	36.54
Total		130.89	53.25	82.58
Training Cost per Person (10 thousand KRW/ Persons)	Gender			
	Male		54.36	85.55
	Female		46.93	60.24
Level	Executive (Manager level)		112.50	218.5
	Middle-manager Level (Corporate head, team leader, director, etc.)		17.66	185.5
	General Staff		52.91	66.5
Investment Ratio for Training (%)		0.009	0.005	0.006

¹⁾ Total number of people trained includes three registered executives.

Human Capital

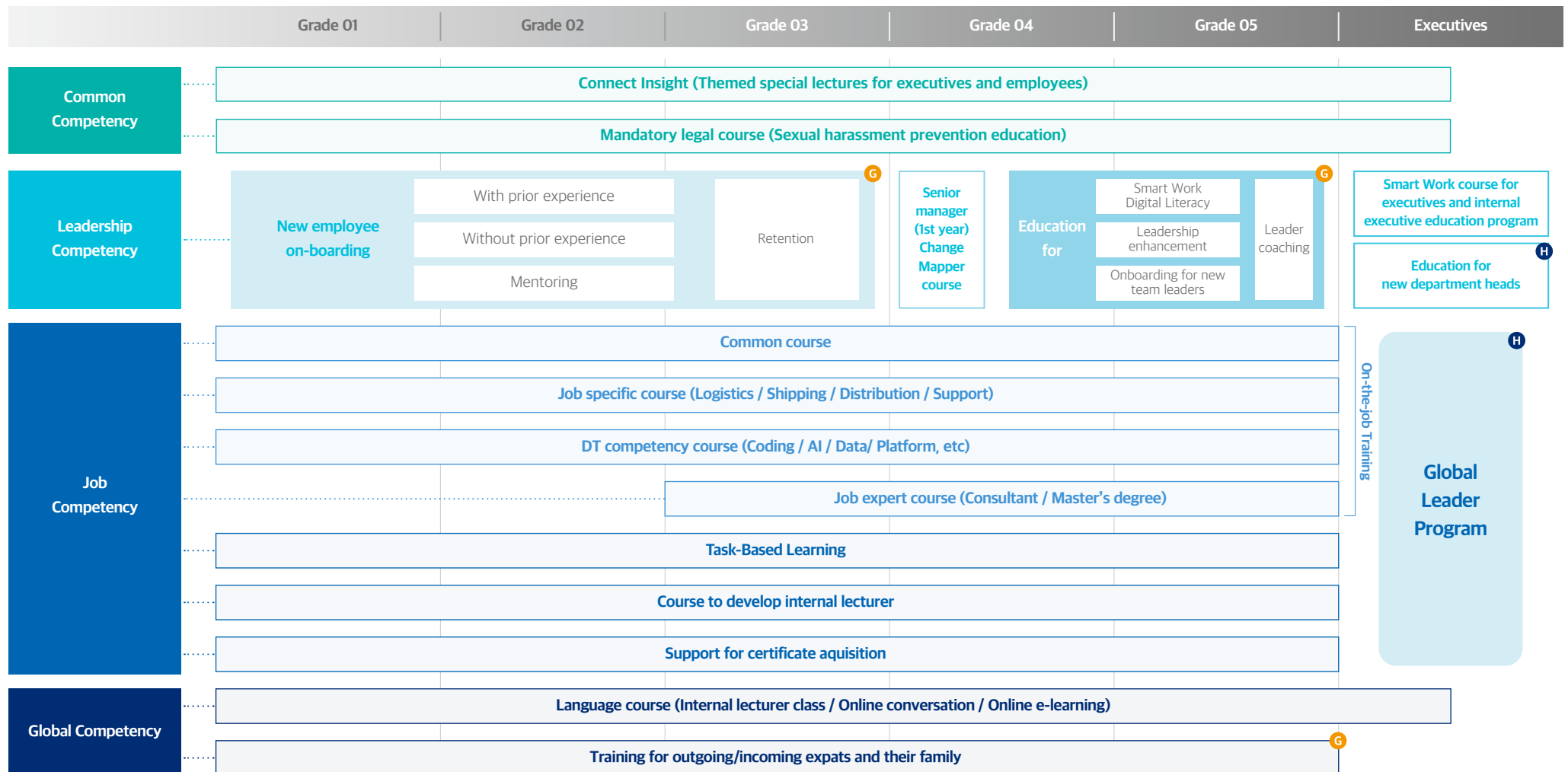


Talent Development

2022 Hyundai Glovis Talent Development Chart

Hyundai Glovis has renovated its target-specific talent development programs and systems to support employees' growth.

H Hyundai Group course **G** Hyundai Group/Glovis combined course



Human Capital



Talent Development

2022 Hyundai Glovis Talent Development Chart

With the talent development system to strengthen common competency, leadership competency, job competency and global competency, Hyundai Glovis supports employees' growth to become next generation global leaders and job experts in their fields.

Target	Executive	Team leader	Common for all employees			
Program	<p>Executive training (Internal)</p> <p>Executive skill clinic (Group)</p>	<p>Team leaders' leadership improvement course</p> <p>Digital literacy course</p> <p>Performance management course</p>	<p>Internal/External on-the-job training (Including TBL)</p>	<p>DT Academy</p>	<p>Support for certificate acquisition</p>	<p>Job expert development course (Consultant or Master's degree)</p>
			<p>G-free talking (Internal lecturer course / Online language programs / Online e-learning / Support for SPA test, etc)</p>			
			<p>Begin Again W/S (Department-based organization vitalization program)</p>			
	<p>Coaching for new head of business department (Internal)</p>	<p>Reflection course for long-term position holders (Internal, for team leaders with 5 or more years in position)</p>	<p>Legal mandatory education (Sexual harassment prevention / Raising disability awareness), ESG education</p>			
	<p>Basic/Elective /In-depth course for Head of department (Group)</p>	<p>New team leader On-boarding course (Internal)</p>	<p>Target-specific course</p>			
			<p>On-boarding track for new employees (With/without prior experience, retention, etc.)</p>	<p>Support for internal lecturer</p>	<p>Support for certificate acquisition</p>	<p>Course to develop job experts (Consultant or Master's degree)</p>
System Environment	<p>IDP (Establishment of development plans and monitoring), Education platform (Touch class, Talent Development System)</p>					

Human Capital



Talent Acquisition

Turnover Management Program

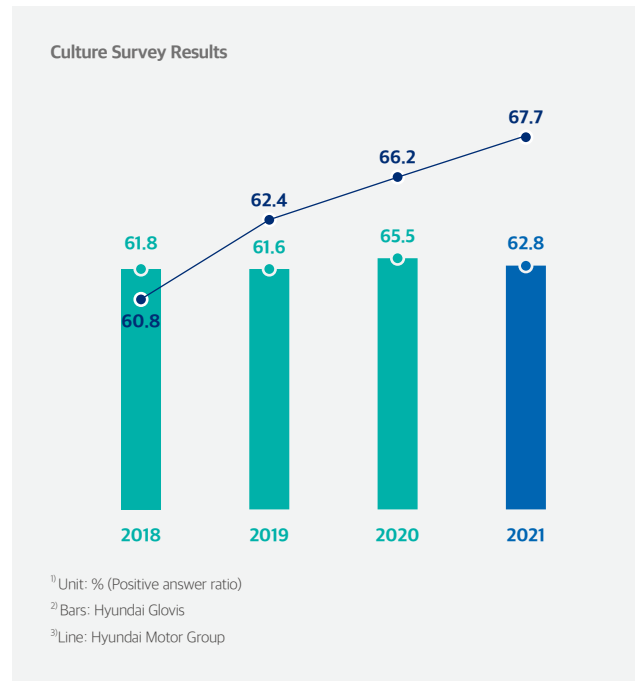
Hyundai Glovis operates a range of programs to ensure employees' long-term service by providing them with a stable working environment. In addition to provision of basic annual leaves and special leaves for anniversaries and family events, we support our employees with tuition fees and training expenses of their children and medical expenses. We also offer various rewards to long-term employees and top performers. With a wide range of turnover management programs, Hyundai Glovis does its utmost to improve employees' satisfaction.

Turnover Management Program

Category	2019	2020	2021		
Total	151	117	257		
Gender	Male	130	101	171	
	Female	21	16	86	
Age	Under 30	73	62	145	
	30~50	76	53	109	
	Over 51	2	2	3	
Nationality (Nation / People)	Korea 150 Iran 1	Korea 116 New Zealand 1	Korea 257		
	Average Cost of Recruitment (KRW)	1,296,817	956,883	1,128,512	
No. of employee Turnover (Including no. of voluntary turnover)	Total	43	37	75	
	Gender	Male	33	33	56
		Female	10	4	19
Turnover Rate (%)	Total	3.6	3.2	6.7	
	Toal Voluntary Turnover Rate	4.6	2.6	4.6	
Internal Talent Recruitment Rate (%) ¹⁾	81	88	75		

Periodical Organization Culture Survey

Every September, Hyundai Glovis conducts a 'Culture Survey' organized by Hyundai Motor Group for all its employees. Culture Survey consists of five elements of Business, People, Work, Leadership, and Organizational Effectiveness. The survey result helps us figure out reasons for weak points in our organizational culture and develop solutions in order to improve employees' satisfaction level and enhance performances across the company.



Performance and Evaluation

Employee Performance Management and Evaluation System

Hyundai Glovis operates a constant, absolute, and coworker review-based evaluation methods. We no longer evaluate employees solely on the basis of their performance. Our employees can now receive regular feedback from department heads in the course of performing their jobs. This new evaluation system is designed to resolve the side effect of absolute evaluation, which tends to give rankings to employees. It also helps employees receive opinions from their co-workers on individuals' strong points and room for improvement.

In addition, an incentive system is in operation to provide greater compensation to employees who displayed high performance. This system creates a virtuous circle that motivates employees to establish and fulfill challenging goals. As a result, employees improve their performances and raise their satisfaction levels, too. Hyundai Glovis will continue to upgrade the performance management system so that all employees can receive fair compensation according to their performance.

Performance Evaluation Type and Target Employees in 2021

Type	Details	Employee Ratio(%)
Constant Evaluation	Constant modification and improvement of task goals, recording all the feedbacks in task processes into the evaluation system	100%
Absolute Evaluation	Evaluation based on fulfillment of criteria rather than through comparison with other employees	100%
Peer Review	360-degree multi-dimensional evaluation	100%
Percentage of Employees Who Received Regular Achievement and Career Development Reviews		Male 100%
		Female 100%

¹⁾ Data changed compared with the previous year's report due to changes in calculation formulas.

Employees Embracement Policy



Welfare

Welfare System

Hyundai Glovis operates a welfare system to enhance the quality of life for our employees. We comply with applicable laws and regulations for paid maternal/childcare leave with over minimum wage pay. Selective working hours and remote work system have been implemented for all employees. The labor and management council continuously collects opinions for welfare improvement of employees such as providing a 1-day leave on the day of the company anniversary, etc. and strives to improve the welfare system continuously and effectively.

Retiree Support Program

Hyundai Glovis operates a retiree treatment and training support program to enable them to search for their career goals before retirement and support their lives after retirement. For those subject to voluntary resignation, voluntary retirement and regular retirement, their treatment, award and career change are comprehensively managed under the program. As awards for a retiree, five 'don' of gold (Korean unit of weight equivalent to around 4g), a certificate of merit and a celebration for retirement are provided. By supporting retirees in life-planning and self-development areas, we are supporting retirees to plan their lives after retirement.

2021 Parental Leave Status

(Persons)

Category	Male	Female	Note
Employees Qualified for Parental Leave	497	46	Employees with children of 8 years of age or less or in the second grade of elementary school (based on birth after 2013)
Employees Who Received Parental Leave	19	15	As of the start date of the parental leave
Employees Who Returned to Work After Parental Leave	8	10	As of the end of the parental leave
Employees Who Worked Over 12 Months After Receiving Parental Leave	3	9	As of the end of the parental leave(2020)
Percentage of Employees Returning After Parental Leave	8/8 (100%)	10/10 (100%)	All employees returned after parental leave
Percentage of Employees Working Over 12 Months After Parental leave	3/5 (60%)	9/9 (100%)	Two employees retired within 12 months after their return

Welfare System Status in 2021

Policy	Frequency	Content
Tuition Fees for Children	Quarterly	Education expenses for young children and high school students, and special education expenses for children with disabilities
Medical Fees	Quarterly	Full coverage of 'copayment of items eligible for medical insurance benefits' for illness and injury of employee, employee's spouse, employee's parents and spouse's parents, employee's grandparents and children
Financial Support for Stable Living	Monthly	Amount of loan interest exceeding 2% up to KRW 30 million paid by the company for persons under G4 with no property
Vehicle Purchase	Monthly	For G90, 8-30% of vehicle purchasing cost for purchases and commercial vehicles (5% employee discount + other compensation)
Resort	Monthly	30% of EV purchasing cost at maximum (Including subsidiaries from the government and local governments)
In-house Daycare Centers	At all times	Reservation and stay for two nights at designated resort, providing employee discount for all employees (including dispatched employees)
Welfare Points	At all times	In-house daycare center through investment and construction of nearby properties Capacity: 15 persons / Current no. of attendees : 12 persons
In-house Gym and Cafeteria	Once a year	System modified to spend self-development points for any purposes, not limited to cultural activities or travel Provision of Life Support Welfare Point worth of KRW 500,000
Tumblers at In-house Cafe	At all times	In-house gyms at the headquarters and business establishments and cafeteria on the 3rd floor of headquarters
Points for Anniversaries	At all times	Drinks are all provided in tumblers at the in-house cafe in line with the environment ministry's policy (with an exception of specific time window)
Selective Working Hours (New)	At all times	Online shopping mall exclusive for Hyundai Glovis employees was upgraded so that employees can spend 60,000 points for special occasions such as a wedding anniversary, a childbirth or a child's entrance into a school
Remote Work System (New)	At all times	Flexible work schedules are implemented where employees can choose start and end times besides the core time window (between 10 AM and 3 PM)
		Employees can work from home at the discretion of the team leader (weak days and holidays)

Employees Embracement Policy



Labor and Management Communication

'The-Zero,' Labor-Management Consultative Body

Hyundai Glovis operates a labor-management council based on the 'Act on Worker Participation and Cooperation Promotion.' Our labor-management consultation organization is named 'Culture Board' and it represents the general employees. Its members are selected through comprehensive consideration on various factors, such as personnel per organization, workplace size, rank and gender ratio, etc.

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. As its composition and system had been more advanced, 28 representatives recommended by each organization were selected as Culture Board in 2020.

Culture Board has played various roles such as developing Lifestyle 11, our organization's cultural orientation, collecting VOC from employees, and promoting changes in corporate culture. It also has served as a communication channel between executives and employees through regular meetings with top executives. In 2021, the name was changed to 'The-Zero' and it serves as a representative organization of employees to create smart organizational culture such as work and 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 the employment rules are notified to all employees for consent when they are revised.

General Employees' Participation

Meetings	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	Supplementary communication channel for Labor-Management Council

Notification of Significant 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 over the past three years and any reasons for employee dismissal as a result of such changes have not occurred.

Hyundai Glovis are holding regular meetings of the labor-management consultative body to discuss various agendas including wages and welfare to improve working conditions of employees. In 2021, 73 agendas in total have been presented and 73 cases (100%) have been resolved. The discussion results are applied to all executives and employees (100%) and shared to all employees through internal communication channels.

Hyundai Glovis Lifestyle 2.0 Hybrid Work System

Worcation

Lifestyle 2.0 Driven by Autonomy and Responsibility

Hyundai Glovis' Lifestyle 2.0 is designed to provide the best work environment for employees to focus on the essence of their jobs. Rather than micro-managed and control-based work culture, which is out of the essence of individual's job, Lifestyle 2.0 seeks self-driven work paradigm based on employees' autonomy and responsibility allowing them to choose their place and time of work.

The hybrid work system has been introduced to enable employees to make their own work schedules for individuals' best performance. It also provides opportunities for refreshment and creativity through various experiences out of office environment. The hybrid work system, which was introduced in 2022, consists of Worcation, vacation for refreshment, self-motivated work schedule, etc.

Hybrid Work System



Worcation

System that allows to work remotely while having a vacation which can last for a month at maximum
Employees can take Worcation freely within their paid leaves.



Vacation for Refreshment

Summer vacation (5 days of paid leaves), which was limited between June and September, can be used throughout a year
Refreshing vacation bonus* is paid
*Refreshing vacation bonus: KRW 500K (Provided in February)



Self-motivated Work Schedule (Introduced in 2022)

Flexible starting time before 1 PM and autonomous work scheduling on a daily basis
Further notification will be made when system development is complete.

How to Take Worcation

Worcation is a mixed term of work and vacation. It is a remote work system that allows employees to work remotely out of the office for out-of-the-box and creative mindset. During a Worcation period, employees can choose their own ways to improve work efficiency while enjoying a vacation by taking their annual leaves and holidays. For employees with long-term service between 3 and 6 years, Worcation bonus worth KRW 300K is provided for their vacations for refreshment.

How to Get Ready for Worcation

Choose a place equipped with optimized settings for your work before applying for Worcation in the HR system. Share your Worcation plans with team members at least 2 weeks in advance. When you work remotely using your laptop, access the VPN and spare 2 hours at minimum for collaboration with others during business hours. The monthly basic work hours need to be complied while overtime work is avoided.

Asynchronous communication lies at the core of a successful hybrid work model. The point of asynchronous communication, which usually doesn't happen in real time or in the same place, is to get participants row in the same direction and be on the same page to make progress. This makes employees less stressed out for real-time responses, gives time to refine their thoughts and have a better understanding of what they do, and increases transparency in sharing it. Now, Worcation has become a chance to learn how to collaborate beyond time and place and experience multi-dimensional collaboration.

When You Leave and Send Off

When you send off someone leaving on Worcation, mind these for further collaboration. Discuss with the person about what to do during the Worcation period and set a cycle to share work progresses or special issues. Important matters from meetings need to be written as text to share and post it on Teams to check out later, if it is not urgent. For important meetings or interviews, have a video conference during work hours of the person on Worcation.

If you're on Worcation, these will be helpful tips. When you have something on schedule, share it on Outlook and Teams in advance. When you work abroad, it is a must to share your work hours with others. Have a video conference for interviews, feedbacks and meetings during your work hours. Share any progress in your work and special issues about yourself with the head of organization. During the Worcation period, try to have various experiences to widen your point of view.

This hybrid work system and Worcation enables Hyundai Glovis employees to choose the best work environment for deeper involvement and better efficiency in their jobs. It also provides opportunities to relieve stress and bring new energy and ideas.

Focus on Work

- Individuals' choice of the best work environment to improve involvement and efficiency
- Collaboration through communication by visiting overseas or regional worksites
- Chances for various experiences out of office, support for creative ideas
- Refreshment vacation for junior employees in their 3rd year and employees with long-term services over 6 years

Safety and Health



Safety and Health Policy and Strategy

Safety and Health Management Policy

Hyundai Glovis has recognized Safety, Health, and Environment (SHE) as a top priority for the business management and established safety and health management policies to meet SHE needs from employees and stakeholders. To achieve zero accident and respond proactively to SHE-related risks, we have established and been implementing internal standards stricter than applicable laws and conventions.

Mission

Recognize SHE management as a top priority, take proactive responses to risks through mature SHE culture and contribute to the sustainable future society

Vision

ONE GLOVIS! ONE SAFETY!

Principle

In recognition of its social responsibilities, Hyundai Glovis meets the SHE needs of all employees, suppliers and stakeholders. To achieve its mission and vision, Hyundai Glovis complies with the following rules:

01

Top priority on SHE for Employees' Quality of Life

Pursue SHE as the top priority of business management and enhance quality of health and life for all employees.

02

Strict Internal Standards for Zero Accident

Have internal standards stricter than applicable laws and conventions and take proactive responses to SHE risks.

03

Healthy Work Environment without Potential Risks

Remove potential safety and health risks and create safe and healthy work environment.

04

Environmental Pollution Prevention

Prevent and improve environmental pollution to provide eco-friendly logistics services.

05

SHE Corporate Culture

Build a SHE corporate culture for employees to recognize issues and participate voluntarily.

Strategy

1. Safety Management System Upgrade

Unified safety standards across the company / Better use of GSMS
*GSMS : Glovis Safety Management System

2. Safety-related Personnel's Competency Development

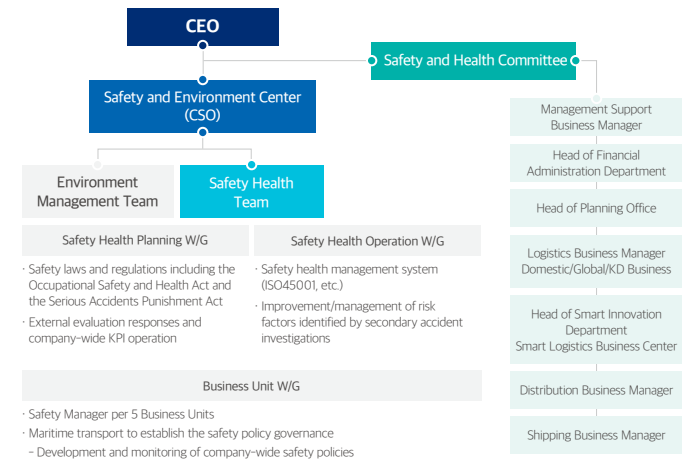
Specialized training materials / Workshop for related personnel

3. Participatory Safety Culture

Activities to improve safety culture / Improvement in finding near-miss cases

While pursuing the SHE corporate culture with continuous improvement and implementation, all the activities related to these policies are disclosed to stakeholders in transparent manners.

Company-wide Safety Organization



Safety Health Committee

Composition

- Chairman: CEO
- Secretary: Management Support Business Manager

Members:

- ① Heads of Divisions and Business Managers
- ② Head of Safety Environment Center

Schedule

- Regular meetings: Bi-monthly
- Special meetings: When there is an issue or agenda to discuss (Convened by the chairman or secretary)

Major agendas

- Company-wide safety management activities
- Implementation of measures to prevent accidents
- Final decision making on agendas from the Safety Health Working-level Consultative Group
- Implementation of directions from the executives

*Roles and Responsibilities

- Details are governed by the committee operation regulations.
- Secretary: Same as the committee members with additional role to host meetings by the Safety Health Management Committee
- Members: Execution and decision making on matters about safety health management/operation

Safety Health Working-level Consultative Group

Composition

- Chairman: Head of Safety Environment Center
- Secretary: Safety Health Team Leader
- Members:

- ① Business Managers of business units with worksites, Heads of Centers, Heads of Divisions and Team Leaders
- ② Heads of Offices and Centers of each worksite

Schedule

- Regular meetings: Bi-monthly
- Special meetings: When there is an issue or agenda to discuss (Convened by the chairman or secretary)

Major agendas

- Directions or decisions from the Safety Health Committee
- Safety-related opinions from Hyundai Glovis and suppliers
- Discussion on implementation of measures to prevent recurrence of accidents and improve accident-related issues
- Discussion on matters reviewed, voted and decided by the Industry Safety Health Committee per industry

Safety and Health



Safety and Health Management

Safety Management Policy

In order to realize its vision to put SHE as the top priority of business management under the slogan 'One Glovis! One Safety!' Hyundai Glovis continues to seek and implement countermeasures for risks by creating the safety-first culture. We established an integrated safety and health management support system by appointing safety managers and forming safety and health TFTs. Safety Health Committee is established and hosted by executives and managers of business sectors to find and share safety and health issues. Our safety inspection management system has been strengthened by developing risk factors across the worksites and monitoring improvement measures taken.

To establish a safety and health management system in line with up-to-date global standards, we have acquired ISO 45001 integrated certification for domestic and overseas corporation. To prevent safety accidents, Hyundai Glovis continues its activities to analyze accident types and prevent recurrence. We regularly conduct safety inspections at worksites to find and improve potential risks. In addition, we produce and distribute specialized safety training materials specific to business areas to improve educational effectiveness. Also, we have launched safety campaigns to prevent traffic accidents in partnership 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 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 associated business organizations are responsible for distributing safety regulations per business unit, supervising and managing the implementation 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.

Safety and Health Management System

Policy	Contents
Accident Management	Hyundai Glovis manages the history of safety-related accidents through the GSMS (Glovis Safety Management System). Accidents are categorized into general accidents and serious accidents for history management. Responses against accidents are analyzed and organized by case and handled as the improvement metrics.
Risk Management	Risk assessment tables are produced and managed to evaluate potential risk factors in each of our worksites. Evaluated risk factors are classified under 25 risk levels according to quantitative measurement. Response measures and activities are in place according to the priorities.
Safety Training	By using the GSMS to provide safety-related information, we register the field-assigned personnel into the system. This allows free access to safety-related accidents, safety policies, and other safety training materials. These safety-related data are used for training materials of our employees and suppliers.
Site Inspection	Regular site inspections are conducted on randomly-selected worksites. Safety management guidelines are delivered to have internal inspections on a half-yearly basis and during holidays. We provide training in advance on safety-related accidents that may occur every half year and during long holidays.
Accident Prevention Activities	· Monthly themed activities for accident prevention Every year, we select monthly themes and engage in the activities for accident prevention, training and organizational management to support safety at worksites.
	· Accident cost analysis to enhance risk management We analyze cost of transport accidents in order to enhance effectiveness of safety management and strengthen management of risk factors
	· Analysis of the traffic law violation rate to raise the driver safety awareness Every month, we analyze traffic law violation cases and provide feedback to encourage safe driving. This is to bring attention to risk factors that may lead to serious accidents.

Worksite Safety and Health Performance Assessment

KPIs specific to each worksite are set up and managed under the goal of improving safety and constant improvement in safety management. The maritime transport evaluation places a focus on the number of accidents and losses arising from the accidents. The worksite evaluation puts more weight on safety-related accidents and safety management evaluation. Integrated occupational accident management is conducted for cooperation with our suppliers and constant efforts are made to prevent occupational accidents at Hyundai Glovis and its suppliers.

Lost Time Injury Frequency Rate (LTIFR)¹⁾

(%)

Category	2019	2020	2021
Employees	0.35	0.33	0.00
Internal Suppliers	1.35	2.08	1.96

Disaster Rate²⁾

(%)

Category	2019	2020	2021
Employees	0.07	0.07	0.00
Internal Suppliers	0.28	0.44	0.41

^{1,2)} By 2020, workers in special employment types were reflected to calculate the employee's LTIFR and disaster rates. Starting from 2021, they were excluded in calculation according to regulations of the Ministry of Labor. The number of fatalities is zero over the past 3 years (2019, 2020 and 2021).

Performance Evaluation for On-site Safety Personnel

Hyundai Glovis conducts performance evaluations on the personnel responsible for on-site safety work to strengthen their sense of responsibility. Items related to safety tasks at worksites are added in the internal performance evaluation. Additional allowance is provided to safety-related personnel who have acquired professional certificates in the safety area. This performance evaluation is expected to result in improving management of on-site safety tasks.

Safety and Health



Key Activities and Achievements



Safety Management Award by Global Standard for 3 Consecutive Years

Hyundai Glovis won a Grand Prize in Safety Management Award for the third consecutive year at the 2021 '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. Hyundai Glovis was recognized for its achievements in the global competitiveness areas, such as management strategies, future values, products and services. Especially, the Korean industry and the government showed deep trust on its capabilities in the safety management. Hyundai Glovis has won the Safety Management Award Grand Prize for 3 consecutive years thanks to its efforts to set a safety management policy of 'One Glovis! One Safety!' and continuous improvement of the system, according to the awards. A representative example is its acquisition of 'ISO 45001' integrated certification for 45 domestic worksites and 11 overseas corporations, while establishing a global integrated safety management system. More recently, Hyundai Glovis is taking initiatives in prevention of industrial disasters, which includes installation of 'safety handrails' on both sides of car carriers to prevent workers' falling accidents from the cargo section.



Monthly 'Safety Day' Campaign

Hyundai Glovis is carrying out a monthly safety campaign targeting all workers including employees of Hyundai Glovis and suppliers and drivers, etc. The 'Safety Day' campaign, which aims to promote safety culture and prevent accidents, designates the 27th of every month as the day for safety. In addition to videos produced and distributed to promote safety awareness, pamphlets with themed-safety rules are handed out to prevent safety accidents. We are listening to all stakeholders' opinions on improvement of safety and health issues and taking countermeasures accordingly. Hyundai Glovis continues its efforts to prevent accidents, and direct and indirect losses of lives and properties by raising safety awareness of all stakeholders and promoting the safety culture.



New Safety Management System 'HGSMS' Developed

In June of 2022, Hyundai Glovis plans to open its new safety management system called 'HGSMS,' which allows to perform safety management duties and monitor related performances more efficiently than the previous Site-oriented safety activities and safety-related performances will be managed in more systematic ways through this system. The new system has an expanded user base which includes all the personnel. It features a strict system-based safety management, such as an alarm to reduce human errors and prevent omission of safety management tasks. HGSMS is expected to strengthen measures to prevent accidents by establishing site-based safety management system and preventing omission of any safety-related task. It is anticipated that the system improves efficiency when responding to external evaluations by government organizations or ISO certification. HGSMS will be shared with all suppliers once it is open.

Safety and Health



Key Activities and Achievements



Awarded at Freight Stacking Best Practice Contest

Hyundai Glovis won a first prize and a participation prize at the video contest of best practices for cargo stacking methods (traps, packaging, tie-down procedures, etc.) on freight vehicles, which was hosted by the Korea Transportation Safety Authority. Hyundai Glovis proposed its best examples for steel cargo stacking and tie-down on freight vehicles, which were designed in accordance with the internal safety regulations to prevent drivers' accidents and cargo drop accidents during driving. With a video on the steel beam stacking practice and another one on the cold rolled coil stacking method, Hyundai Glovis won a first prize with the KRW 2 million worth prize and a participation prize that came with the KRW 500,000 worth prize. We are committed to prevent falling accidents of cargoes by safety tie-down and stacking practices and avoid any freight vehicle accidents through continuous safety improvement measures.



Safety and Health Management System Upgrade and Safety Culture Promotion

Hyundai Glovis has obtained the integrated certification of ISO 45001 for domestic worksites and overseas corporations, and maintained the certification through validations every year. With the top priority on its safety policy of 'One Glovis! One Safety,' Hyundai Glovis incorporates up-to-date global safety and health standards into its system. Continuous communication with global safety and health personnel is going on through on and offline workshops.



Supplier Safety Management Improvement

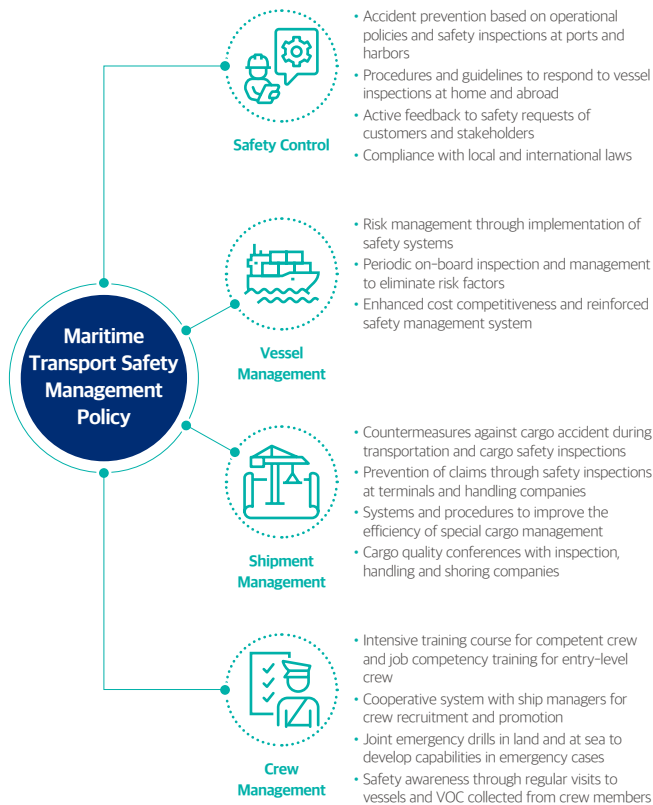
As part of its efforts to improve suppliers' safety management, Hyundai Glovis has established a system and support measures for accident prevention and safety level improvement. Working-level safety consultative body with suppliers is held semi-annually to collect opinions from employees, with a goal to establish participatory and voluntary safety management practice by strengthening suppliers' competency. With supplier visits for safety training support, we are committed to provide customized safety training services and strengthen safety and health competency of employees in various industries. Also, a safety management reward system will be in place targeting suppliers and drivers. Such continuous safety support for suppliers is expected to enable suppliers to improve their safety competency and prevent various accidents effectively.

Safety and Health



Maritime Transport Safety Control and Policy

Hyundai Glovis has established a maritime transport safety control policy to prevent maritime and personal injuries, while making continuous efforts to implement the policy. In order to build a stable safety culture in line with our safety management policy, we are actively responding to meet demands and earn trust of our suppliers, customers, employees, and other internal and external stakeholders.



Maritime Transport Safety Management System

Maritime Communication System with Dedicated Satellite

Hyundai Glovis started installation of a high-speed, unlimited communications system (MVSAT, Maritime Very Small Aperture Terminal) on all ships from 2016 for a rapid emergency response system between vessels and in-land departments. This measure has improved the work environment for offshore staff and strengthened their capability to respond to ship accidents.

CCTV Installation Expanded on Vehicle Carriers

Existing car carrier ships have 12 floors on average, making it difficult to access and monitor in the event of fire, flooding, etc. To overcome such limitation, Hyundai Glovis test-installed a total of eight CCTVs in GLOVIS COUGAR in 2018. Surveillance cameras have been installed on 23 vessels by 2021, with continuous installation expected in 2022. With installation of CCTVs, a prevention system has been established for quick responses to problems such as fire, theft and flooding in the cargo sections.

Big Data-based Vessel Monitoring System

Big data-based ship monitoring system has been established to increase the stability of vessels and competitiveness of Hyundai Glovis' fleet. The pilot operation of this system confirmed improvement areas of ship data collection, vessel stability and efficiency in vessel operation. A representative case is to analyze information from a vessel engine to predict faults and repair them preemptively. The current status of a vessel engine was diagnosed through the system. Hyundai Glovis will continue to apply the ship monitoring system based on smart technology such as big data to further enhance the vessel safety.

Periodic Vessel Safety Inspection

Hyundai Glovis have a safety inspection system in place to minimize safety accidents, while making continuous efforts to identify vulnerable facilities on vessels. We are performing periodic inspections on the safety of vessels to find and improve security issues.

Telemedicine Program to Prevent Crew Casualties

As a part of its preventative system for crew members' safety, Hyundai Glovis participated in the pilot telemedicine program to treat health issues of crew members on board. In partnership with the Ministry of Maritime Affairs and Fisheries and Pusan National University, we have installed telemedicine equipment on 18 vessels by 2021. Automated external defibrillators (AED) have been installed to all vessels.

Customer Satisfaction

GLOVIS CS Career Path

Hyundai Glovis has developed a systematic training system for customer satisfaction. In 2019, we established “GLOVIS CS Career Path,” a new service quality training system to strengthen our competitiveness and improve customer satisfaction. With the top priority on our customers, six courses have been developed with 13 target competency. The system covers service quality training with a focus on competency required by individual positions ranging from general employees to team leaders. This systemized process will further contribute to service quality improvement in general. Service quality training courses for suppliers include customized content based on business characteristics to enhance service quality for customers on site.

No. of Service Quality Trained Employees over the Past Three Years

Category	2019	2020	2021
No. of employees	799	98	202
No. of suppliers	1,727	35	561
No. of total	2,526	133	763

2021 Service Quality Training Performance

구분	Target	Content	Sessions	Persons
Emplo- yees	New Employees	Hyundai Glovis customer satisfaction management and policies	5	100
	Special Course per Business	Sales know-how to acquire new customers	2	69
		Contactless customer management	3	33
Subtotal			10	202
Suppliers	Drivers for Finished Vehicles Transportation	“Transportation Hero,” an video interview with best drivers	1	561
	Subtotal			1
Total			11	763

Service Quality Training for Transportation Service Providers: ‘Transportation Hero,’ Interview with Best Drivers

As in-person training courses were avoided due to social distancing, Hyundai Glovis started producing and sharing video content for contactless and remote learning. The goal was to minimize the gap of existing in-person training courses and comply with safety prevention regulations during the pandemic.

This video content titled ‘Transportation Hero’ is an interview with six best drivers who have remarkable results from the customer survey, which was designed to share their customer service experiences and know-hows. As it was an interview video where drivers shared their experiences and examples, most of feedback was compliments for practical tips. Matters to keep in mind when transporting vehicles to customers were highlighted in the form of quiz in the video. By holding a participatory event, it encouraged active participation from the audience. Distribution of this video content is expected to enhance service quality of transportation service providers and improve customer satisfaction of end-users of Hyundai and Kia automobiles.

Customer-oriented Management Policy and Strategy

Hyundai Glovis seeks to further enhance customer satisfaction with the ‘customer-centered’ mindset that puts the top priority on its customers. As a global smart SCM provider, we deliver customized services to a wide range of customers for highest-possible customer satisfaction. Our customer satisfaction surveys developed according to the characteristics of each business enables us to understand our customers’ expectations and listen to their voices. In addition, we provide service quality training to employees and partners to help strengthen their capabilities to achieve customer-oriented core values. To create a customer-centered culture, CS leaders from each team and corporation are also engaged in the activities to effectively improve customer satisfaction.



Transportation Hero on Social Media
Transportation Hero Poster



Suppliers

Growing Together with Suppliers

We grow together with our suppliers by listening to their voices on issues, seeking improvement and building continuous partnership.

Internal Customers

Cooperative Relationship among Internal Departments

We seek to enhance internal competitiveness through active communication and collaboration with relevant internal departments.



Improvement on Customers' Needs

Our goal is to achieve the highest-possible customer satisfaction by listening to opinions from corporate and general customers and providing improved services based on core values to put customers at the top priority.

Customer Satisfaction

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 customers and suppliers in the logistics, maritime transport, and distribution areas to secure market competitiveness and develop measures to improve the quality of our services for customers. We also assess and improve our research methods each year to improve the credibility 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 after-sales services. As a result, we have been able to improve efficiency by accurately analyzing the customer needs of each business unit and seeking improvement measures tailored to the business. When customers sell their vehicles through the Autobell, the mobile survey is conducted immediately after a deal is carried out. This survey aims to identify any factors that require improvement in a timely manner.

By expanding 1-on-1 in-depth interviews, we continue to collect VOC from our customers in cases where quantitative survey is not possible. Small group meetings are held after the first-half customer surveys to have an interim verification on the survey results and develop ways to improve for unmet targets.

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.

2021 Customer Satisfaction Survey

Customer



- Active communication with customers is required during the prolonged social distancing.
- Customers have higher expectations on our proactive approach for their needs, active responses for changes in plan and rapid decision making.

Suppliers



- Hyundai Glovis is expected to play a role as mediator between customers and suppliers.
- Due to the difficulties in JIT logistics, fast information sharing is required. Worksites with a reduced number of liaisons show disappointment for inconvenience of reaching out.

Overseas Corporation Customers



- Positive feedbacks have been given for each corporations' efforts to provide immediate services despite difficulties in the logistics due to local lockdowns by COVID-19.
- As the volatility goes up in the global logistics industry, overseas corporation customers want to have close communication before taking action and share information on future plans in advance.

Autobell Customers



- Customer satisfaction level has increased gradually over the past 3 years. Customer satisfaction levels are higher than 90 points across all the stages, such as 94.7 points at 'Reception stage,' 94.4 points at 'Evaluation stage' and 92.7 points at 'Sales stage.'

First Half Review Meeting with CS Leaders

In order to check the first-half customer satisfaction survey result and encourage to achieve the second-half goals, the first-half review meeting was held online. The meeting was convened based on small groups for private discussions considering sensitivity of participants. The survey result and 1-on-1 in-depth interviews were shared, followed by Q&A sessions and lively discussions on improvement. Team examination events were held for staff members to examine room for improvement in the first half and get ready for the second-half survey.



Result Sharing

Each department/team's result is processed into an individual report to distribute. The report includes comparison of results over the past 3 years, detailed results per level and in-depth interviews.



Review Meetings

Small group meetings per department were held considering sensitivity of participants.



Team Examination Event

In the team-based event hosted by each team's CS leader, room for improvement for the second-half survey was identified compared to the first-half results.

Customer Satisfaction

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-oriented culture and hold practical events for customer satisfaction to develop our employees' customer-centered mindset.

2021 CS Campaign Activities

2021 CS campaign Activities

- Jan CS Goals for our Team
- Feb CS Quiz King
- Mar Customer Satisfaction Tips and Tricks
- Apr 1 VOC per 1 Person
- May Thank-you Postcards to customers
- Jun Photo with customers
- Jul CS Bingo challenge
- Aug First-half CS Review
- Sep CS Campaign Survey
- Oct CS Acrostic Poem contest
- Nov (N/A)
- Dec 'Thanks to' Message Relay

3월 CS 캠페인: 고객관리, 꿀팁 공유 이벤트, 참여방법: 우리팀의 꿀팁 3가지를 소개하기

4월 단위 공제하기: CS 리더 주도로 팀 내 4주간 1인당 1개 이상 CS 관련 내역(이벤트, 캠페인, 메시지 등)을 소개하기

2월 CS 캠페인: 현대글로벌버스 CS 캠페인을 찾아라, 가로세로 CS 낱말 퍼즐, 2021 HAPPY New Year 소원구하기, 우리팀 CS 목표 세우기

3. 우리팀 참여현황 계속: 팀은 몇몇 참여현황을 CS 리더의 CS 캠페인 자료를 활용하여 팀원들이 참여했는지 확인하는 다과/음료를 선물로 드림(10/10)

참여방법: 팀장님 e-mail로 보내주세요 (HR@hgc.com)

CS Awards

The 2021 CS Awards was held to give awards to employees with remarkable achievements in the 2021 customer survey result and CS campaign participation level, resulting in 1 department, 1 corporation, 5 teams and 8 leaders being awarded. This year, award recipients were expanded to include departments and corporations. Trading Business Department, GLOVIS TURKEY and Tanker Vessel Team won the top prizes. Hyundai Glovis will continue to hold sharing sessions at the end of a year to share our customer satisfaction achievements and expectations from our customers and suppliers. By awarding employees with outstanding performances, we encourage employees and improve our customer satisfaction management.

2021 현대글로벌버스 CS Awards

2021년 CS 캠페인 우수팀 시상식

2021년 CS 캠페인 우수팀 시상식

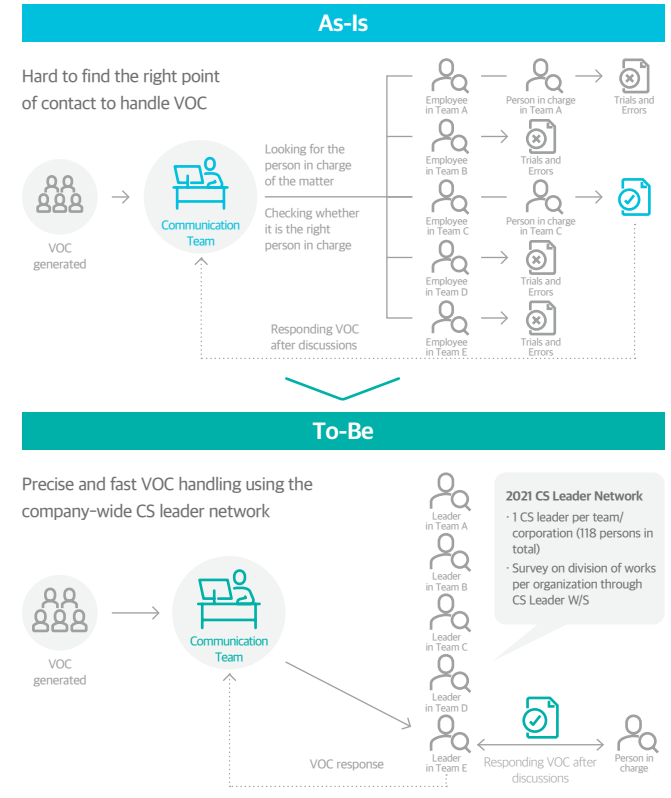
GLOVIS TURKEY

2021년 CS 캠페인 우수팀 시상식

Customer Satisfaction Management

With a belief that customer satisfaction is a must for the growth of the company, Hyundai Glovis continues to measure the level of service satisfaction for our customers and suppliers every year before any regular transaction begins. The measured customer satisfaction levels are managed by one of our internal key performance indicators. We have maintained a high level of customer satisfaction before the beginning of regular transactions through customer satisfaction management. The satisfaction levels for the past three years are as follows:

Precise and Fast Response to VOC to Improve Customer Satisfaction with Cooperative Handling System using CS Leader Network



General Customer Service Satisfaction Level (Rating, points)

Category	2019	2020	2021
Grade	A+	A+	A+
Score	92.1	93.4	93.9

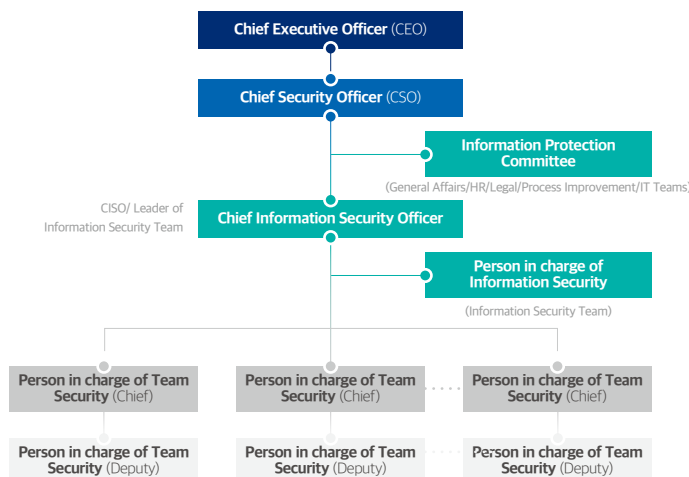
Corporate Customer Service Satisfaction Level (Rating, points)

Category	2019	2020	2021
Grade	A+	A	A
Score	90.0	89.0	88.2

Information Protection

Customer Information Protection Principle

In order to comply with applicable laws and protect customers' information in the areas of management, technology and physics, Hyundai Glovis has 24 regulations and guidelines in accordance with the Act on Promotion of Information and Communications Network Utilization and Information Protection. Information and data for our strategies, organizations, personnel and assets are operated under the information protection system based on ISO 27001. To improve and development information protection system continuously, we are conducting security inspections on a regular basis. We are also developing countermeasures to deal with security threats that may arise from information communication systems and businesses transacted over telecommunication networks. Hyundai Glovis has appointed Chief Information Security Officer (CISO) to lead the company-wide activities for information protection including security and safe management of information. Each department or team has a person in charge of information security. The Information Protection Committee is formed to report information protection issues to the top management and the BOD. All of these aim to manage and operate the information protection system in a structured and organized way. In 2021, there was zero case of customer privacy policy violations and information security breaches including customer information leaks.



Advanced Information Protection Process

Information Security Monitoring Reinforced

Cyber security attacks and threats such as ransomware, malicious code and phishing, have advanced globally and resulted in growing risks of information leaks. Hyundai Glovis has strengthened its cyber security solutions to analyze security logs and monitor abnormal signs on personal computers. Monitoring processes have been reinforced to prevent any possibility of security incident beforehand and countermeasures are established to protect customers' information and data.

Additional Authentication System

Hyundai Glovis uses a biometric authentication system with higher accuracy by linking a FIDO (Fast Identity Online)-based system into major internal systems. The FIDO-based system allows an additional authentication, which contributes to establishment of the Defense in Depth with higher security against external and internal threats. Additional authentication methods such as OTP and biometric ones are integrated into a single system, which increased security and user convenience.

Customer Information Protection Policy

- 1 Indiscriminate collection of personal information should be refrained.
- 2 Essential information for a service should be separated from selective ones when collecting private information.
- 3 Sensitive information such as resident Registration Numbers, religion or health, etc., should not be collected in principle.
- 4 Personal information entrusted for sales or promotions should be notified to customers and thoroughly managed.
- 5 Personal information files should be stored in safe manners including DB security program or encryption software, etc.
- 6 Evidential documents should be stored in compliance with storage periods under applicable laws.
- 7 Personal information files should be destroyed to ensure they are no longer identifiable after use for the purpose of collection.
- 8 A notice should be installed in front of each surveillance camera.
- 9 Instructions and guidelines should be in place for personal information protection.
- 10 Preparation should be taken against personal information leakage notifications, collective dispute resolution or class action lawsuits.

Information Security Awareness of Employees

Privacy Liability Insurance

Hyundai Glovis has successfully managed to ensure there is no private information leak or any infringement. With operation of a stable information protection system, its information security capabilities have been improved. While the revised Information and Communications Network Act requires to subscribe to liability insurance for damage such as private information leaks, we have subscribed to and maintained liability insurance for personal information protection. We are committed to protect personal information of customers and provide relief measures to users with damage from any leakage or forgery of personal information, etc.

Periodic Phishing E-mail Response Drill

While e-mail phishing attacks are rampant to cause internal data leaks and ransomware infection, companies' capabilities to defend against phishing e-mail are highly required. Accordingly, Hyundai Glovis conducts a drill with employees to handle phishing e-mail once a month. For employees who haven't participated in the drill, it is reflected to the security KPI and an awareness training course is provided to prevent recurrence.

We have periodic drills and inspections to raise awareness on phishing e-mail issues. By analyzing and reflecting the latest types of attacks, phishing response processes are constantly implemented and reinforced from prevention, detection, response, handling to follow-up measures.

Online Information Security Course for Employees

Hyundai Glovis is committed to raise information security awareness among employees to defend diversified hacking attack methods against users. We provide group-wide security training on all employees including dispatched workers through information security e-learning classes once a year.

Community Engagement



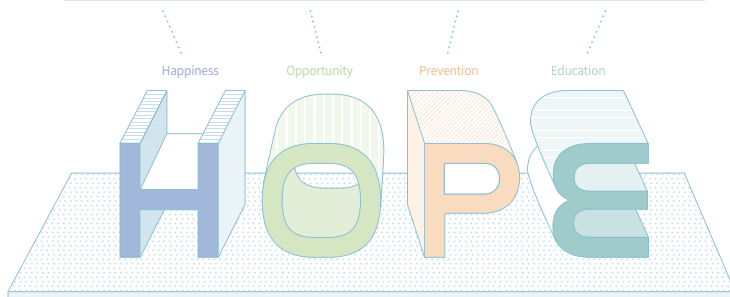
Corporate Social Responsibility Strategy and Policy

Hyundai Glovis has established a social contribution strategy to respond to changing social needs with a more systematic social contribution program. That's how our social responsibility vision of 'We Deliver H.O.P.E.' was born. In the vision, 'Deliver' implies transportation and delivery standing for the logistics industry and 'Hope' means hope for the bright future. We are engaged in a variety of social contribution activities in line with our H.O.P.E. strategy.

Social Contribution Vision



Social Contribution Strategy



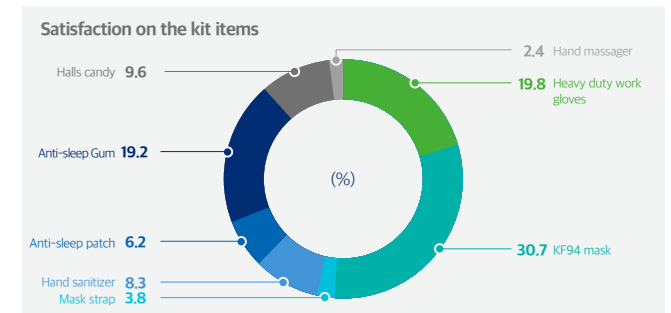
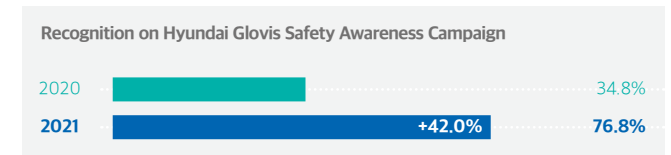
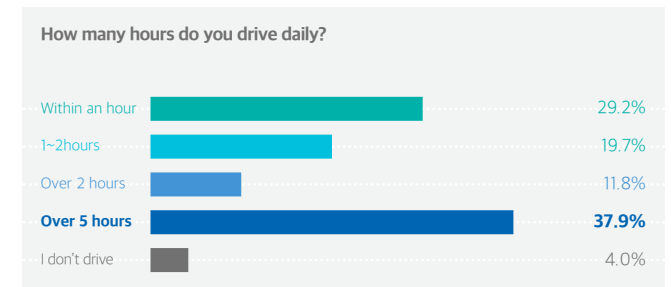
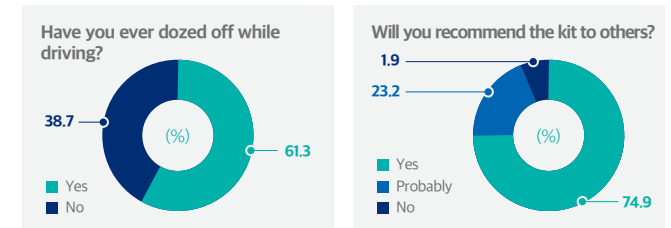
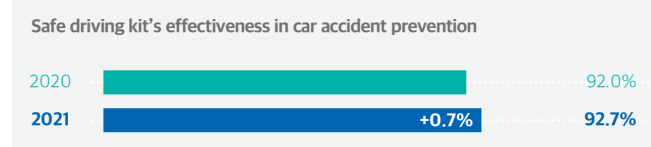
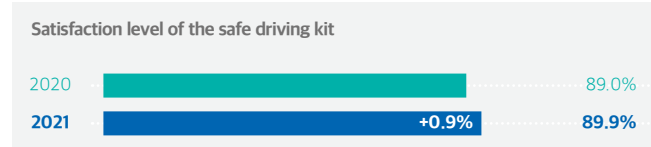
Safety Awareness Campaign Satisfaction Survey

Hyundai Glovis has conducted a user satisfaction survey on its 'Safety Awareness Campaign,' which includes distribution of safe driving kits and improvement of highway rest areas for drowsy drivers, and the result was made public. The survey was open for a month from October 1st to 31st in 2021 in the form of an offline questionnaire targeting drivers in the logistics and transportation industry who received the safe driving kits. Satisfaction level of the safe driving kit was 89.9%, improved by 0.9% compared to the previous year. About the question of its effectiveness to prevent traffic accidents, 92.7% of respondents replied positively, which was 0.7% increase from the previous year's result. Respondents who have experience of drowsy driving accounted for 63.1%. Whopping 37.9% of respondents said they drive more than 5 hours per day. About satisfaction level of the kit items, a sand sanitizer came in first with 30.7%, followed by work gloves with 19.8% and anti-sleep candy with 9.6%. About the recognition on Hyundai Glovis' 'Safety Awareness Campaign,' 76.8% of respondents said they came to know about the company's social contribution projects after using the safe driving kits. Also, 98.1% of respondents wanted to

recommend the safe driving kit to others. Hyundai Glovis has been engaged constantly in this campaign for safety awareness, based on its business management policy to put safety first and characteristics of an integrated logistics company.

Safe Driving Kit Satisfaction Survey

Period: Oct 1 - Oct 31 in 2021
 Target: Drivers in the logistics and transportation industry who received safe driving kits
 Method: Offline survey with questionnaire



Community Engagement



Key Activities and Achievements



Gift Delivery for Seniors Living Alone

In May, the month of families, Hyundai Glovis provided gift packages of food and potted plants to 300 senior citizens living alone in the regions around its worksites. A volunteer group of 30 executives and employees put plants into pots to deliver to senior citizens, with ready-to-eat meals for convenience of cooking. Plant pots were provided for the elderly to relieve mental distress due to the prolonged social distancing in the midst of COVID-19 pandemic. The gift packages were delivered to seniors living alone in Ulsan and Pyeongtaek, Gyeonggi Province, where Hyundai Glovis' regional worksites are located.



Emergency Relief Supplies to Flood Victims in Pohang

Hyundai Glovis has delivered 200 emergency relief supply kits to Pohang-si in Gyeongsangbuk-do, a city suffering in the aftermath of Typhoon Omais. Heavy rainfall over 100mm for 3 hours resulted in flooded houses, stores and roads of Jukjang-myeon in the city. The emergency relief kit consists of various daily necessities (towels, underwear, toiletries, wet tissues, etc.), medical supplies (bandaids, pain relief patches, etc.), and protective supplies (KF94 masks, etc.). With the decision made to prepare for emergency in the region, which has been damaged by heavy rainfalls and typhoons frequently, we prepared around 500 sets of relief supplies and were able to deliver the relief supplies quickly. For smooth transportation of the relief items, Hyundai Glovis also donated a one-ton Wing Body truck and paid the related cost.



20,000 Safety Equipment Kits for Logistics Industry Employees

Hyundai Glovis has produced and delivered safety equipment kits to employees of the logistics industry to prevent accidents and support their personal quarantine. To prevent spreading COVID-19, the safety equipment kits were delivered at a Drive-Thru to 1,000 logistics employees in Ulsan and Busan. To 19,000 employees in the logistics industry across the nation, the kits were delivered by parcel service without close contacts. The kit consists of work gloves, a hand massager, anti-sleep gum and patch, candies, KF94 masks and a strap, hand sanitizers, etc. These items are selected to prevent drowsy driving of cargo truck drivers and safety accidents at logistics worksites.

Community Engagement



Key Activities and Achievements



Christmas Gifts for the Less Privileged

At the end of the year, Hyundai Glovis delivered Christmas gifts to children of less-privileged families and senior citizens living alone in the local communities. To the elderly living alone in Ulsan, 'Silver Car,' a waking assistance device, was provided. For 400 children at a local children center in Geumcheon-gu, Seoul, mini Christmas trees were delivered with school supplies including notebooks, a pencil case and pencils. A volunteer group of 20 Hyundai Glovis Employees made mini Christmas trees for the children. To prevent spreading COVID-19, the gifts were delivered to the local children center so that children could visit and receive Christmas gifts at times of their convenience.



Highway Drowsiness Shelter Improvement

Since 2017, Hyundai Glovis has been carrying out a social contribution program aimed to improve highway rest areas for drowsy drivers. In 2021, we upgraded facilities of Manjong Drowsiness Shelter of Wonju-si in Gangwon-do, which is on the highway towards Busan, in cooperation with the Korea Expressway Corporation and the Korean Association for Safe Communities. Aged facilities were removed and exercise equipment was installed to prevent drowsy driving. A pavilion and chairs were installed for a rest area. The cement floor was changed into wood floor so that drivers can take a break and get refreshed. Furthermore, we plan to provide diversified support in this regard for mutual benefits with all stakeholders.

2021 Projects by the Foundation of Korea Logistics Industry Promotion

Projects	Description
SME Competitiveness Improvement	<p>Logistics education Education on general matters, special lectures on logistics certification, ethics and environment, safe driving for cargo trucks, and mutually beneficial cooperation</p> <p>On-site management capabilities Lectures by accounting firm experts, revisions of the Occupational Safety and Health Laws</p> <p>Consulting support group Logistics worksites, processes, IT, green logistics, safety consulting</p>
Network Reinforcement	<p>Conference and reward Logistics industry promotion conference(academic presentations, etc.) and awards</p> <p>Logistics cooperation forum Collaboration and seminars with international and domestic logistics organizations and research institutes</p>
Logistics Industry Development	<p>Research outsourcing and academic paper contest Outsourced research and academic paper contests</p> <p>Logistics start-up support Logistics start-up competition, incubation center, and public lectures</p> <p>Logistics guide publication Equipment and facilities logistics guide</p>
Cooperation	<p>Global conference and best company benchmarking Guangzhou and Shanghai conferences</p> <p>Logistics SME work environment improvement program Lounges for employees and drivers, restrooms, waiting rooms, etc.</p>
Business Support	<p>Magazine, social media, and online VOC center General logistics web magazine, the foundation's social media, online counseling service</p> <p>Board of Directors</p>

Logistics Education Course Performance

No. of Courses		No. of Students		Lecture Hours	
2019	52courses	2019	1,787persons	2019	420hours
2020	33courses	2020	1,481persons	2020	280hours
2021	17courses	2021	1,513persons	2021	397hours



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Corporate Governance

Board of Directors

Composition

The Board of Directors (BOD) of Hyundai Glovis consists of two executive directors, including the CEO, five independent directors, and one non-executive director. 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. To promote diversity in the BOD, a female independent director and a non-executive director with a different nationality were appointed additionally. By taking gender, nationality and cultural background of directors into consideration, now the BOD has a diverse composition with one female independent director and two non-executive directors with different nationalities.

Composition

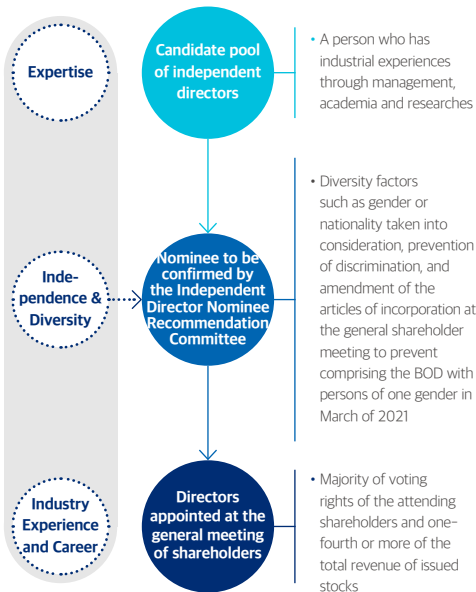
category	Name	Gender	Nationality	Appointment Background	Duties	Major Career	First Appointment Date Term of Office
Executive Director	Kim Jung-hoon	Male	Korea	To improve the company's future competitiveness and to carry out its external tasks in a reliable manner, based on experience and expertise in the automotive industry as the head of the purchasing department of Hyundai Motor Company and the CEO of Hyundai Glovis	CEO Chairperson of the BOD	(Present) CEO of Hyundai Glovis (Former) Vice President of Hyundai Motor Company	2018. 3.16 2018~2024
	Kim Young-sun	Male	Korea	To play a key role in stable operation of the company as the head of the Planning and Financial Administration Department of Hyundai Glovis, based on the extensive experience and expertise of the executives for planning and financial administration of Kia Motors	Planning and Financial Administration	(Present) Head of Planning and Administration Department, Vice President (Former) Executive managing director of Kia Motors	2018. 3.16 2018~2024
Independent Director	Kil Jae-uk	Male	Korea	Professor of business at Hanyang University and a specialist in business and finance who served as a president of Korea Securities Association, with sufficient experience and expertise in the area	Director in charge of protecting shareholders' rights President of Independent Director Nominee Recommendation Committee	(Present) Professor of Business Administration at Hanyang University (Former) Chairperson of Korea Exchange KOSDAQ Market Committee	2018. 3.16 2018~2024
	Lim Chang-gyu	Male	Korea	Tax specialist who has served as local tax administration director, with sufficient experience and expertise in the area	Accounting, finance etc.	(Present) Advisor to Kim & Chang Law Firm (Former) Commissioner of the Gwangju Regional Tax Office	2017.3.17 2017~2023
	Yoon Yoon-jin	Female	Korea	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, with sufficient experience and knowledge in the field related to mobility and smart logistics	Mobility and smart logistics, etc.	(Present) Associate Professor in the Construction and Environmental Engineering Department of KAIST (Present) Non-executive director of the Korea Authority of Land & Infrastructure Safety (former Korea Infrastructure Safety Corporation)	2021.3.24 2021~2024
	Lee Ho-geun	Male	Korea	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, with expertise in management and objective and macroscopic point of view	Business management etc.	(Present) Professor of Business Administration at Yonsei University (Former) Independent director and auditor of Woori Investment Bank	2021.3.24 2021~2024
Other Non-executive Director	Jo Myung-hyun	Male	Korea	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, with expertise in logistics (Industry expert, logistics industry specialist)	Corporate governance, logistics, etc.	(Present) Professor of Business Administration at Korea University (Present) Independent director of Korean Air (Former) Director of the Korea Corporate Governance Service	2021.3.24 2021~2024
	Yan Eyvin Wang	Male	Norway	Specialist in maritime logistics who serves as CEO of WW ASA, a maritime transport company, with sufficient experience and expertise in the area	Maritime and international Logistics, etc.	(Present) SVP Industrial Investments of Wilh. Wilhelmsen Holdings ASA (Former) CEO of Wilh. Wilhelmsen ASA	2010. 6.11 2010~2025
	Eliot P.S. Merrill	Male	U.S.	Partner of Carlyle Group, a global private equity, and expert in M&A of multinational companies with in-depth insight about corporate governance including the BOD and expertise in the overall finance industry, business management and trends in the related industry	Business management, etc.	(Present) The Carlyle Group, Partner and Managing Director (Former) The Carlyle Group, US Buyout, Telecommunications & Media	2022.03.23 2022~2025

* All independent directors of Hyundai Glovis meet all independent standards of Hyundai Glovis. (see Appendix page 91)

Corporate Governance

Board of Directors

Director Appointment



Committees within the BOD

Committees

There are three committees within the Board: the Audit Committee, the Independent Director Nominee Recommendation Committee, and the 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.

(As of May 1, 2022)

Category	Composition	Roles and Activities
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 by the Board of Directors Supervise the job execution of the management of the BOD for reasonable management decisions of directors and the executives through resolutions on audits, etc. 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 Support flexible governance without any discrimination regarding nationality, origin, race, and gender when selecting an independent director
Transparent Management Committee	Kil Jae-uk, independent director (chairperson) Lim Chang-gyu, 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 compliance with fair trade

Independence and Expertise

BOD Operation

Hyundai Glovis holds regular and temporary meetings of the board of directors to discuss various agenda items. In 2021, a total of eight board meetings were held with the attendance rate of 100% for executive directors, 97.5% for independent directors and 75% for other non-executive directors, respectively.

Board of Directors Status

Category	2019	2020	2021
No. of meetings	8	8	8
Attendance rate of executive directors (%)	100	91.7	100
Attendance rate of other non-executive directors (%)	87.5	75.0	75.0
Attendance rate of independent directors (%)	100	100	97.5

* All directors' average participation rate of board meeting in 2021 is 95.8%.

Independence

Hyundai Glovis has strengthened the independence of its BOD to build transparent corporate governance. Two executive directors and two other non-executive director among board members were appointed by recommendation of the Board, and five independent directors were appointed by recommendation of 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. All independent directors of Hyundai Glovis meet the internal independence standards external directors.

Corporate Governance

Independence and Expertise

Expertise and Diversity

In the appointment of independent directors, a director's expertise is judged based on his/her understanding of our businesses, expertise in the field of experience, educational background, industry experience, and the length of service 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 and mobility), accounting, finance, business management, and governance fields.

The Board gradually reflects the diversity criteria for gender, race, ethnicity, nationality, and cultural background. As of the end of March 2022, the BOD includes a female director, foreign directors, and a director for shareholders' rights to ensure that multilateral views are reflected and diversity is enhanced when making decisions. In addition, we have organized an organization to provide support for the job performance of independent director. It provides independent directors with sufficient information on the Hyundai Glovis business and strategy and offers additional training to improve their understanding, thereby contributing to enhancing the expertise of independent directors.

Remuneration and Stock Ownership of Management

Hyundai Glovis fairly estimates remuneration for the management, and the management performs accountable business management through the ownership of shares. In 2021, the CEO's salary was KRW 1.194 billion (the median value of the remuneration of executives and employees excluding CEO was KRW 67,339,509, while the mean value was KRW 72,845,333). Eighteen executives own 14,756 shares, which is 0.67 times the average wage of each person.



- 1 Independent director should not have experience of employment by the company as executive director under CEO for the last 5 years.
- 2 Independent director should not have family members who have received more than \$60,000 from the 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 executive director to the company, holding company, or subsidiary company for the past 3 years.
- 4 Independent director should not be a part of advisors, consultants, or high-rank management directors in the company.
- 5 Independent director should not participate in transaction or alliance relationship with non-profit organizations (e.g. NGOs) that receives significant amount of donation from the company.
- 6 Independent director should not have experience of working as partner or employee in an external auditory 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 any conflicting interest with the company.

Evaluation and Compensation

Evaluation

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

To review the BOD's roles and operation status, Hyundai Glovis has regularly conducted the evaluation of the BOD once a year since 2019. It aims to identify operational issues to be improved and enhance its roles on the corporate governance. The evaluation is carried out in a form of survey, in which the non-executive directors provide their answers on 25 categories in three areas including the role and responsibility, composition, and operation of the BOD. The survey result is then reported to the BOD and used to make improvements.

Compensation

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 incentive is paid in consideration of business performance, achievements and contribution as part of the management, and internal and external management environment.

Remuneration of independent directors is paid as 100% of the fixed service allowance according to internal standards considering the responsibility and risk of performing their duties, and the level of remuneration of independent directors of other companies. Additional incentives related to the business performance are not provided to secure independence.

2021 Remuneration of the BOD

Category	Executive Directors	Independent Directors	Audit Committee Members
No. of Directors	3	1	4
Total Remuneration (KRW Million)	2388	84	364
Average Remuneration per Person (KRW Million)	796	84	91

Corporate Governance

Shareholder Rights

Mid- and Long-term Dividend Policy

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

Systems for Convenience of Shareholders

Hyundai Glovis introduced and implemented the electronic voting system from the 18th general shareholders' meeting in 2019 to promote minority shareholders' participation and enhance convenience in exercising voting rights. All voting rights exercisable by shareholders are guaranteed through electronic delegation, written voting system, and written delegation. We send a public meeting notice four weeks before the general meeting of shareholders, instead of 2 weeks which is the minimum standard under the commercial law, to provide sufficient information to shareholders.

In addition, to protect minority shareholders' rights, we send a notice of convening general shareholders' meetings by mail to all shareholders, not just shareholders who have more than 1% of stocks, and provide information related to general shareholders' meetings in English on our website for foreign stockholders.

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 by attending major IR events and meeting with shareholders. The member also submits opinions and suggestions about shareholder rights to the Transparent Management Committee and the Board of Directors and works to develop and propose policies to protect and improve shareholder rights.

Corporate Governance Charter

By announcing the Corporate Governance Charter in 18th regular general meeting in 2019, Hyundai Glovis has shown its commitment to establish sound corporate governance for protecting shareholders' rights and participating in fair business activity. Based on the Corporate Governance Charter, we are strengthening transparent and responsible management under the supervision of professional and independent BOD and promoting the rights and interests for our shareholders, customers, employees, and supplier companies.

Major 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 Risks

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 CEO 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 and other 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.



Risk Management Capabilities

Through the management of key risks, the Business and Investment Review Committee has established a proactive preventive system and an emergency response system to manage pre- and post-risk situations. When an actual risk arises, each division carries out its duties to overcome the emergency and crisis and minimize the damage in a swift manner.

Response System



Major Risks (Environment, Human Rights, Tax, etc.)

Key Risk Management

Hyundai Glovis analyzes sensitivity of a potential risk to define and manage key risks annually.

Category	Key Risk	Opportunities and Responses
Industrial	External group's protest	Monitoring notices or signs of external group protests, Responding actively to enhance the corporate image
	Government policy change	Monitoring the government policy changes
Safety and Environmental	Safety issues	Monitoring and responding to safety issues
	Marine accident	Monitoring and responding to vessel safety issues
	Climate Change regulations strengthened	Monitoring GHG emissions and developing reduction measures
Financial	Fluctuation in exchange rate and oil prices	Monitoring exchange rates and oil prices regularly, Managing impact on the profit and loss
Legal	Legal violation	Monitoring and responding to the legal trends and litigation risks
Security	Sensitive customer and corporate information leak	Monitoring information security and training employees
Operational	Supply interruption	Monitoring KD quality and supply status
	System failure	Monitoring IT failure status

Potential Risk

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

Category	Description	Impact on Hyundai Glovis	Response
Growing responsibilities of logistics industry for climate crisis	<ul style="list-style-type: none"> Growing responsibilities of logistics industry for climate crisis: Out of 51 billion tons of Greenhouse Gas (GHG) added to the atmosphere each year, 16% comes from transportation and logistics. The logistics industry's responsibilities are growing against this backdrop. International Maritime Organization (IMO) has been constantly strengthening regulations to cut GHG emissions from vessels and the EU announced its plan to include vessels into the EU-ETS from 2023. Pursuit of eco-friendly logistics: As customers prefer low-carbon products, some of our customers start being mindful of carbon emissions from the logistics processes. Carbon emission management can be a competitive edge of the logistics industry in the long term. 	<ul style="list-style-type: none"> Financial risk and opportunity: One of our major customers, a leading global company, requests bidders to provide CSI certification, CDP rating and vessels' average transportation efficiency data, etc., for its transportation company bidding. If other customers follow the suit, long-term investment in eco-friendly logistics can be a critical factor for customer management. Regulation risk: As Hyundai Glovis is included in the Korea Emissions Trading System Phase 3 (2021-2025) allocation plan, a long term financial loss is estimated at KRW 350 million up to 980 million. 	<ul style="list-style-type: none"> Customers' demand for carbon neutrality <ol style="list-style-type: none"> Through the modal shift program from road transportation with 107,676tCO₂ in GHG emissions to coast shipping with 51,071tCO₂, Hyundai Glovis has reduced GHG emissions by 56,605tCO₂. Hyundai Glovis has been maintaining the Leadership grade by reporting the CDP annually and monitoring its fleet's average transportation efficiency data constantly. By acquiring the Clean Shipping Index certification, Hyundai Glovis is establishing the information response system for eco-friendly logistics. Eco-friendly/alternate logistics system <ol style="list-style-type: none"> Hyundai Glovis runs various businesses to establish a hydrogen-based logistics system. While participating in the government project to provide 10,000 hydrogen-fueled cargo vehicles by 2030, we concluded a business agreement to develop a clean hydrogen supply chain to usher in a hydrogen economy. One of our climate change responses in 2021 was to collect fuel consumption and CO₂ emissions from 31 vessels calling at European ports and have the data verified.
Loss of biodiversity by logistics businesses	<ul style="list-style-type: none"> Biodiversity loss risk in the logistics process: As a global maritime shipping network has been established around the world, there is a risk from the increased number of maritime invasive species, expected to go up by 3 up to 20 times until 2050, posing a significant threat to disturb eco-systems. These invasive species mostly travel in the ship ballast (water to maintain the stability of a ship) or on the hull surfaces. Growing responsibilities of companies for natural capital: As social awareness is growing over conservation of the natural capital and the number of biodiversity protection initiatives is on the rise, there is increasing demand for and investors' decision making over companies' natural capital data disclosure. 	<ul style="list-style-type: none"> Legal risk: Currently, a new bill proposing the enactment of the class action act is being reviewed. If this act comes into force, environmental activists' class action lawsuits may take place. Financial risk: In case of oil spills from the maritime transportation, which is one of Hyundai Glovis' major businesses, it can be destructive to marine ecosystems and cause a large amount of financial penalties and investment loss. Operational risk: Considering our strategies that actively expands logistics businesses, expenses for prevention of biodiversity risks are expected to grow in the long term. 	<ul style="list-style-type: none"> Biodiversity protection activities in cooperation with conservation groups Hyundai Glovis is voluntarily participating in the Vessel Speed Reduction (VSR) program that complies with the request for speed limits (10 knots) of National Oceanic and Atmosphere Administration (NOAA). As a result of such joint efforts, NOAA announced that the death cases of whales decreased by 35% in May, 2021. Hyundai Glovis also supports Georgia Natural Resources Foundation, contributing to biodiversity preservation activities including building oyster habitats. Prevention of biodiversity risk in logistics Hyundai Glovis installed ballast water treatment system on six vessels in 2021, which aims to reduce biodiversity risk in the maritime transportation industry. With a plan to install the system on 7 vessels in 2022, we are planning to constantly expand installation of the ballast water treatment system on vessels by 2024.

Tax Strategy

Tax Policy

Hyundai Glovis is committed to comply with tax laws and faithfully carry out its tax obligations to contribute to customers' interest and the national finance and fulfill our social responsibility. 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. We also faithfully perform our 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 the company

relies on the opinions of external tax experts such as accounting firms to draw up the optimal countermeasures when interpretation of tax law is unclear.

Overseas Tax Obligations

For international transactions with overseas corporations, Hyundai Glovis 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.

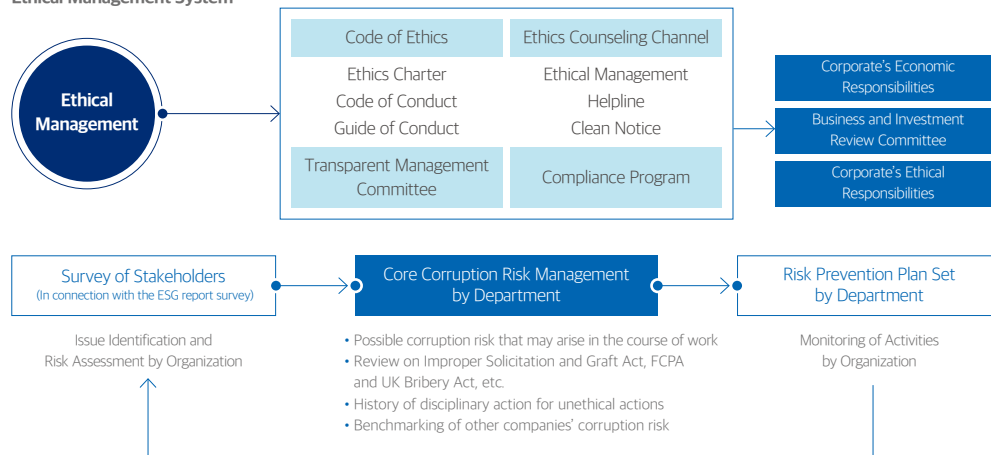
Ethical Management



Ethical Management System

Hyundai Glovis continues to make every effort to develop various schemes and systems to practice corporate ethics. Our Ethics Charter and various ethical codes have been the basis and standards for right behaviors and decisions. We remain fully committed to incorporate corporate ethics and culture into our organization. To practice ethical management, the Transparency Management Committee, the Compliance Program, and ethics counseling channel are operated. Through these systems, we believe ethical management serves as a source of corporate competitiveness and promotes our transparency and reliability.

Ethical Management System



Ethics Education for Employees

Hyundai Glovis provides regular training on ethical management to help employees raise awareness on ethics. The ethical management training courses are continuously provided to new employees with or without former experiences, expats who have returned, and ethics managers in each team.

Course	Target	Session (Times)	Schedule (Month)
Compliance Training	Legal Contract on Ethical Management and Fair Trade	New Employees without Experience	4 Jan, July, Sep and Dec
		New Employees with Experience	4 Apr, July, Sep and Dec
ISO 37001 Anti-bribery Training	Ethics Manager of Each Team	1	February
ISO 37001 Internal Auditor Training	Internal Auditor of Each Department	1	March

Anti-Bribery Management System (ISO 37001) Certification Renewal

As a global SCM company, Hyundai Glovis obtained ISO 37001 certification in 2018, which was established by the International Organization for Standardization, to promote ethical management and build 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. In 2021, it also acquired the approval for renewal of its certification in the renewal evaluation to review its anti-corruption management system. Hyundai Glovis continues to make company-wide efforts for anti-corruption and ethical management by setting strategies to identify and prevent corruption risks of each department.

Corruption Risk Identification

Category	2019	2020	2021
No. of Corruption Risk Identified	170	88	94
No. of Confirmed Cases of Corruption and Bribery	1	4	10

*Corruption risk is evaluated and identified across the Hyundai Glovis Headquarters to set up prevention plans

Actions against Violations in 2021

Category	Case
Minor Disciplinary Action	8
Heavy Disciplinary Punishment	2
Dismissal as Disciplinary Action / Recommended Resignation	0

* 10 cases of the disciplinary actions were all related to corruption

Ethical Management



Ethical Management Counseling Channel

Hyundai Glovis operates 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 or she can submit an inquiry regardless of his or her status as an employee or stakeholder. Answers are delivered through the relevant department. To comply with anti-corruption laws, the company operates 'Clean Notice' to provide support for employees to self-report and return any monetary compensation that he or she has received from a stakeholder inevitably during the course of work.

Violation Report by Channel

(Case)

Category	2019	2020	2021
Ethical Management	0	2	0
Report for Audit	49	83	76
Complaint Settlement	11	13	10

Violation Type in 2020

(Case)

Category	Ethical Management (Ethical Counseling)	Report for Audit	Complaint Settlement (Talk Talk)	Subtotal
System Improvement	0	28	0	28
Corruption Report	0	23	0	23
Others (HR, Employees' Complaint)	0	25	10	35
Total	0	76	10	86

Ethical Management Strategy

Association Expenses and Charity Disclosure

The Code of Ethics has been published to ban 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 to associations with guaranteed political neutrality to promote public policies 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 2021

(KRW)

Category	Expenses
Korea Integrated Logistics Association	328,302
Korea Integrated Logistics Association	41,000
Korea Chamber of Commerce and Industry Korea	19,000
Listed Companies Association	8,440
Korea International Freight Forwarders Association	8,400
Total	405,142

* Article 31 of the Political Funds Act in Korea prohibits every foreigner, corporation or organization both at home and abroad from contributing any political funds. The article states that no one shall contribute any political funds from any corporation or any organization. In accordance with internal rules and regulations, Hyundai Glovis made no donations to political campaigns, political organizations, lobbying organizations, lobbyists and/or other tax-free groups with political influence during 2021.

Violation Reporting System

Hyundai Glovis has built a system that allows employees to anonymously report violations committed at work, which includes a helpline, a cyber audit office, and HR TalkTalk. Stakeholders outside the company are also allowed to report any illegal or unreasonable conduct of employees of Hyundai Glovis through the cyber audit office and propose 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 inspections by the Audit Office reveals that a corruption-related matter 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 compensation despite the regulation prohibiting any receipt, employees are required to file a report and return the contribution according to the 'reporting and returning principle.'

Compliance

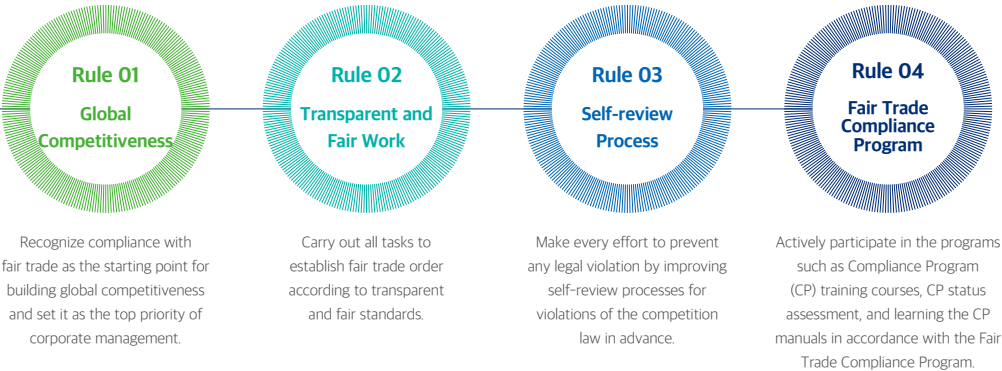


Mutual Growth Management Policy and Strategy

Based on the principle of fair competition, Hyundai Glovis promotes transparency in transactions with its suppliers and seeks mutually-beneficial growth through cooperation. Compliance with fair trade is our basic principle in management of our supplier companies. Various supplier support programs also contribute to pursuit of values of growing together.

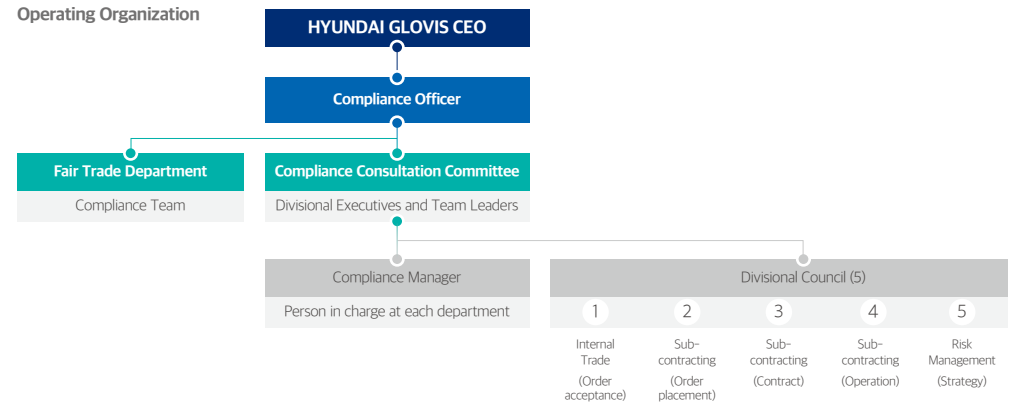
Code of Conduct for Compliance with Fair Trade

The Code of Conduct for Compliance with Fair Trade is Hyundai Glovis' internal compliance system to encourage fair trades and increase transparency in transactions. We are using the code of conduct to diagnose and analyze risks from regulatory violations and the Fair Trade Act, which contributes to promoting employees' 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.



Fair Trade Compliance Program

Hyundai Glovis has launched the Fair Trade Compliance Program (CP) to promote the Fair Trade culture and runs a specialized organization under the management of the CEO. In addition, we are engaged in various activities to implement CP-related policies with detailed plans, and offering training courses for employees to raise awareness of the importance of CP.



CP Activities

Activity	Opportunities and Responses
BOD Reports	Reports on compliance performance and plans to the BOD,
Fair Trade Training	Six training sessions on the Fair Trade Act, with 463 participants
Day of Compliance Management (Monthly)	Compliance and ethical management campaigns including compliance newsletters and quizzes to promote fair trade and transparent management culture
Compliance Website (Always available)	Provision of compliance-related announcements, news and case studies, etc.
Internal Whistle-blowing System (Always available)	Reports of illegal and unreasonable conducts by employees through the cyber audit office

Compliance

Mutual Growth Management Policy and Strategy

Day of Compliance Management

Hyundai Glovis launches company-wide compliance campaigns periodically to raise awareness of employees and prevent risks from violations of applicable laws. On the last Monday of each month, a Day of Compliance Management newsletter is published across the company and the compliance manager of the team performs compliance activities (quizzes on compliance management, case studies, etc.) to develop culture of compliance and sense of ethics.

Under this campaign, employees are encouraged to participate in team-specific events for the day of compliance management and rewards are given to outstanding teams with high participation at the end of the year. Such activities are designed to draw employees' attention to compliance and ethical management. Periodic and repetitive compliance activities are expected to help employees have a better understanding of matters to be cautious, while improving compliance culture and sense of ethics. Going forward, more company-wide activities, including distribution of various compliance and ethical management cases, will be promoted in connection with the Compliance Management Day activities.



Newsletter - Day of Compliance Management

Human Rights Management



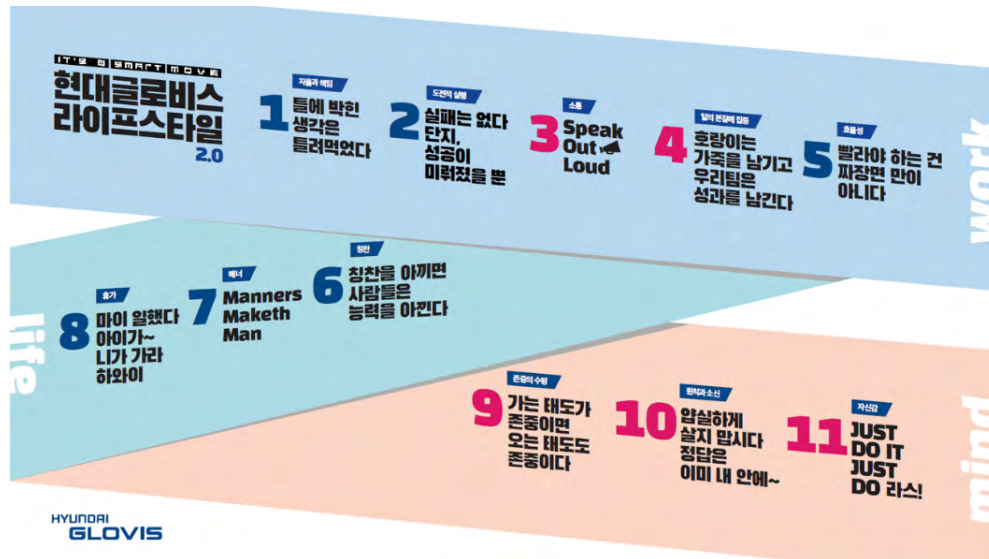
Human Rights Management Policy and Strategy

Human Rights Management Principle

Hyundai Glovis respects the human rights of all its stakeholders based on its core value of 'respect for people' 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

Hyundai Glovis has established human rights policies to protect the rights of its employees and various stakeholders. Our human rights policies include internal and external communication, complaint 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.

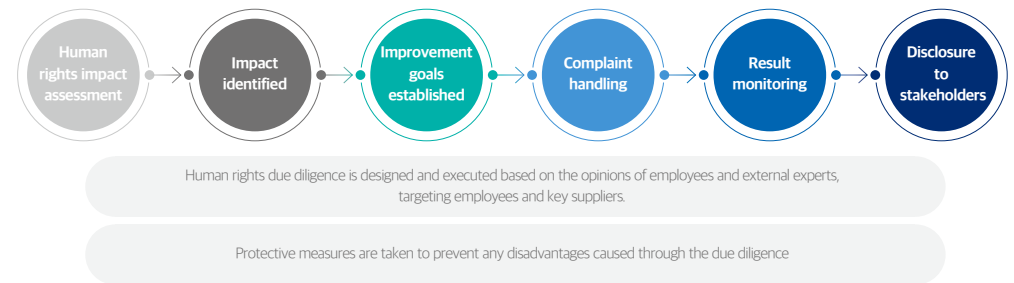


Hyundai Glovis Lifestyle 2.0

Human Rights Due Diligence

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 actively respond to issues. Human rights due diligence is practiced in the following order: human rights impact assessment, impact identification, improvement goals established, complaint handling, result monitoring, and disclosure to stakeholders. We will continue to systematically manage the human rights risks that may arise at each of our business establishments. In 2021, 127 companies were evaluated and the due diligence was conducted on 10 worksites. According to the human rights due diligence result, improvement tasks are shared with suppliers. We are fully committed to help suppliers to make improvement.

Human Rights Due Diligence Process



Human Rights Training Courses

Course	Target	Schedule	Place
Disability Awareness	All employees at domestic business operations	May 3 (Mon) ~ May 28 (Fri)	· Smart learning platform · Website or mobile application
Sexual Harassment and Workplace Bullying		May 31 (Mon) ~ June 25 (Fri)	
On-site Training for Employees outside the Above Online Courses	Expats and employees of overseas corporation	In May and June	· Internal training at individual overseas corporation
	Rugby Team and others		· Internal collective training with training materials distributed

These training courses are compulsory education for all employees working at domestic business operations.

In May of 2021, Hyundai Glovis started e-learning training courses for all employees at domestic business operations to improve disability awareness and prevent sexual harassment and workplace bullying through its internal education platform.

Stakeholder Engagement

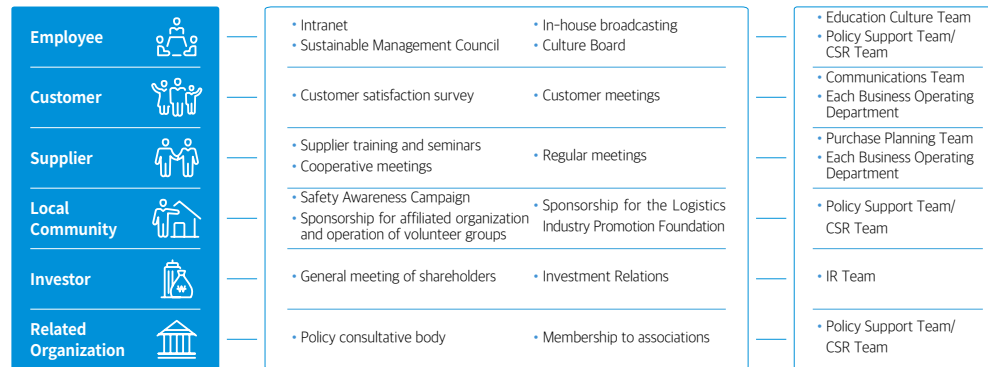


Human Rights Management Policy and Strategy

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

Stakeholders Engagement Channel

The company has set its employees, suppliers, customers, investors, communities, and associated organizations as its key stakeholders and operates communication channels for their engagement. The company has a dedicated organization for each channel to provide professional responses.



Human Rights Issues and Management Status by Stakeholders

Category	Human Rights Issues	Impact Assessment	2021 Impact Assessment Results and Remedial Measures
Local Community	Local Community Safety	Safety Assessment of Logistics Industry Employees	<ul style="list-style-type: none"> Safety risks of logistics industry employees were identified due to COVID-19 pandemic in 2021. Safety Kits were delivered to around 19,000 employees of the logistics industry across the nation.
Employees	Child Labor and Forced Labor	Human Rights Due Diligence	<ul style="list-style-type: none"> Employment of young people under 18 years of age is prohibited by the Employment Rules. Bi-annual visit is regularly made to worksites to collect opinions and complaints from laborers.
	Human Rights Violation	Employee Grievance Reception Channel	<ul style="list-style-type: none"> Employee grievance reception channel identifies human rights violations including workplace bullying and sexual harassment Zero case of employees' human rights violation including workplace bullying or sexual harassment in 2021
		Counseling Office	<ul style="list-style-type: none"> Professional counseling service is provided through the counselling office to employees who have difficulties at work or in their lives, such as human rights violation Counseling channel is in operation to handle difficulties related to ethics.
	Worksite Safety	Risk Management and Site Inspection	<ul style="list-style-type: none"> Bi-annual quantitative measurement and inspection for worksite risk management are conducted and improvement measures are constantly taken. Zero case of employees' serious and general accidents in 2021
Suppliers	Labor Rights and Safety Issues of Supplier Employees	Supplier ESG Evaluation	<ul style="list-style-type: none"> Supplier assessment is conducted in fields of finance, ethical management, quality, environmental achievement and safety. In 2021, 126 major suppliers received assessment. Human rights risks were identified in 10 suppliers and improvement measures were taken.
Customers	Personal Information Leakage	Information Protection Process	<ul style="list-style-type: none"> Personal information handling processes are in place. Zero case of customers' personal information infringement in 2021

Economic Performance Creation and Distribution

Category		2019	2020	2021	비고
Employee	Wage KRW million	423,921	447,341	518,244	2021 Annual Report p.128, 2020Annual Report p.128,
Shareholder and Investor	Interest cost (KRW million)	103,508	84,796	71,355	2021 Annual Report p.144, 2020Annual Report p.146
	Total dividend (KRW million)	131,250	131,250	142,500	2021 Annual Report p.124, 2020Annual Report p.127
Government	Income tax expense (KRW million)	225,008	160,406	202,035	2021 Annual Report p.144, 2020Annual Report p.146
Local Community	Contribution (KRW million)	2,854	3,409	3,284	2021 Annual Report p.127, 2020Annual Report p.130 (Consolidated)
Supplier	Purchase amount (KRW 100 million)	37,851	37,859	50,592	Service, subcontracting, general purchases (bunker, shipping material, packaging, equipment / facilities, materials etc.)

* In 2021, total monetary donation is 3,264 million KRW and total noncash donation is 20 million KRW.

Anti-Bribery Management System (ISO 37001) Certification Renewal

As a global SCM company, Hyundai Glovis obtained ISO 37001 certification in 2018, which was established by the International Organization for Standardization, to promote ethical management and build 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. In 2021, it also acquired the approval for renewal of its certification in the renewal evaluation to review its anti-corruption management system. Hyundai Glovis continues to make company-wide efforts for anti-corruption and ethical management by setting strategies to identify and prevent corruption risks of each department.



Appendix



73	Financial Data
76	Materiality Assessment
78	GRI Content Index
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85	TCFD & UNGC
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91	Independence Standards for Independent Directors
92	GHG Verification Statement
93	GHG Verification Statement of Fleet
94	Independent Assurance Statement



Financial Data

(KRW million)

Financial Data Consolidated Financial Statement

Accounts	Based on the consolidated accounting standards	
	21st term	20th term
Current assets	6,968,211	5,950,125
Non-current assets	5,202,717	4,948,579
Total assets	12,170,928	10,898,704
Current liabilities	3,942,962	3,547,702
Non-current liabilities	2,415,554	2,284,634
Total liabilities	6,358,516	5,832,336
Capital stock	18,750	18,750
Capital surplus	153,619	153,619
Accumulated other comprehensive income	-4,373	-72,816
Retained earnings	5,619,944	4,966,822
Other components of equity	14,512	-927
Non-controlling interests	9,960	922
Total capital	5,812,412	5,066,369

Financial Data Consolidated Statement of Income

Accounts	Based on the consolidated accounting standards	
	21st term	20th term
Sales	21,779,582	16,519,885
Cost of Sales	20,287,858	15,229,429
Gross profit	1,491,724	1,290,456
Sales, General and Administrative expenses	365,478	628,305
Operating income	1,126,246	662,151
Financial income	34,816	34,209
Other non-operating income	442,199	672,536
Financial cost	71,355	84,796
Other non-operating cost	567,545	547,138
Equity method income	20,851	29,588
Net income before income tax expense	985,211	766,549
Income tax expense	202,035	160,406
Net income	783,176	606,143

(KRW million)

Financial Data Consolidated Statement of Income

Accounts	Based on the consolidated accounting standards	
	21st term	20th term
Net income	783,176	606,143
Other comprehensive income(Loss)		
Items reclassified subsequently to profit or loss	69,973	-68,224
Changes in capital from equity method investments	5,561	-1,133
Gain(loss) on overseas operations translation	64,412	-67,091
Items not reclassified subsequent to profit or loss	154	-11,595
Other comprehensive income		
-Valuation on profit and loss of financial asset at fair value	-1,322	-10,925
Retained earnings from equity method investments	-29	450
Remeasurement of defined benefit plans	1,505	-1,120
Total other comprehensive income	70,127	-79,819
Total comprehensive income	853,303	526,324



Financial Data

(KRW million)

Financial Data Consolidated Statement of Changes in Stockholder's Equity

Accounts	Stockholder's Equity							Total
	Capital stock	Capital surplus	Accumulated Other Comprehensive income	Retained earnings	Other equity components	Profit Attributable to Owners of parent company	Non-Controlling interests	
January 1, 2019 (FY 2019 beginning)	18,750	153,619	-28,620	4,117,349	-927	4,260,170	-3	4,260,167
Net Income				502,323		502,323	0	502,323
Other comprehensive income			22,601			22,601		22,601
-Valuation on profit and loss of financial asset at fair value								
Remeasurement of defined benefit plans				-2,383		-2,383		-2,383
Total comprehensive income:			-7,302			-7,302		-7,302
Changes in capital from equity method investments								
Retained earnings from equity method investment				-998		-998		-998
Gain(loss) on overseas operations translation			19,623			19,623	0	19,623
Total			34,921	498,942		533,863	0	533,863
Annual dividend				-123,750		-123,750		-123,750
Transactions with shareholders directly reflected in capital								
Changes in ownership interest without loss of control								
Changes in the scope of consolidation							0	0
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
Net income				606,201		606,201	-58	606,143
Other comprehensive income								
- Valuation on profit and loss of financial asset at fair value			-10,925			-10,925		-10,925
Remeasurement of defined benefit plans				-1,120		-1,120		-1,120
Total comprehensive income			-1,133			-1,133		-1,133
Changes in capital from equity method investments								
Retained earnings from equity method investment				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
Annual dividend				-131,250		-131,250		-131,250
Transactions with shareholders directly reflected in capital :								
Changes in ownership interest without loss of control								
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



Financial Data

(KRW million)

Financial Data Consolidated Statement of Changes in Stockholder's Equity

Accounts	Stockholder's Equity							Total
	Capital stock	Capital surplus	Accumulated Other Comprehensive income	Retained earnings	Other equity components	Profit Attributable to Owners of parent company	Non-Controlling interests	
January 1, 2021 (FY 2021 beginning)	18,750	153,619	-72,816	4,966,822	-927	5,065,447	922	5,066,369
Net income				782,897		782,897	279	783,176
Other comprehensive income - Valuation on profit and loss of financial asset at fair value			-1,322			-1,322		-1,322
Remeasurement of defined benefit plans				1,505		1,505		1,505
Total comprehensive income:			5,561			5,561		5,561
Changes in capital from equity method investments								
Retained earnings from equity method investment				-29		-29		-29
Gain (loss) on overseas operations translation			64,204			64,204	208	64,412
Total			68,444	784,373		852,816	487	853,303
Annual dividend				-131,250		-131,250		-131,250
Transactions with shareholders directly reflected in capital								
Changes in ownership interest without loss of control					15,439	15,439	8,551	23,990
Changes in the scope of consolidation							0	0
December 31, 2019 (FY 2019 end)	18,750	153,619	-4,373	5,619,944	14,512	5,802,452	9,960	5,812,412

Materiality Assessment

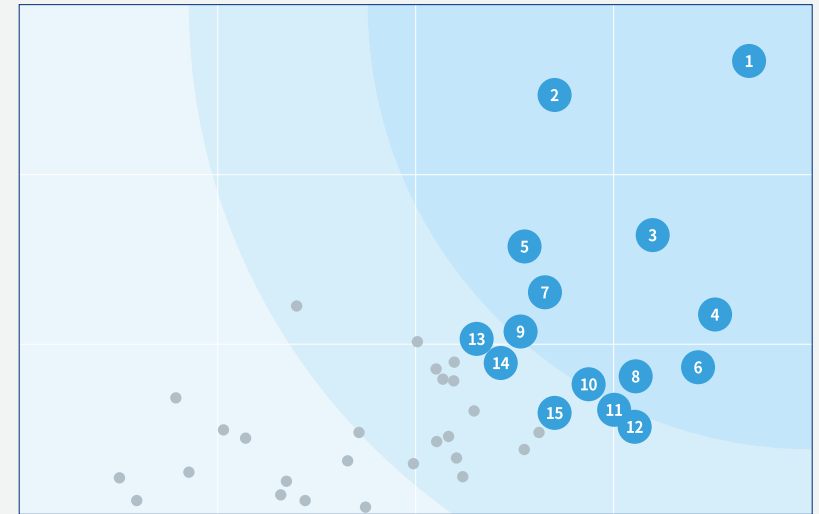
Materiality Assessment Overview

Each year Hyundai Glovis derives and reports critical issues per the materiality methodology proposed by the Global Reporting Initiative (GRI) Standards guidelines. To derive the material issues for our sustainable management, we studied benchmarking for leading companies in the same industry, media exposure, analysis of international standards, and initiatives. Furthermore, their materiality was assessed to prioritize in terms of their business impact (Relevance) and stakeholders' interest in the issues (Impact). Finally, the sustainability management council and executive review and approve materiality assessment and ESG-related issues. This report was prepared in the first half of 2022, reflecting essential economic, social, and environmental issues for Hyundai Glovis in 2021 and our responses and achievements by topic.

Materiality Assessment Process



Result of Material Assessment



No	Issue	Relevant report topics	Stakeholders	Page
1	(New) Expansion of new growth businesses	eco-friendly smart logistics, future-oriented smart logistics	Employees and Executives, Investors, Suppliers	16~17
2	Creation of economic values through core businesses	logistics (general, special(dangerous goods), imports/exports, vehicles, parts, bulk), Shipping(vehicle shipping, bulk shipping), distribution(KD business, trading, Auto biz)	Employees and Executives, Investors, Suppliers	10~15
3	Enhancement of mutual growth policy and activity	operation of win-win cooperation fund, supports tire replacement for lorries	Suppliers	39
4	(New) Developing eco-friendly products and services	participation in Ministry of Land, Infrastructure and Transport (MOLIT)'s hydrogen truck pilot project, establishing hydrogen supply chain, operating a pilot project of hydrogen forklift, signing an agreement on clean hydrogen supply chain, installing scrubbers on ships, participation in incentive system for eco-friendly vessels, investment in vessels including low friction coating	Customers, Investors, Government	28~29
5	Reducing environmental impact of logistics and travel, provision of eco-friendly logistics services	pursuit to become a "Global Top Leader in Green Logistics" by advancing eco-friendly logistics operation system, signing MOU for green ammonia council for carbon neutrality, deployment of 26 SSG eco-friendly refrigerated electric vehicles, acquisition of a patent for Platform Container, exclusive for dead EV batteries	Customers, Investors, Government	28~30
6	Management and reduction of GHG emissions	achievement of packaging efficiency by developing a foldable box, Eco-friendly modal shift, Eco-driving for truck, signing MOU for the supply of Alternative Maritime Power	Investors, Government	30~31
7	(New) BOD's stronger oversight on sustainability issues	implementation of environmental management system, safety management policy, materiality assessment	Employees and Executives, Investors, Suppliers	25, 48, 76
8	CSR activities linked with business characteristics	delivery of pet food to the elderly, donation of relief supplies to flood victims in Pohang, distribution of 20,000 safety kits to logistics workers, presentation of Christmas gifts to the elderly living alone and children, remodeling of rest areas for drowsy drivers on the highway.	Employees and Executives, Local Community	58~59
9	Strengthening a system and rules for ethical behaviors for employees and executives	renewed certificate for Anti-bribery Management System (ISO 37001), running an ethical advisory channel, Ethics training for employees and executive, Disclosing membership fee and charity details, Setting up a misconduct reporting system	Employees, Government	48~52

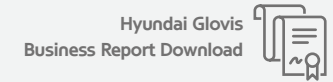


Materiality Assessment

Management of Material issues

Material Issue	Content	Our Approach	2021 Achievement	Reporting Page
(New) Expansion of New Growth Business	Keeping pace with a changing system quickly and accurately is critical in modern society, and it is essential to keep exploring and discovering new business areas to attain business competitiveness. Exploring new markets and discovering customers are vital to creating sustainable economic value. Thus, global enterprises are working hard to find and expand new business items.	Hyundai Glovis is expanding new growth businesses by expanding eco-friendly logistics to keep pace with the trend. It has formed a new business team and is advancing new growth business through planning and deploying hydrogen and EV projects.	· Developed a platform optimized for the hydrogen supply chain	16~17
Creation of Economic Value through Core Businesses	One of the critical responsibilities of a company is to stay in business and achieve a sustainable growth through profitability. Therefore, a company must attain and maintain competitiveness in business processes, including technology, know-how, human resources and system. A company must adapt to a rapidly changing business environment and run a business where it has a competitive edge.	Hyundai Glovis has a differentiated competitive edge building on its know-how in logistics and distribution sectors as well as a global network. It strives to become a global integrated logistics company through sustainable growth and expansion of business capabilities. In its core business sectors of logistics, shipping, KD, trading, and Auto Biz. Ultimately it aims to provide top-notch services to customers.	· Operation of logistics and shipping businesses · Operation of the used car business · Operation of a new business	10~15
Strengthening mutual growth policy and activity	There is a growing demand for risk management of ESG in the supply chain for mutual growth through creating sustainable growth momentum and jobs and attainment of global competitiveness. European Parliament's Legal Affairs Committee adopted a report on mandatory human rights of supply chain and due diligence of the Environment. As such, it gets more critical to manage supplier's sustainability preemptively.	Hyundai Glovis identifies and manages ESG risks in the supply chain each year through performance, credit, and ethical management evaluations. It checks and prioritizes suppliers' financial environment and the level of environmental management. It considers ESG elements in assessing the registration of suppliers into the SCM system. It regards them as essential factors in supplier selection.	· Carried out ethics training for suppliers · Operated safety environment evaluation system	39
(New) Development of eco-friendly products and services	The development of eco-friendly products and services is to consider sustainability not just in production processes but also on the consumption side. Developing eco-friendly products and services encourages environmentally-conscious consumption, and helps establish eco-friendly culture in society.	Hyundai Glovis is trying to be eco-friendly not only for maritime logistics but also for land logistics for consumers by establishing a hydrogen logistics system. Furthermore, it provides low-carbon services to customers by investing in the shipping environment, including investing in low friction coating.	· Participated in a pilot project for hydrogen trucks · Invested in shipping environment, including low friction coating.	28~29
Reducing the environmental impact of logistics and travel, provision of eco-friendly logistics services	As stakeholders' demand intensifies, logistics companies' responsibilities and impacts on the environment also grow. IMO implemented rules for SOx reduction in 2020. The European parliament decided to include the shipping industry in the EU emissions trading system (EU ETS). With stronger regulations at home and abroad, technologies for eco-friendly logistics systems have become more important.	Hyundai Glovis established a detailed implementation plan for each business location and implements it every year to realize eco-friendly green logistics based on reducing GHG, minimizing pollutant emissions, and raising environmental awareness. In addition, as it was designated as a subject of the emission trading system in 2021, it plans to further reduce GHG internally and externally by advancing GHG emission management.	· Developed a platform optimized for hydrogen supply chain	28~30
Management and reduction of GHG emissions	GHG is taken seriously all over the world. In the logistics sector, IMO controls emissions through regulations on reducing GHG emissions in vessels, and many countries are making regulations to cut GHG.	Hyundai Glovis is working on cutting GHG emitted from logistics with environmental management. It is trying to manage GHG emissions in various ways by sophisticating GHG emission management and raising employee awareness.	· Signing an agreement on voluntary reduction of fine dust for trucks · Operated a pilot project for Alternative Maritime Power facilities	30~31
(New) BOD's stronger oversight on sustainability issues	The Board of Directors needs to stay interested in and track sustainable management issues to make sustainable management corporate strategy and culture. Thus, the Board of Directors must explore and manage sustainability issues as a company-wide strategy and strengthen the corporate sustainability across the board.	Hyundai Glovis has designated Chief Sustainability Officer to tighten its control over sustainability issues. It puts efforts into sharing ESG issues with management and establishing ESG strategies.	· Established mid-and long-term ESG strategies	25, 48, 76
CSR activities linked with business characteristics	Companies and local communities directly or indirectly influence each other through corporate CSR activities linked with business characteristics. Companies need to contribute to creating social values through active communication and CSR activities to promote their positive reputation and get support and cooperation in business management processes.	Hyundai Glovis has established CSR strategies to reflect changing social issues and carry out CSR activities systemically. It engages in CSR activities, including safety campaigns, linked with its business characteristics as an integrated logistics and distribution company and a business philosophy that puts "Safety" before anything else.	· Carried out Safety Campaigns · Distributed safety kits to logistics workers.	58~59
Strengthening a system and rules for ethical behaviors for employees and executives	Reinforcing employees' ethics is critical to ensure corporate sustainability in the long term. Thus, it is necessary to strengthen ethical rules and training for employees and executives to drive ethical behaviors among employees and executives.	Hyundai Glovis is running ethics advisory channel to strengthen ethical behaviors of employees and executives and ethics trainings regularly. Also, the company has many different channels to report misconducts to facilitate smooth communication.	· Held ISO 37001 Anti-bribery · Held ISO 37001 Internal auditor training · Conducted ethical management training for employees and executives 4 times a year	48~52

GRI Content Index



Universal Standards (GRI 100)	GRI Standards		공개		Page	Notes
	No.					
Organizational Profile	102-1	Name of the organization			7	
	102-2	Activities, brands, products, and services			8, 10~17	
	102-3	Location of headquarters			7	
	102-4	Location of operations			21~22	
	102-5	Ownership and legal form				Business Report p. 378~392
	102-6	Markets served			8, 10~17	
	102-7	Scale of the organization			7, 18	
	102-8	Information on employees and other workers			7, 40	
	102-9	Supply chain			36~39	
	102-10	Significant changes to the organization and its supply chain			none	
	102-11	Precautionary Principle or approach			56, 64~65, 68~70	
	102-12	External initiatives			24, 31~32, 78~80	UN SDGs, UNGC, CDP, VS R(Vessel Speed Reduction), TCFD, WEF
	102-13	Membership of associations			67	
Strategy	102-14	Statement from senior decision-maker			4~5	
	102-15	Key impacts, risks, and opportunities			64~65	
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior			67~68, 70, 86~88	
	102-17	Mechanisms for advice and concerns about ethics			66~67	
Governance	102-18	Governance structure			61~64	
	102-22	Composition of the highest governance body and its committees			61~62, 78	
	102-23	Chair of the highest governance body			61, 78	
	102-24	Nominating and selecting the highest governance body			61~62, 78	
	102-32	Highest governance body's role in sustainability reporting			76	
	102-36	Process for determining remuneration			63	Business Report p. 359~362
Stakeholder engagement	102-40	List of stakeholder groups			71, 76	
	102-41	Collective bargaining agreements			46	
	102-42	Identifying and selecting stakeholders			71	
	102-43	Approach to stakeholder engagement			71	
	102-44	Key topics and concerns raised through stakeholder participation			76	Materiality Assessment / Material Issue Management

GRI Content Index

Universal Standards (GRI 100)	GRI Standards	No.	공개	Page	Notes
	Reporting practice	102-45	102-45	Entities included in consolidated financial statements	
102-46		102-46	Defining report content and topic boundaries	2	
102-47		102-47	List of material topics	76~77	
102-48		102-48	Restatements of information	44, 49, 89	
102-49		102-49	Changes in reporting	76~77	Strengthening the management system focusing on the safety and efficiency of employees and executives
102-50		102-50	Reporting period	2	
102-51		102-51	Date of most recent report	2	
102-52		102-52	Reporting cycle	2	
102-53		102-53	Contact point for questions regarding the report	2	
102-54		102-54	Claims of reporting in accordance with the GRI Standards	2	
102-55		102-55	GRI content index	78~80	
102-56		102-56	External assurance	92~93	
Economic Performance (GRI 200)		GRI Standards	No.	공개	Page
	Economic Performance	201-1	Direct economic value generated and distributed	73~75	Business Report p.74-76
	Indirect Economic Impact	203-1	Infrastructure investment and service supported	57~59	

GRI Content Index

Environmental performance (GRI 300)

GRI Standards	No.	공개	Page	Notes
Energy	302-1	Energy consumption within the organization	27, 33, 89	
	302-3	Energy intensity	33, 89	Criteria for Intensity Calculation(Capital contribution): KRW 17. 57 trillion
	302-4	Reduction of energy consumption	27, 33, 89	
Water	303-3	Water withdrawal	89	
	303-5	Water consumption	89	
Emissions	305-1	Direct (Scope 1) GHG emissions	89	
	305-2	Indirect (Scope 2) GHG emissions	89	
Waste	306-3	Waste generation	89	
	306-4	Recycled waste	89	
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	33	none
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	36	
	308-2	Negative environmental impacts in the supply chain and actions taken	37~39	

Social Performance (GRI 400)

GRI Standards	No.	공개	Page	Notes
Employment	401-1	New employee hires and employee turnover	44	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	45	
	401-3	Parental leave	45	
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	46	
Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees	48~49, 52	
	403-9	Types of injury and rates of injury, and number of work-related fatalities	49	
Training and Education	404-1	Average hours of training per year per employee	41	
	404-2	Programs for upgrading employee skills and transition assistance programs	41~43	
	404-3	Percentage of employees receiving regular performance and career development reviews	44	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	40~41, 61	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken		No reports of discrimination and bullying
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	none	



WEF Content Index

Principles of Governance

Metrics	Disclosures	Page number in 2021 report
Setting Purpose	Incorporating resolution of economic, environmental, and social issues and value creation for all stakeholders, including shareholders, into business goals	20
Board of Directors' composition	Disclose the current structure of the "Board of Directors," the highest decision board in the company, and "Sub-committees" as below	61~62
	- The highest decision board's competencies in dealing with economic, environmental, and social topics	63
	- The number of Inside Directors and Outside Directors	61
	- Independence of individual directors	61~62
	- Tenure of individual directors	61
	- Status on individual director's holding concurrent positions and their external activities, and information specific to each field of external activities	-
	- Gender of individual directors	61
	- A director representing the socially vulnerable and the minority	-
	- A director representing a specific group of stakeholders (e.g., Employees, the Government, the local community, and the industry)	-
Material issues impacting stakeholders	A list of topics impacting the company and key stakeholders	76~77
	How to select topics and how to gather stakeholders' opinions in the topic selection process	76~77
Anti-corruption	1. Disclose the completion percentage of the training on anti-corruption policy and procedure for the entire board members, employees and executives, and business partners	66~67
	a) The number and characteristics of corruption cases confirmed this year among the corruption cases occurred in the past	66~67
	b) The number and characteristics of corruption cases confirmed this year among the corruption cases occurred this year	66~67
	2. Gathering opinions from stakeholders regarding the overall business environment and cultural enhancement for corruption prevention, and initiative participation	66~67
Ethical advisory and reporting mechanism	Describing internal and external handling procedures	66~67
	1. Procedures to seek external advice for ethical and lawful behaviors and organizational integrity (e.g., Ethics Advisory Committee)	66~67
	2. Procedures to report unethical or unlawful behaviors and lack of organizational integrity (e.g., Report of compliance and anti-corruption within the board of directors)	66~67
Integrating risks and opportunities into the business processes	Identify and disclose critical and high-priority risks and opportunities facing the company (specific to the company, not the generic ones facing the industry)	65
	- The direction of corporate response to the risks	65
	- How those risks and opportunities have changed and developed and how the company has responded	65



WEF Content Index

Planet	Metrics	Disclosures	Page number in 2021 report
	GHG emissions	Convert all kinds of GHGs such as carbon dioxide, methane, nitrous oxide, and CFC into metric tonnes of carbon dioxide equivalent (tCO ₂ e) and report them in Scope 1 and 2	89
		Estimate GHG emissions generated upstream and downstream using a proper method	-
	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)	85
		If necessary, disclose a three-year plan to implement TCFD recommendations	-
		Achieve carbon neutrality by 2050, set a GHG reduction target aligned with Paris Agreement's target, or disclose a declaration of setting a reduction target	20
	Land use and ecological sensitivity	Disclose the number of business sites that the company owns, leases, or manages in and around Key Biodiversity Areas (KBA)* and/or protected areas** *KBA: One can search Key Biodiversity Areas (KBA) at http://www.keybiodiversityareas.org/site/mapsearch ** Protected Areas: an area designated for protection under national laws and regulations	-
	Water consumption and water withdrawal in water-stressed areas	WRI Aqueduct Water Risk Atlas shows the following data on extremely stressed or highly stressed areas where business sites are situated. *WRI: One can search water-stressed areas at https://www.wri.org/aqueduct	-
		- Water withdrawal amount at a specific area	-
		- Water use amount in a specific area	89
		- Ratio of water withdrawal to water use at a specific area	-
		Estimate and disclose corporate water withdrawal amount and water use amount across the entire value chain of business activities, including upstream and downstream, according to the same criteria as above	-



WEF Content Index

People	Metrics	Disclosures	Page number in 2021 report
Diversity and Inclusion		Disclose the makeup of employees by the following diversity category	-
		- By age group	40
		- By gender	40
		- By other diversity indicator	40
Pay equality		Disclose employees' pay ratio for respective major sites regarding equality categories as below	-
		- The gender pay gap	41
		- Ethnic majority vs. Ethnic minority	-
		- Other equality areas	-
Wage level		Disclose the ratio of the starting salary of entry-level employees by gender against the minimum wage by region	41
		Disclose the ratio of total annual remuneration for the CEO to the yearly median remuneration for all employees minus the CEO	63
Risks of child labor and forced labor		Disclose business sites and suppliers posing significant risks regarding child labor and forced labor Expound these risks according to the following standards	-
		- Type of business site (such as production factory) and type of supplier	-
		- Region or country where business sites and suppliers deemed to have risks are located	-
Health and Safety		Work-related fatality in the number of cases and rate	-
		Injury irreparable within six months after accidents in the number of cases and rate (except for fatality accidents)	49
		Recordable injury in the number of cases and rate (e.g., trips)	49
		Major types of work-related injuries in the number of cases and rate	-
		Total work hours	-
		How the workers in corporate equipment and facilities can access external medical and health service	-
		Scope of employees and workers with access to relevant medical and health service	-
Provision of Training		Disclose the average training hours per employee during the reporting period as below (Total training hours of all employees/Total number of employees)	-
		- Gender	41
		- By employee category (e.g., by position such as top-level manager, mid-level manager, and new employee and by function such as technical, manager, and production)	41
		Disclose average training and competency development cost per full-time employee (Total training cost/total number of employees)	41



WEF Content Index

Prosperity

Metrics	Disclosures	Page number in 2021 report
Headcount and Employment rate	1. Disclose the number of new hires and the employment rate during the reporting period as below	-
	- By age group	44
	- By gender	44
	- By other diversity indicators	-
	- By region	44
	2. Disclose the number of employee turnover and turnover rate during the reporting period as below	-
	- By age group	-
	- By gender	44
	- By other diversity indicators	-
	- By region	-
Economic contribution	1. According to "the Accrual Accounting Principle," disclose the direct economic value and distribution status of the organization's global operations as below *Accrual Accounting: an accounting concept that records profits and losses separately only for the current period in corporate accounting	-
	- Sales	73
	- Operating expenses	73
	- Employee salary and benefits	71
	- Shareholder and investor payments	71
	- Government payments (Tax payments)	71
	- Local community investment	71
2. Total monetary value of financial support and subsidy received from the government and Government affiliates during the reporting period	-	
Investment contribution	1. Disclose total CapEx minus Depreciation and Amortization to validate the organization's investment strategy	-
	2. Disclose the sum of Buybacks and Dividends to lend support to the organization's ROIC improvement strategy for shareholders	-
Total R&D expenses	R&D-related total expenses	-
	Disclose data on global corporate tax as below	-
	- Corporate tax	71
	- Property tax	-
	- Non-deductible VAT and other sales-related tax ※ Non-deductible VAT: (FOB price of merchandise exports - price of bonded raw materials) x (VAT rate- refund rate)	-
	- Withholding tax	-
- Other taxes recorded as business expenses	-	

TCFD&UNGC

TCFD Index

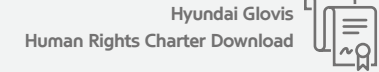
Elements	TCFD Recommendation	Remarks	
Governance	a) Disclose the board's oversight of climate-related risks and opportunities	CDP	C1.1a, C1.1b
	b) Describe management's role in assessing and managing climate-related risks and opportunities	CDP	C1.2a
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	CDP	C2.2a, C2.3a, C2.4a
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	CDP	C3.1, C3.2, C3.3, C3.4
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	CDP	C3.5
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks	CDP	C1.2a, C2.2
	b) Describe the organization's processes for managing climate-related risks	CDP	C2.2
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	CDP	C2.2
Metrics & Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	CDP	C2.1b
	b) Describe Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	CDP	C2.2a, C6.1, C6.3, C6.5
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	CDP	C1.3, C4.1, C4.2, C4.3

UN Global Compact

Areas		
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights
	Principle 2	Make sure that they are not complicit in human rights abuses
	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Labor	Principle 4	The elimination of all forms of forced and compulsory labor
	Principle 5	The effective abolition of child labor
	Principle 6	The elimination of discrimination in respect of employment and occupation
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges
	Principle 8	Undertake initiatives to promote greater environmental responsibility
	Principle 9	Encourage the development and diffusion of environmentally friendly technologies
Anti-Corruption	Principle 10	Businesses should work against corruption in all forms, including extortion and bribery.



Hyundai Glovis Human Rights Charter



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 Constitution, 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.

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.

Hyundai Glovis Human Rights Charter

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.

inGrievance Channel to Report Violations of Human Rights

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

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.

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.

Hyundai Glovis Human Rights Charter

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 in Grievance formation 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.

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.





Hyundai Glovis Human Rights Charter

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.

2021 Major Environmental Index


Category		2019	2020	2021	Notes
GHG emissions	Total (tCO ₂ eq)	4,056,730	3,133,199	3,865,708	
	Ocean Going Vessel (tCO ₂) ¹⁾	3,979,007	3,053,851	3,785,854	Entire shipping fleet
	Domestic vehicle (tCO ₂ eq)	67,823	68,362	67,098	Entire vehicles under corporate name
	Domestic building (tCO ₂ eq)	9,900	10,986	12,756	Entire business locations
	Total Domestic Emission (tCO ₂ eq) ²⁾	77,723	79,348	79,854	Entire business sites
	GHG emission intensity (tCO ₂ eq/KRW Mil.)	0.5	0.6	0.39	Domestic GHG emissions/Sales (stand-alone basis)
Direct GHG emission (Scope1)	Total (tCO ₂ eq)	4,048,198	3,123,760	3,854,998	
	Ocean Going Vessel (tCO ₂)	3,979,007	3,053,851	3,785,854	Entire shipping fleet
	Domestic vehicle (tCO ₂ eq)	67,823	68,362	67,098	Entire vehicles under corporate name
	Domestic Building (tCO ₂ eq)	1,368	1,547	2,046	Entire business sites
Indirect GHG emission (Scope2)	Emission from power use in domestic building (tCO ₂ eq)	8,532	9,439	10,710	
	Power consumption in domestic building (MWh)	56,129	62,302	73,146	Entire business sites
Indirect GHG emission (Scope3)	Domestic and overseas business trip (tCO ₂ eq)	1,887	423	356	Domestic and overseas business trips and the entire communal vehicles
	Coastal shipping (tCO ₂)	43,524	51,198	51,071	All coastal shipping
Energy consumption (Domestic vehicle and building) ³⁾	Total consumption (MWh) ⁴⁾	322,757	331,012	338,334	
	Domestic vehicle (MWh)	266,628	268,710	265,187	Entire vehicles under corporate name
	Domestic building (MWh)	56,129	62,302	73,146	Entire business sites
	Coastal shipping (MWh)	15,215,716	11,687,317	14,488,031	Entire shipping fleet
	Vessel (MWh/KRW Mil.)	2.2	2.6	1.9	Domestic Energy Consumption/Sales (Stand-alone basis)
New renewable energy use	Power saving through photovoltaic power generation (kWh)	20,610	19,741	19,966	2018 Pyeongtaek International Terminal Open
Water Management and Water Intensity	Water consumptions (m ³)	101,612	105,418	90,301	Water 100%
	Water recycling (m ³)	496	303	272	Water consumption/Area of domestic business sites
	Water use intensity (m ³ /m ²)	0.29	0.29	0.21	Water consumption/Area of domestic business sites
Waste Management and Waste Intensity	Waste generation (ton)	1118	820	917	Waste in business sites 100%, General waste 100%
	Waste recycling (ton)	689	422	497	Waste amount for recycling out of the total gross waste amount
	Waste generation intensity (kg/m ²)	1.21	1.08	0.99	Waste amount/Area of domestic business sites
Provision of eco-friendly logistics service	Eco-friendly logistics service sales (KRW Mil.)	10,212	11,866	12,070	
Purchase and investment of eco-friendly products and services ⁵⁾	Purchasing and investment (KRW Mil.)	549	749	864	
Verification of GHG emissions	Verification of GHG emissions by business location in percentage (%)	100	100	100	All business sites received inspection on verification of GHG emissions
ISO 14001 Certification	Certification by business location in percentage (%)	100	100	100	All business sites maintains certifications

¹⁾ The national laws and regulations do not regulate GHG emissions and energy consumption of ocean-going vessels. Still, the company voluntarily complies with International Maritime Organization's standards by estimating and disclosing corresponding data. ²⁾ The target for 2021 was 88,248 tCO₂eq, and the company met the target. ³⁾ Guidance on emission reporting and certification under GHG emission trading system (2021-278). ⁴⁾ The target for 2021 was 373,899MWh, and the company hit the target. ⁵⁾ Criteria for green purchase under the environmental data disclosure: including purchase records of environment mark and GR mark

Independence Standards for Independent Directors

Independence Standards for Independent Directors	Hyundai Glovis Independent Directors				
	Kil Jae-uk	Lim Chang-gyu	Yoon Yoon-jin	Lee Ho-geun	Jo Myung-hyun
Independent director should not have experience of employment by the company as executive director under CEO for the last 5 years.	0	0	0	0	0
Independent director should not have family members who have received more than \$60,000 from the company, holding company or subsidiary company for the last 3 business years.	0	0	0	0	0
Independent director and family members should not have experience of employment as executive director to the company, holding company, or subsidiary company for the past 3 years.	0	0	0	0	0
Independent director should not be a part of advisors, consultants, or high-rank management directors in the company.	0	0	0	0	0
Independent director should not participate in transaction or alliance relationship with non-profit organizations (e.g. NGOs) that receives significant amount of donation from the company.	0	0	0	0	0
Independent director should not have experience of working as partner or employee in an external auditing organization to the company for the past 3 years.	0	0	0	0	0
Independent director should not sign a personal service contract with the company or high-rank management director in the company.	0	0	0	0	0
Independent director should comply with other independence conditions specified by the Board of Directors and should not have any conflicting interest with the company.	0	0	0	0	0

GHG Verification Statement



GHG Verification Statement

HYUNDAI GLOVIS co.,ltd
83-21, Wangsimni-ro, Seongdong-gu, Seoul, Republic of Korea

✔ Verification Scope
Korean Standards Association has conducted verification for GHG emissions under reasonable level of assurance, based on GHG report provided by HYUNDAI Glovis Co., Ltd. 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 : 2018
- IPCC Guideline : 2006

✔ 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.


•2021 Emissions(Scope1, Scope2)

(Unit : tCO2eq)			
Year	Scope 1	Scope 2	Total
2021	69,144	10,710	79,854

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

March 31, 2022


KOREAN STANDARDS ASSOCIATION



GHG Verification Statement

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 Co., Ltd. which includes Scope3(Offshore vessels).

✔ 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.

• Emissions(Scope3)

(Unit : tCO2)		
Year	Division	GHG emission
2021	Offshore vessels	51,071

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

May 31, 2022


KOREAN STANDARDS ASSOCIATION

GHG Verification Statement

GHG Verification Statement of Fleet



GHG Verification Statement

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 Co., Ltd. which includes Scope3(Domestic and overseas business trips).

✔ 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

✔ 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.

• Emissions(Scope3)

(Unit : tCO2eq)

Year	Division	GHG emission
2021	Domestic and overseas business trips, sharing car	356

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

May 31, 2022

KOREAN STANDARDS ASSOCIATION



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.

• Emissions(Scope1)

(Unit : tCO2)

Year	GHG emission
2021	3,785,854

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

May 31, 2022

KOREAN STANDARDS ASSOCIATION

Independent Assurance Statement



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 2022 Sustainability report (hereinafter "the Report"). This assurance statement applies only to the relevant information contained in the scope of the assurance. Hyundai Glovis is solely responsible for all information and assertion contained in the report. The responsibility of the assurance is to provide independent assurance statement with expert opinions to Hyundai Glovis 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 was prepared in accordance with the Core Option of GRI Standards, the international standards guidelines of sustainability reports. 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.

Scope of Assurance

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

- Based on the period from January 1st to December 31st 2021 included in the report, some data included 2022 Q1.
- 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
- Appropriateness and consistency of processes and systems for data collection, analysis and review

The following contents were not included in the scope of assurance.

- Financial information
- Disclosures in the international standards and initiatives index excluding GRI
- 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 the 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 defined employees, customers, suppliers, investor, local communities and related organization as key stakeholder groups, and operates communication channels for each group for stakeholder engagement. They conducted a survey on internal and external stakeholders and collected various opinions and expectations of stakeholders based on the response results, and reflect the derived material issues in decision-making on sustainability management.

Materiality: Identification and reporting of material sustainability topics

Hyundai Glovis derived the issue pool of 37 topics through the risk assessment process and communication with stakeholders, based on a the results of media research, benchmarking global advanced companies, analysis of major global initiatives related to sustainability, and opinions collected from communication channels of each stakeholder group. Hyundai Glovis conducted a materiality assessment that comprehensively considered stakeholder interest and business impact, and selected the 9 material issues identified.

Third-party Assurance Report

Responsiveness: Responding to material sustainability topics and related impacts

Hyundai Glovis reflected the expectations of stakeholders on material issues derived through the materiality assessment and reflected them in the strategies and long-term plans to respond. The effectiveness of their ESG management and performance are kept under continuous review and monitoring through ESG Strategy Committee and working-level consultative. Their policy and activities in respect to each of the material issues were then disclosed to stakeholders through the sustainability report.

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 issues. Hyundai Glovis make decisions on operations and management of impacts that could arise from each material issues by identifying and assessing the impacts, risks and opportunities regarding selected material issues. The results of impact, risk, and opportunity factors analysis on material issues are used for decision-making to respond to each issue, and the process is disclosed in the sustainability report.

Key areas for ongoing development

- Hyundai Glovis manages the sustainability issues by operating the ESG Strategy Committee and ESG working-level consultative. It can help stabilize and operate the sustainable management by disclosing the operational status and performance of ESG innovation groups and reporting goals and achievement status according to mid- to long-term ESG strategy.
- It may be helpful to increase the proportion of external stakeholders in the process of conducting materiality assessment and deriving material issues can help reflect sustainability issues that have a substantial impact.
- Each section of the report describes the positive aspects and expresses efforts to further develop them. However, at the same time, identifying issues with poor performance and specifying specific plans and mid-to/long term plans/goals for resolving them will help improve the balance of reporting.

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 has 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, 22, 23, 24, 32, 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, 302-4, 303-3, 303-5, 305-1, 305-2, 306-3, 306-4, 307-1, 308-1, 308-2
- Social: 401-1, 401-2, 401-3, 402-1, 403-1, 403-9, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, 419-1

24 June 2022



BSI Group Korea,
Managing Director **S. H. Lim**



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