

2023 SEBANG SUSTAINABILITY REPORT



About This Report

Overview of the Report

Sebang has been publishing Korean and English editions of its sustainability report since 2020. This fourth sustainability report presents Sebang's efforts to achieve sustainable growth and its performance. It includes the company's commitment to create the value of tomorrow and actively respond to the expectations and requirements of its various stakeholder groups.

Report Period and Scope

This report introduces Sebang's major achievements in 2022. From the quantitative perspective, it presents the company's achievements during the three years from 2020 to 2022, while from the qualitative perspective it presents details of its activities in 2023. The scope of the report encompasses the domestic head office and twelve branch offices, and it also includes some information about the achievements of its overseas subsidiaries (Vietnam, Belgium).

Standards for Preparation of the Report

This report satisfies the conditions for conforming to the GRI (Global Reporting Initiative) Standards 2021, which are international sustainability reporting standards. It also reflects the reporting standards of the SASB (Sustainability Accounting Standards Board). The standards and definitions of financial information follow the K-IFRS (Korean version of the International Financial Reporting Standards).

Verification of the Report

To secure the reliability of all the information contained in this report, it has been verified by KMR (Korea Management Registrar), an agency specializing in verification services, based on the four principles (Inclusivity, Materiality, Responsiveness, Impact) of AA1000AP.

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SEBANG 2023 Sustainability Report

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Interactive PDF

This report is published in Korean and English and produced in the Interactive PDF format to facilitate communication with global stakeholders.

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BUSINESS HIGHLIGHTS

Highlights

Sebang acquires a logistics company in Jeju Island

The cargo volume handled in Jeju Island is increasing due to the recovery in consumer spending and the rise in the demand for tourism after the COVID-19 pandemic. To lay solid foundations for entering the Jeju logistics market due to the gradual rise in logistics demand, Sebang acquired five companies, including JBL, a logistics corporation in Jeju Island, in January 2023. We will strive to attract new cargo volume by providing logistics services in connection to the inland area.



Strengthened Safety Management

Sebang is strengthening its safety management to prevent safety accidents and comply with the increasingly strict legal requirements. In 2022, the company assigned safety managers to all its branch offices and the head office to reinforce the management organization. The company is also internalizing its safety culture through joint inspections as well as spot checks and crosschecks by Sebang Group. In addition, while safety consulting by an external organization has enhanced our supervision ability, the company has conducted health and safety level assessments of its partner companies and established guidelines for selecting qualified contractors regarding subcontracted projects.



2022 Sebang Safety Manager Workshop

Formation of the Overseas Logistics Business Team

As the globalization of the world economy and international trade are increasing apace, the company expects logistics demand to increase accordingly. Hence, in October 2022, Sebang formed a new overseas logistics business team dedicated to the related business area to manage and support overseas investment companies. In particular, the company has strengthened its competitiveness by launching an organization to carry out integrated management of the overseas and domestic businesses in relation to EV battery logistics.



Introduction of SPMT Equipment

Sebang aims to enhance the sales competitiveness of its heavy cargo business by introducing the SPMT (Self-Propelled Modular Transporter) in 2023. The SPMT is a large piece of equipment with numerous wheels that can transport heavy cargoes. The machine's safety has been improved by equipping it with an LED light system to secure even greater visibility.



Introduction of the CP Program

Sebang introduced the CP (Compliance Program) and established a dedicated CP organization in 2022. The company has also diagnosed fair trade risks in order to identify internal status of the company, and it will foster a culture of voluntary compliance by establishing an internal monitoring system according to a step-by-step schedule for implementation of the CP system.



Certifications

Certified as an Excellent Logistics Company

The Excellent Logistics Company Certification is awarded to excellent logistics companies by the Minister of Land, Infrastructure and Transport and the Minister of Maritime Affairs and Fisheries. Sebang has acquired this certification in the category of comprehensive logistics service companies.



Certified as an Outstanding Company in Import & Export Safety Management

Sebang has acquired the AEO AA certification as the Korean customs authority has officially recognized for its legal compliance and safety management in 3 categories, i.e. bonded transporter, bonded area operator, and lading and unlading trader, for the first time in the industry.



Designated as an Outstanding Company Practicing Green Logistics Service

In 2020, Sebang was designated as an outstanding company practicing green logistics service by the Ministry of Land, Transportation, and Infrastructure in recognition of its achievements in saving logistics energy and reducing greenhouse gas. It has maintained the certification to the present.



Certified as an Outstanding Service Quality Company in Korea

Sebang has acquired the Outstanding Service Quality Company certification awarded by the Ministry of Trade, Industry and Energy.



CEO MESSAGE



Dear esteemed stakeholders,
I'm Choi Jong-il, the CEO of Sebang Co., Ltd.



In the previous year, both businesses and individuals encountered challenging times due to the prolonged COVID-19 pandemic, the Russia-Ukraine war, and steep interest rate hikes to control inflation. Nevertheless, Sebang achieved remarkable results, with a 22% increase in revenue and a 55% surge in operating profit compared to the previous year, surpassing our management targets.

In February 2022, the company established Sebang Belgium Logistics to expand our overseas business. We have also actively invested in additional domestic infrastructure, such as the completion of the Gwangyang Port Hapo General Pier Logistics Center and the addition of the 3rd Capital Area Logistics Center in Anseong. Through continued interest and investment in domestic and international logistics sectors, we are dedicated to securing future growth engines.

This year, economic factors like inflation and interest rate fluctuations create an even more uncertain business environment for companies. Major economic institutions and media outlets are predicting a gloomy economic outlook. Despite this challenging external environment, in 2023, Sebang aims to transform crisis into opportunity by focusing on the following strategies.

Firstly, we will concentrate on expanding our foundation for sustainable growth.

Leveraging our expertise in the logistics sector, we will actively invest in core businesses. In the current situation where competitors highly reliant on bank loans may reduce their investment due to continuous interest rate increases, we will capitalize on this opportunity to invest more aggressively in infrastructure and expand our industry market share. Our goal is to gain a competitive advantage in the industry by securing additional warehouses and properties in regions with high logistics demand and replacing outdated equipment to enhance operational efficiency. Despite the prevailing uncertainty in the business environment, Sebang will persist in securing long-term growth momentum through continuous investment in core areas throughout 2023.

Secondly, we will create a transparent management environment.

Guided by our long-standing management principle of integrity management, we remain committed to mutual growth with stakeholders and fair transactions. On January 1, 2023, we established a contract management team at key business sites to verify contracts and achieve cost reduction. Based on our robust internal control system, the team is expected to enhance contract transparency and validate appropriate pricing, thereby improving the company's profitability and fostering fair trade compliance among all employees. We will continue to strengthen internal ethical awareness and enhance corporate value through ESG management practices.

Thirdly, we will expand safety management.

We will ensure compliance with the Serious Accidents Punishment Act, which went into effect last year, and prioritize safety measures to protect frontline workers. To achieve this, we have newly established a safety management organization led by the Chief Safety Officer (CSO), and hired and assigned safety managers for each site to create accident-free workplaces. In 2023, we have increased the safety management budget by approximately 30% compared to the previous year to prevent safety accidents at the workplace. Drawing lessons from cases where companies faced existential crises due to safety accidents, we are making every effort to secure accident-free workplaces.

Through continuous change and innovation, we have transformed Sebang into what it is today. We will persist in being a company that meets shareholders' expectations through sustained profitability, fulfills its social responsibility, and contributes to the national economy. We sincerely request your continued interest and encouragement for Sebang this year and wish health and happiness to all stakeholders and their families.

Choi Jong-il, CEO, Sebang Co., Ltd.

Stakeholder Interview

We conducted interviews with eight stakeholders to gather valuable feedback on Sebang's sustainable management practices. Sebang actively considers and incorporates stakeholders' valuable opinions into our sustainable management practices.

Customer



Han Ppuri

Team Leader | Samsung Publishing

Samsung Publishing, a company publishing children's books and educational materials, has been working with Sebang since 2019. We have received consulting and B2C logistics services, starting from the beginning of the transition from 2PL to 3PL to the current stabilization stage. Sebang is an exemplary company that is building a foundation to become a sustainable enterprise by implementing ESG management principles. First, Sebang pursues shared growth with its customers. Through close communication and dedication of headquarters and field staff, they strive to enhance customer value and pursue mutual development with fair and ethical business processes. Second, they are committed to green management by minimizing unnecessary resource waste. Sebang's bold investment in logistics system equipment and facilities helps reduce the input of meaningless resources while achieving environmental protection and logistics efficiency. Third, Sebang focuses on improving the work environment and protect workers' rights. Recent mandatory safety equipment measures on-site reflect their diligent efforts to ensure worker safety and safeguard their fundamental rights. Lastly, I hope to see Sebang expand its CSR activities, which contribute to the development and economic vitality of local communities where many of their logistics centers are located, such as actively hiring local workers.

Partner



Choi Eui-hwan
CEO | LOTS

LOTS is responsible for transporting export and import cargo for Corning Incorporated, an important customer of Sebang. With our long-term partnership, we have gained a deep understanding of the customer's needs. Sebang has earned the trust of various stakeholders through its systematic and integrated ESG (environment, social, and governance) activities, demonstrating its commitment to a sustainable future. Their management is based on nonfinancial factors, including environment, society, and governance, promoting environmentally friendly and socially responsible practices through transparent operations. Aligned with Sebang's ESG management, we at LOTS plan to contribute by implementing an inhouse fuel efficiency improvement project (software development) related to environmental and climate change issues. We also aim to support Sebang's ESG management through hardware modernization and labor environment improvement (hardware development), ensuring ethical and compliance-oriented management. As a partner of Sebang, our most important customer, we are dedicated to ensuring safe transportation and continuously improving the quality of our services.

Environment



Kim Sang-tae
CEO | Ecotech Consulting

Sebang has developed a medium-term roadmap for green logistics and is actively taking steps, such as transitioning to eco-friendly transportation, to reduce greenhouse gas emissions. They have consistently implemented various management practices to enhance sustainable logistics, establishing themselves as a leading sustainable comprehensive logistics company. However, there is a growing demand, both domestically and internationally, for more proactive and stronger responses to carbon neutrality, including the introduction of the EU's Carbon Border Adjustment Mechanism (CBAM). To effectively respond, it is essential to systematically strengthen the internal greenhouse gas management system. The next step would be to develop and implement carbon emission management and reduction plans, including Life Cycle Assessment (LCA). Specifically, it is necessary to systematize carbon data, including Scope 3 emissions information, which involves stakeholders such as supply chains and suppliers. Furthermore, setting long-term goals for carbon neutrality and defining short-term response strategies will enable Sebang to present a sustainable development model as a green logistics company.

Safety



Lee Jong-hyun
CEO | SafetyOn Solution

I am responsible for Sebang's safety workshop training and consulting for enterprise IT infrastructure. Sebang places high importance on safety, as evidenced by the establishment of a dedicated safety organization and the appointment of an executive-level department head. Major business sites (branches) are systematically managed through the Korea Occupational Safety and Health Management System (KOSHAMS) certification, while risks are actively managed through periodic company-wide safety inspections. To enhance the efficiency of safety measures and employee participation, Sebang is currently preparing for the deployment of an enterprise IT system. The company conducts regular workshops to strengthen safety capabilities among safety managers, supervisors, and other management personnel. I hope Sebang will further strengthen its management systems at each business site, led by the headquarters, to achieve accident-free workplaces.

Employee



Kim Sang-moon

Team Leader | Sebang, Compliance Team

I have been working at Sebang for 20 years and have held various roles, including the Incheon branch sales team and positions in both operational and management departments. In 2020, when the internal accounting management system certification level was elevated to audits, I performed related tasks in the internal control team. With the strengthening of compliance with the Fair Trade Act in 2023, the Compliance Team has been expanded, and I am currently responsible for both internal controls and CP tasks. Sebang established the Compliance Team in April 2023 to firmly establish its core management philosophy of "integrity management" and increase the level of legal compliance. The Compliance Team is dedicated to responding to internal and external demands for compliance management, establishing a robust internal compliance system, and proactively identifying and preventing various legal risks to enhance Sebang's management transparency and sustainability. In particular, the Compliance Team has been focusing on creating a practical foundation for "Fair Trade and Regulatory Compliance," which was identified as the second most critical issue in the 2022 materiality assessment aimed at enhancing social responsibility and business value in 2022, and integrating it naturally into various business processes and the mindset of all employees. The team is also responsible for the implementation and execution of the fair trade voluntary compliance program.

Local Community_Jeju



Kim Moon-cheol

Head of the Customer Support Center | Jeju Credit Guarantee Foundation

I am Kim Moon-cheol, the head of the Customer Support Center at the Jeju Credit Guarantee Foundation. To me, Sebang is a company that prioritizes transparent and ethical management as its core business philosophy. Recently, I have also been impressed by its dedication to safety management. Giving priority to safety in business operations shows respect for the rights and lives of employees. Sebang's safety management efforts also play a significant role in fostering a positive safety culture even among partner companies. Additionally, in line with the strengthened Serious Accidents Punishment Act, creating a safe workplace environment is crucial for a company's sustainability. In this regard, I believe Sebang is a company with substantial capabilities. Furthermore, Sebang actively participates in various social contribution activities. Through the Sebang Lee Eui Sun Foundation, they support underprivileged children across the country. I heard that the company recently contributed to improving the environment of local children's centers and provided vehicles for welfare facilities in Jeju. These consistent efforts for the local community demonstrate the company's commitment to social responsibility. If Sebang continues to explore social contribution areas that align with its logistics expertise and carries out diverse social contribution programs, I am confident it will further strengthen its bond with customers as a leading logistics company.

Local Community_Jeonbuk



Moon Tae-sil

Manager | Sales Division, Jeonbuk Regional Office, KORAIL

I am Moon Tae-sil, responsible for logistics in the Jeonbuk region, in the Sales Division of Jeonbuk Regional Office at Korea Railroad (KORAIL). Sebang is our valuable customer that has been collaborating with KORAIL for an extended period. As a leader in railway logistics transportation, Sebang annually transports approximately 1.05 million tons of cargo via railways. Sebang's long-standing commitment to ESG management has been recognized, including being selected as an excellent green logistics company in 2017. Notably, Sebang has put significant efforts into modal shift. As a result of significant efforts in railway transportation, there is no disagreement that Sebang is at the forefront among all companies in terms of environmental commitment, where everyone is putting forth their utmost efforts. With the enforcement of the Serious Accidents Punishment Act, Sebang has placed greater emphasis on safety. Their safety-centered culture, in line with KORAIL's safety management policy, represents the realization of ESG management's social value. I hope Sebang continues to be an accident-free and safety-focused company. Lastly, KORAIL hopes that Sebang will reinforce its ESG leadership by actively utilizing railway transportation as an environmentally friendly mode. I also look forward to extending our partnership to all aspects of railway transportation, including investment and operation, beyond transportation. Thank you.

Social Contribution



Song Ji-young

Leader of Social Project Team | Soonchunhyang University Hospital Seoul

Sebang, under the management philosophy of fostering talent and fulfilling social responsibility, established the Sebang Lee Eui Sun Foundation. The foundation has been actively engaged in social contribution activities and sustainable management, reaching out to various people in need. They provide support to welfare facilities, offer assistance to low-income individuals in developing countries, and extend emergency aid. Notably, the foundation has been helping patients of our hospital who were considering giving up treatment due to financial difficulties, by supporting their medical expenses through a medical expense support project. While there might be potential overlaps in low-income support projects between government and private organizations, the Sebang Lee Eui Sun Foundation addresses the needs of "blind spots" that do not fall under other welfare programs but require urgent help. They carefully listen to the voices of practitioners from various organizations. The foundation actively accepts requests from our hospital's social project team, which identifies such patients in blind spots. Even for the beneficiaries who directly approach the foundation, they seek advice from our team to ensure an objective and professional evaluation. Despite this cumbersome process, their unwavering dedication enables support to the right people at the right time. I hope Sebang's efforts to bridge welfare gaps and contribute to the country's development through partnerships with various organizations will continue.



BUSINESS OVERVIEW

Ever since its foundation in 1965, Sebang has been providing the very best comprehensive logistics services, such as port stevedoring of import and export containers, warehouse storage, land and sea transportation, transportation and installation of heavy cargoes, and third-party logistics. The company has expanded its business areas to include cold chain and online logistics in line with the recent trend of the logistics industry. It founded Sebang Vina in 2015 and Sebang Belgium Logistics B.V. in 2022 to take a leap into the global logistics market by providing international logistics services.

PART 1

- 010 Introduction of Sebang
- 012 Businesses of Sebang

INTRODUCTION OF SEBANG

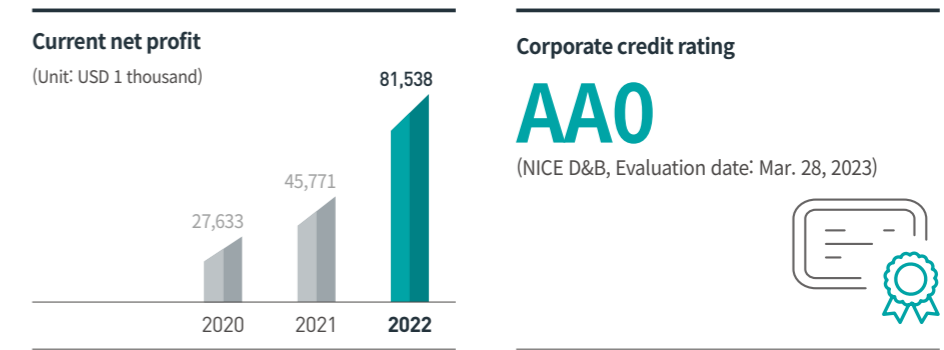
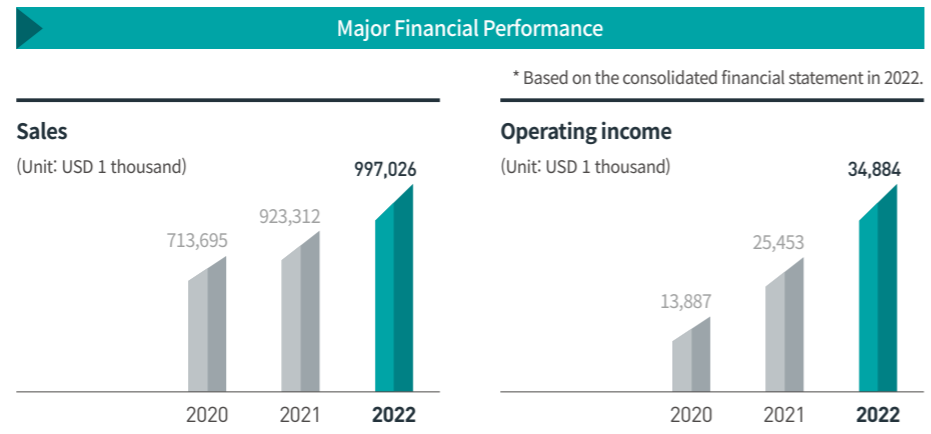
Corporate Status

Widely regarded as Korea's representative comprehensive logistics company, Sebang has established global logistics networks encompassing everything from stevedoring to transportation, storage of import and export containers, bulk freight, heavy cargoes, and thirdparty logistics. The company provides one-stop services ranging from traditional logistics services including port stevedoring, storage, transportation and heavy cargo projects to lastmile delivery and online logistics based in thirteen ports nationwide.

Sebang, the parent company of Sebang Group, has a vast logistics network of companies such as Sebang Global Battery, the world's best battery manufacturer, and manufacturing companies such as Sebang Industries, as well as thirty-eight affiliates including Sebang Express, Sungjin Co., Ltd., SBNL Co., Ltd., Busan New Port Multi-purpose Terminal, and SGIL Co., Ltd.

Company Introduction	
Company Name	Sebang Co., Ltd.
CEO	Choi Jong-il
Business area	Comprehensive logistics service
Head office address	127, Uam-ro, Nam-gu, Busan
Date of foundation	Sept. 13, 1965
Date listed on KOSPI	May 19, 1977
No. of employees	779 persons
Affiliated companies	38 companies including Sebang Global Battery, Sungjin Co., Ltd., Sebang Express, etc.

To respond preemptively to rapidly changing logistics trends, Sebang focuses on promoting its strategies for securing future growth engines and strengthening its competitiveness in logistics based on Total Quality Management. The company provides values beyond logistics services, and identifies and adapts to changes in new markets, as well as expanding its relevant business areas. Recently, Sebang has recorded continuous growth for three consecutive years. In 2022, the company posted sales of USD 997.03 million and an operating income of USD 34.88 million, representing an increase of 22% in sales and 55% in operating income compared to the previous year. The debt ratio of the company is approximately 28%. Sebang has also been evaluated as a blue-chip company with a grade of 'AAO' (as of March 2023).



Management Policy

Sebang set four management policies based on "Jeongdo" (Ethical) Management that puts corporate management first, and is consistently staying true to its commitment to provide the best services to the world.

VISION



BUSINESSES OF SEBANG

As the global supply network becomes ever more complex, there is a growing need for integrated logistics. Sebang provides a genuine integrated logistics service that our customers can grow with by transporting and trading cargoes everywhere in Korea.

The Sebang organization is composed of four divisions and twelve branch offices, and practices flexible organizational operation by actively responding to new trends in the rapidly-changing corporate management environment. The company is expanding its business boundaries beyond transportation, port stevedoring, storage, and third-party logistics to the cold chain and online distribution and logistics businesses. We add greater value to our society by realizing ESG management throughout all our business operations by combining port stevedoring, land/railway transportation, and logistic centers.

Total sales

USD **547,547** thou.

(Based on the non-consolidated financial statements for 2022)



1 Port stevedoring

Port stevedoring

(Loading and unloading of import and export cargoes)

USD **162,824** thou.
29.7%

2 Land/railway transport



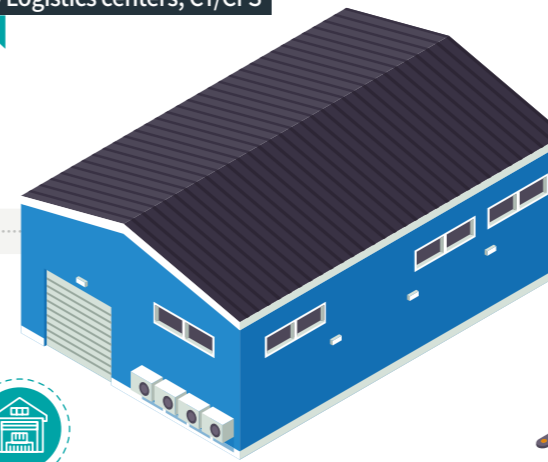
Land/railway transport

(Domestic transportation of containers and bulk cargoes)

USD **321,273** thou.
58.7%



3 Logistics centers, CY/CFS



Logistics centers, CY/CFS

(Handling and storage at CY/CFS, operation of logistics centers)

USD **46,607** thou.
8.5%



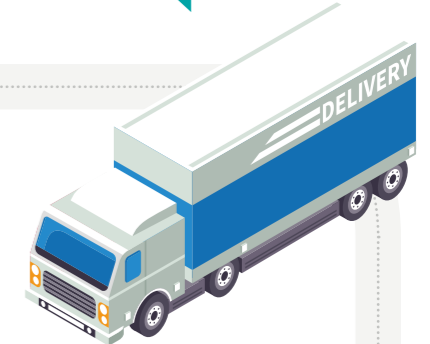
Rent and others

(Income from building/equipment rental)

USD **16,844** thou.
3.1%



4 Land/railway transport



5 B2B customers

- Connected to the supply networks of various domestic & overseas companies.
- Enhances the logistics competitiveness of our customers.

• ESG Management

Sebang's ESG strategy consists in examining business risks and opportunities from the aspects of environment, society and governance, and implements them according to its strategic priorities.

• IT System

The heart of technology and IT lies in enhancing services and solutions for our customers. We have developed customized systems for various logistics businesses and are providing optimal solutions to enhance logistics productivity and reduce the logistics cost of our customers.

• Executives and employees

Our executives and employees are crucial resources who provide the key technologies and capabilities of our business. We respect their human rights and aim to develop their potential and capabilities amid a safe working environment.

BUSINESSES OF SEBANG

Transportation



Transportation accounts for the largest percentage of our overall logistics activities. Even in the era of e-commerce, it connects production with consumption and appropriately adjusts the lead time according to market demands, and plays a vital role in delivering goods and commodities to our customers on time. Currently, the environment of the transportation market is evolving rapidly due to the informatization of IT, diversification of demand of shippers, the demand for multiple products in small quantities, and the ongoing internationalization of transport companies.

Sebang is providing transportation services tailored to customers, ranging from transporting import and export container cargoes via land, rail and sea, to transporting bulk cargoes of basic raw materials, intermediary goods, and finished goods. We are providing fast and accurate transport services centered on our twelve branches based at ports and logistics hubs nationwide, as well as maximizing customer convenience by importing and exporting goods through a real-time cargo tracking information system.

Transportation of Import and Export Cargoes



- More than **250** tractors and over **870** trailers dedicated to containers.
- **59,000** TEUs of import and export containers processed per month on average.
- Fast, accurate, and safe transportation support connecting with roads and railways.

Bulk and inland transport



- Expertise in handling a wide range of bulk cargoes.
- Transportation of supplementary raw materials for feedstuffs, steel materials, pulp, food, advanced materials, other oxides, etc.
- Realization of “last-mile transport” of finished goods to distributors and end buyers.



Gyeongjin Uiwang CY



Gunsan Port Rail Transportation Center

Port stevedoring



The South Korean government has concentrated its financial support on the port business in line with the national policy to expand import and export trade and build a country centered around Northeast Asian logistics, consequently enabling domestic ports to establish world-class infrastructures.

Sebang, a leader in the port stevedoring business, provides the best port stevedoring services by applying its unrivalled state-of-the-art equipment and IT systems and the wealth of expertise it has accumulated since the 1960s to the loading and unloading of import and export containers as well as super-large cargoes. It has also acquired the AEO (authorized economic operator) certification and operates a globalized management system.

- Sebang provides port stevedoring services at **thirteen** major ports nationwide including Gwangyang Port and Busan Port, the logistics hub of Northeast Asia.

- Sebang owns more than **100** pieces of stevedoring equipment including harbor cranes, etc.

- Sebang handles more than **42** million tons of bulk cargoes of various oxides, unitized cargoes and super-heavy cargoes every year.

Major cargoes handled by port

Port name	Wharf	Storage yard (m ²)	Major cargo items
Busan Port	BNMT	90,000	Steel products, machinery and materials, etc.
Gwangyang Port	Hapo General Wharf, Product Wharf	420,000	Steel coils, plates, wire rods, general merchandise, etc.
Pohang Port	Wharf 7	28,754	Steel coils, plates, mineral ores, nonferrous metals, etc.
Ulsan Port	Wharfs 6, 7 and 8	15,442	Resin, mineral ores, fertilizers, machinery, general merchandise, etc.
	New Port Wharf	98,064	Petro-chemical products, general merchandise, etc.
Masan Port	Wharf 4	133,600	Machinery, heavy cargoes, etc.
Gunsan Port	GCT Wharfs 3, 5, 7, New Gunjang Port	294,433	Supplementary raw materials of feedstuffs, lumber, pulp, talc, etc.
Donghae Port	Limestone Wharf	300,000	Limestone
Pyeongtaek Port	PDCT, PTOC	311,300	Supplementary raw materials of feedstuffs, lumber, general merchandise, etc.
Mokpo Port	Daebul Wharf (Pier 64 and 65), New Port	81,030	General merchandise, steel products, etc.
Yeosu Port	Jungheung Wharf	15,000	General merchandise, steel products, etc.
Incheon Port	Incheon North Port Lumber Wharf	89,000	Lumber
Dangjin Port	Dangjin Thermal Power Plant Wharf	-	Mineral ores
Samcheonpo Port	Samcheonpo Thermal Power Plant Wharf	-	Mineral ores



Gwangyang Port Hapo General Wharf Piers 1, 2, 3



Handling of bulk cargoes

BUSINESSES OF SEBANG

Storage



Storage is not simply limited to the storing of goods but is also an important part of logistics which maintains the value of goods through physical management. As the area of logistics rapidly expands beyond existing logistics services to include home-deliveries, online sales and e-commerce, performing the basic functions of storage services - including movement, storage, and information exchange - is becoming ever more important.

Sebang's storage business plays the role of a comprehensive logistics cluster extending from the port to the doorstep of each and every one of our customers. We are providing integrated storage services tailored to the customers' requirements, such as trans-shipment, cargo collection, and the transport & delivery of import and export cargoes via ten nationwide logistics centers, large container yards, container freight stations, and warehouses designated by the LME (London Metal Exchange).

CY, CFS



- Sebang possesses container yards at 16 major ports nationwide and inland bases.
 - Handles more than 728,000 TEUs of containers per year.
- Collective transportation system established in connection with loading/unloading and transportation via container freight stations that can safely store cargoes thanks to their all-weather work facilities.

General Warehouses



- Sebang owns ports, open-air storage yards, and storage facilities at the same time to prevent potential risks during the import and export processes and to respond to customer requirements related to customers' cargoes.

LME-designated Warehouses



- Korea's first and largest LEM-designated warehouses operated in Northeast Asia.
 - Busan : Gamcheon, Yongdang, SBNL are capable of storing more than 110,000 tons.
 - Gwangyang : LME warehouse, CFS, and Hapo General Wharf, etc. are capable of storing more than 70,000 tons.



Pohang Yeongil Bay Port Logistics Center



Gwangyang Berth No.3

Storage



Status of CY and CFS

Name	Location	CY(m ²)	CFS(m ²)	Volume handled(TEU)
Busan Uam CY/CFS	Gamman-dong, Nam-gu, Busan	69,849	9,813	42,212
SBNL	Seongbuk-dong, Gangseo-gu, Busan	49,680	20,800	55,451
Gamcheon CY/CFS	Gamcheon-dong, Saha-gu, Busan	21,208	11,898	18,697
Yongdang CY/CFS	Yongdang-dong, Nam-gu, Busan	26,755	7,823	22,736
New Busan Port Empty Container Yard	Gamman-dong, Nam-gu, Busan	33,058	-	61
Busan Railway CY	Choryang 3-dong, Dong-gu, Busan	17,181	-	53,705
Jungbu ICD	Yeondong-myeon, Sejong City	4,360	-	13,219
Uiwang ICD	Yi-dong, Uiwang-si, Gyeonggi-do	46,066	11,998	136,615
Gwangju Railway Depot	Hanam-dong, Gwangsan-gu, Gwangju	7,443	-	41,546
Jeonju Railway Depot	Dongsan-dong, Deokjin-gu, Jeonjusi, Jeollabuk-do	4,794	-	26,073
Gunsan Port CY	Soryong-dong, Gunsan-si, Jeollabuk-do	14,830	-	10,000
Ulsan Depot	Yongyeon-dong, Nam-gu, Ulsan	7,144	-	3,235
Incheon Sebang Bonded Warehouse (CFS)	Hang-dong, Jung-gu, Incheon	-	16,529	2,340



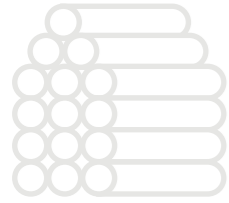
Gunsan Port CY RMGC



SBCL

BUSINESSES OF SEBANG

Heavy Cargo



Sebang provides transportation and installation services for various types of super-heavy cargoes for power plants, petro-chemical plants, vessels, and large structures. Services ranging from inland and maritime transportation to the installation of super-heavy cargoes are delivering customer satisfaction by making good use of the expertise Sebang has accumulated over many years, as well as its skilled engineers and optimal equipment.

Inland and maritime transportation

- Sebang possesses multi-module transporters and **17,000-ton** class barges specializing in the transportation of super-heavy cargoes.
- Operates a bulk transport service for oversized (wide and large) and super-heavy cargoes from inland transportation to domestic and overseas maritime transportation.

Installation

- Possesses the Climbing Jack system, equipment manufactured by KRAMO (UK), for installing super-heavy cargoes.
- Capable of safely and accurately installing super-heavy cargoes weighing up to 7,200 tons.

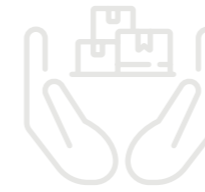


Transportation of heavy cargoes



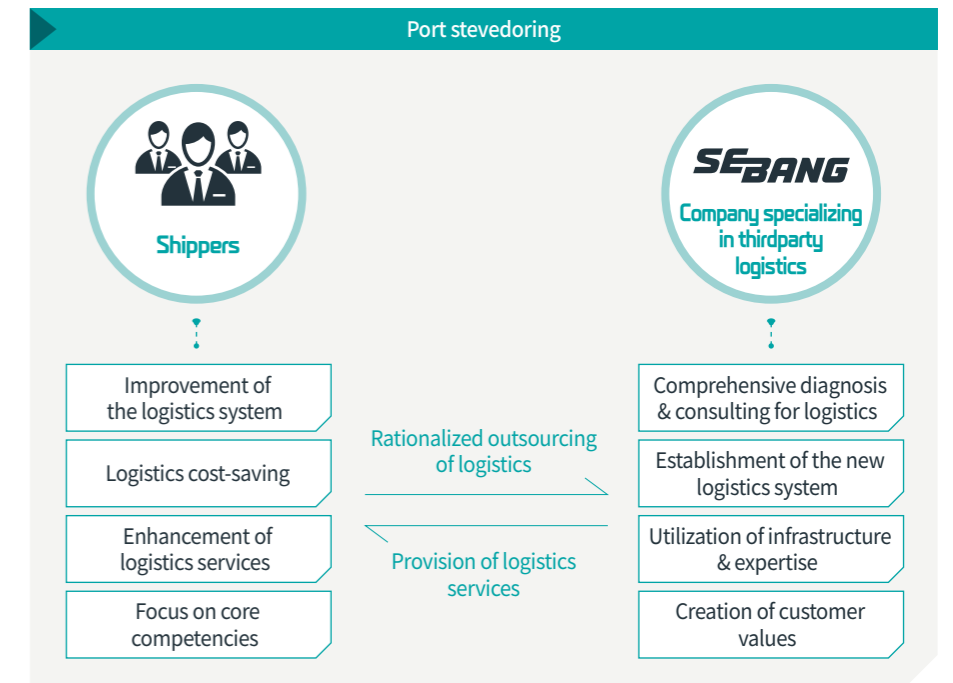
Installation of heavy cargoes

Third-party Logistics



- Sebang possesses the experience, infrastructures, and know-how required to operate diverse logistics services.
- Acts as an agency that provides one-stop logistics services, including transportation, storage, inventory and shipment management, packing and distribution processing of import and export cargoes, as well as operating a logistics information systems and offering logistics consulting, etc.
- Updates and supports logistics information in real time via its independently-developed IT system.

Sebang provides customized third-party logistics services such as logistics process innovation, system improvement, and logistics cost reduction according to its customers' needs. Sebang's third-party logistics provides agency services for all logistics services, including import/export and domestic transportation, storage, and inventory and shipment management, thereby enabling customers to focus on their core competencies, strengthen their competitiveness through logistics cost-saving, and become victors in this era of unlimited competition.



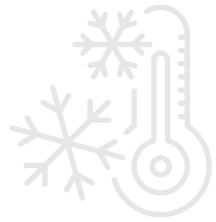
Third-party logistics



Consulting on third-party logistics

BUSINESSES OF SEBANG

Cold Chain



As the market for food and medical supplies is growing rapidly in the contact-less era due to the COVID-19 pandemic, the cold chain market has grown at an explosive rate. After taking its first steps into the cold chain market by conducting the pilot operation of a low temperature logistics center at Pyeongtaek in January 2018, Sebang entered the market in full force as it initiated the construction of a cold storage logistics center in Anseong. A customer's goods can be monitored in real time through a kiosk dedicated to refrigeration and freezing. The company is also minimizing damages to the quality of products and shortening their distribution time through temperature management utilizing the IoT in the overall cold chain management process.

- Built a logistics center dedicated to refrigerated and frozen produce in 2019 (Anseong, 23,669 m²).
- Secured equipment as well as transportation and delivery vehicles dedicated to cold chain.
- Operates the latest management system and optimized logistics processes ranging from pickup to warehousing and the delivery of fresh food products.

Major Clients

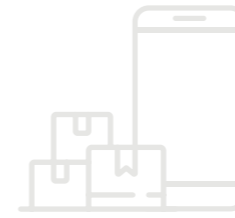


Cold chain refrigerated warehouse



Cold chain thermometer

Online Logistics



Sebang operates fulfillment centers at major logistics hubs including Incheon and Busan in line with the trend of the rapidly-growing online distribution market, and provides one-stop logistics services from customer order to delivery. To expand the company's business areas, we are increasing our transportation areas and logistics hubs, and are making continuous efforts to develop IT solutions and improve the convenience of our customers in order to enhance the operation of our logistics centers. Notably, we developed the DAS (Digital Assorting System) in May 2022 and are applying it to the Anseong Daedeok Center and Anseong Center 3. The DAS has various advantages including a faster distribution speed and improved distribution accuracy as it displays the DAS space and quantity where a product must be placed when the product's barcode is scanned. It also minimizes errors in shipping products by reducing operational errors compared to manual sorting.

- Fulfillment centers operated at major ports and inland hubs, such as Metropolitan Centers 1 and 3 in Anseong, Incheon Namdong Center, and Busan SBNL Center.
- Performs overall online distribution and logistics services, including management of warehousing & shipment, inventory, and storage, picking and packing, and home delivery.
- Provides the S-WMS (Smart Warehouse Management System), developed by an affiliated IT company (E&S Global), free of charge.
- Provides logistics consulting services for improving logistics processes, and a unified logistics service using the existing logistics infrastructure.

Features

- Signed contracts with over **60** sellers and provides fulfillment services.
- Handles more than **20,000** SKUs (Stock Keeping Units) of goods.
- The packing service handles **230,000** cases of B2C home delivery per month.
- Capable of reducing logistics costs by **20%** compared to operating separate in-house warehouses.



Sebang's Busan SBNL Center



Busan Online Logistics Center

BUSINESSES OF SEBANG

Sebang Vina

Sebang Vina is an affiliated corporation which Sebang invested in Vietnam, founded on January 14, 2015. It performs local logistics in Vietnam centered on the logistics center and provides one-stop services for international logistics based on a global forwarding organization. Based in the head office in Hanoi, it also provides forwarding services from the Ho Chi Minh branch and the Haiphong office. The warehouse of the Hungyen branch carries out third party logistics with the target of achieving 100% inventory accuracy and 100% on-time delivery rate.

Meanwhile, Pactra-Sebang JV, founded in May 2018 as a joint-venture between Sebang Group and Pactra International, a global forwarder, provides integrated logistics services focusing on transport and logistics center operations. It also performs third-party logistics aiming to achieve 100% inventory accuracy and 100% on-time delivery rate based on the VMI (Vendor Managed Inventory) of large Korean corporations. The company is expanding its logistics service areas in line with the continuous growth of the Vietnamese market.

- Sebang Vina provides a forwarding service via the Ho Chi Minh branch and the Haiphong office, centered on the head office in Hanoi.

- It provides third-party logistics services based on its own logistics center at the Hungyen branch officially designated by KOTRA.

- It handles container maritime cargoes, LCL, air-freight, bulk, and project cargoes.

- It provides stable customs clearance services based on import permits for over 2,000 items and its experience in customs clearance.

Sebang Vina Hungyen Logistics Center

Classification		Details
Location		Within Panoi Industrial Park B, Hungyen Province
Site area		30,000 m ²
Warehouse area	General warehouse	5,116 m ² (racks installed, 1,800 PLTs)
	Bonded warehouse	3,168 m ² (racks installed, 1,400 PLTs)
	Constant temperature warehouse	300 m ²
Storage capacity		7,684 PLTs
Major cargo items		Home appliances, textile, chemicals, machinery, etc.

Sebang Vina Ho Chi Minh Logistics Center

Classification		Details
Location		LOT HC, D2 street, Saigon High-Tech Park, DIST9, HCMC
Site area		24,030 m ²
Warehouse area	General warehouse	1st floor, ambient temperature (3,750 m ²) / refrigerated & frozen (1,250 m ²) 1st floor, ambient temperature (3,600 m ²), truck yard
	Bonded warehouse	1st floor, ambient temperature (3,750 m ²) / refrigerated & frozen (1,620 m ²)
	Refrigerated warehouse	1st floor, 1,580 m ² (-28°C~5°C, 4 rooms, loading & unloading area)
Storage capacity		35PLT
Major cargo items		Resin

Sebang Vina Ho Chi Minh Logistics Center 2

Classification		Details
Location		Saigon High-Tech Park, DIST9, HCMC
Site area		100,000 m ²
Warehouse	General/bonded	30,000 m ² (racks installed 50,000 PLTs)
	Refrigerated/frozen	9,000 m ² (racks installed, 1,3000 PLTs)
	CY hinterland	30,000 m ² , 5,000 TEUs
Storage capacity		63,000 PLTs
Major cargo items		Resin, compounds, chemical products, etc.



Sebang Vina Hungyen Logistics Center



Executive & employees of Pactra-Sebang



Sebang Vina Hungyen Logistics Center

BUSINESSES OF SEBANG

Sebang Belgium Logistics B.V.

Sebang Belgium Logistics provides international logistics services throughout the supply chain, ranging from the international shipping of EV battery modules manufactured by Sebang Lithium Battery to storage at the local logistics center in Belgium.



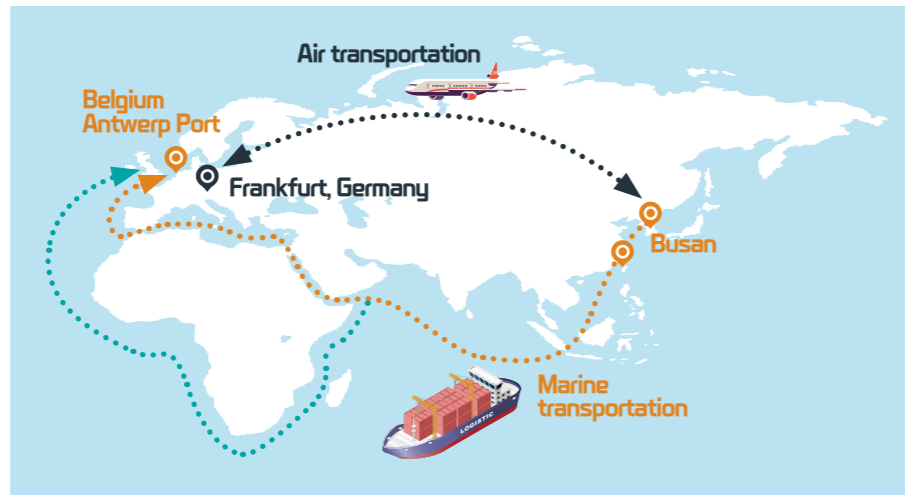
International transport

- Operates international transport services combining various means of transportation (inland, air, maritime transport).
- Transport quality of high-priced goods secured by administrating container inspection and installing motion and vibration sensors.



Local Logistics

- Established the infrastructure required to perform local VMI services in Europe.
- Provides import cargo stevedoring, customs clearance support, quality inspection, re-packing, and inventory management services.





ESG STRATEGY

Sebang's sustainable management goes beyond pursuing profits and performs business management considering our social responsibilities and environmental conservation. We will head toward a sustainable tomorrow through trust and communication with various stakeholders in business activities.

PART 2

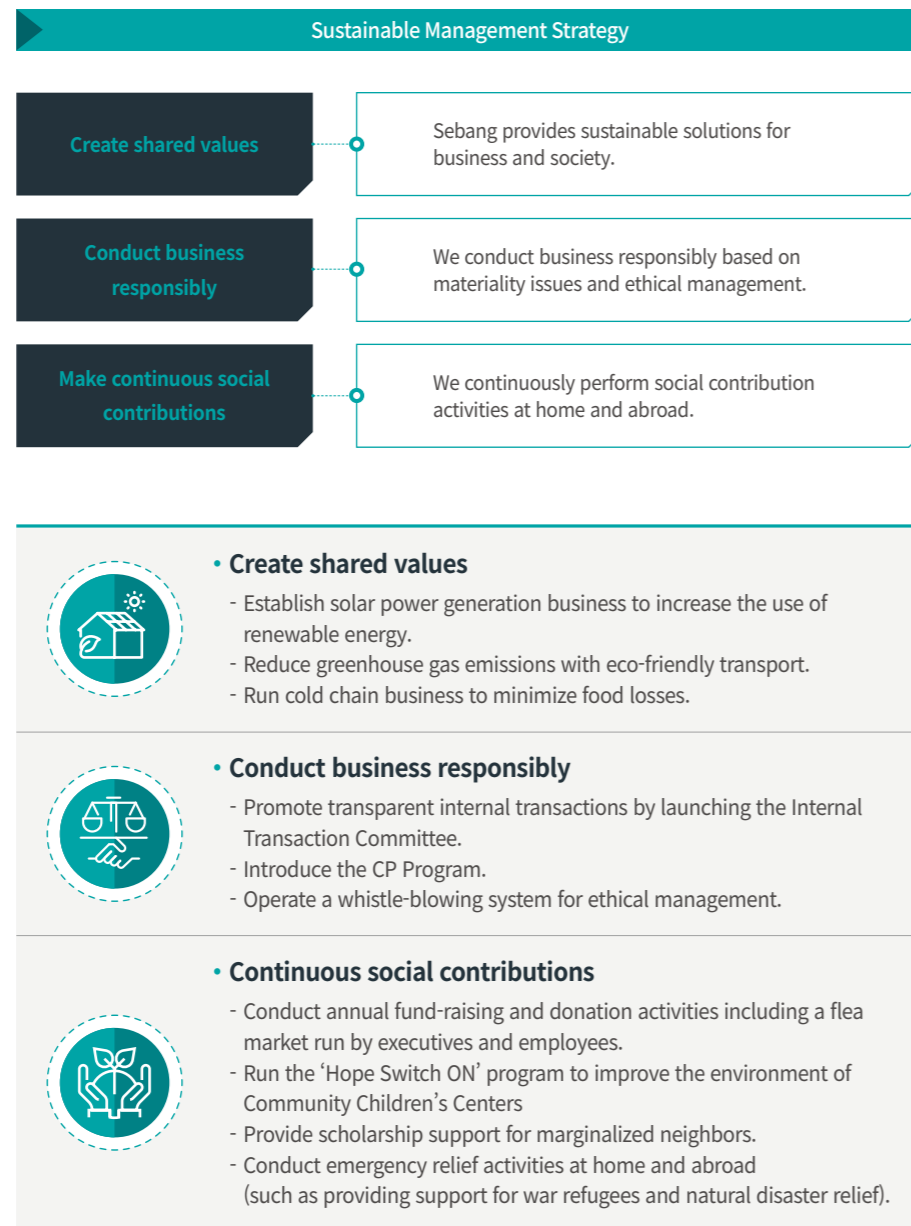
- 028 Sustainable Management System
- 029 Stakeholder Engagement
- 030 Double Materiality Assessment
- 032 UN-SDGs

Sustainable Management System

Sustainable Management Execution & Strategy






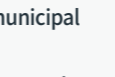
To achieve sustainable management, Sebang's sustainable management task force and branch offices are systematically collaborating centered on the Business Management Division of the head office and communicating with the top management periodically. Meanwhile, we are implementing systematic and continuous responsible management centered on Sebang's Lee Eui-sun Foundation.

Sebang's sustainable management strategy is carried out to satisfy the UN's sustainable development goals (UN-SDGs). We are creating new businesses, such as the eco-friendly solar power generation business to increase the use of renewable energy based on green logistics management. In addition, we are carrying out responsible business activities based on ethical management and fair trade, and engaging in social contribution activities centered on the needs of beneficiaries through the Sebang Lee Eui-sun Foundation.



Stakeholder Engagement

Sebang classifies its stakeholders according to its logistics business activities and operates various channels to identify and communicate the major interests of each stakeholder.

Stakeholders	Stakeholder communication channels		Major interests
	Offline	Online	
Shareholders/investors 	<ul style="list-style-type: none"> Regular general shareholders meeting (once a year) Investor relations sessions Company visits 	<ul style="list-style-type: none"> Sebang website Sebang blog Press 	<ul style="list-style-type: none"> Stock prices Dividends Financial structure ESG activities
Customers 	<ul style="list-style-type: none"> Customer satisfaction survey (once a year) Counseling at customer sites (as required) 	<ul style="list-style-type: none"> Sebang website (Voice of customers, e-Biz) Sebang blog 	<ul style="list-style-type: none"> Price Delivery ESG activities
Executives and employees 	<ul style="list-style-type: none"> Labor-management council & workshop (Once a quarter) Occupational Health and Safety Council (Once a quarter) 	<ul style="list-style-type: none"> Groupware CEO chatting room 	<ul style="list-style-type: none"> Welfare and benefits Training Work-life balance
Partner companies 	<ul style="list-style-type: none"> Win-win cooperation meetings Win-win cooperation contest 	<ul style="list-style-type: none"> Sebang website Sebang blog 	<ul style="list-style-type: none"> Fair trade Occupational safety
Local community 	<ul style="list-style-type: none"> Local welfare institutes Community children's centers 	<ul style="list-style-type: none"> Sebang Lee Eui-sun Foundation Sebang blog 	<ul style="list-style-type: none"> Social contribution activities Local community investment
Central and municipal governments 	<ul style="list-style-type: none"> Briefing sessions introducing institutions Public-private cooperation program 	<ul style="list-style-type: none"> Sebang website Sebang blog 	<ul style="list-style-type: none"> Laws and regulations Consortium ESG activities

Double Materiality Assessment

Sebang conducted a double materiality assessment to select key issues for enhancing corporate social responsibilities and business values. The double materiality assessment is a method of assessment that considers factors that have an impact on the financial status of a company and those that have an impact on corporate business activities from the social and environmental perspectives.

Double Materiality Assessment Process

We first reviewed various international disclosure standards and guidelines in order to create an issue pool and identify the key issues. Based on the issue pool, we analyzed the social, environmental, and financial impacts through media analysis, benchmarking, and surveys of various stakeholders. We conducted the survey of our stakeholders, in which 229 people participated, from March 27 to April 12, 2023. In addition, we have discussed the important matters related to each issue with the sustainable management task force and an external organization from the perspective of company business.



Results of the Double Materiality Assessment

We have selected nine major issues by conducting a double materiality assessment that took into account financial and socio-environmental impacts on the company. In the analysis of socio-environmental impact, we have presented the importance of the issues by each stakeholder's interest. We have reported activities and performance by major issue in the relevant part of this report.

Sebang will identify the various risks and opportunities facing the company each year, and provide a sustainable comprehensive logistics service by reflecting them in its management strategy.

Results of the double materiality assessment

Ranking	Major issues	Financial impact	Socioenvironmental impact	Impact on stakeholders					
				Executives and employees	Customers	Partner companies	Press/media	Related organizations/association	Local communities
1	Workplace health & safety management	●	●	●	●	●	●	●	●
2	Establishment of fair trade	●	●	●	●	●	●	●	●
3	Creation of economic performance	●	●	●	●	○	○	●	○
4	Management & reduction of greenhouse gas emissions	●	●	●	●	○	●	●	●
5	Management of ESG management risks	●	●	●	●	○	●	●	●
6	Ethical management	●	●	●	●	●	●	●	●
7	Expansion of logistics infrastructure (facilities, equipment)	●	●	○	●	●	○	●	○
8	Strengthening of logistics service quality	●	○	●	●	●	○	●	○
9	Management of energy consumption	●	●	●	○	○	●	○	●

● High impact, ● Medium impact, ○ Low impact

Major activities and performance by major issue in 2022

Major issues	Major activities & performance	Relevant part in the report
Workplace health & safety management	<ul style="list-style-type: none"> Higher health & safety costs (approx. USD 1,762 thousand). 30 spot, cross and joint safety inspections. Evaluation of health & safety activities of 119 partner companies. Publication of the first issue of the Sebang Health & Safety newsletter. 	Environment & Safety_ Health & Safety
Establishment of fair trade	<ul style="list-style-type: none"> Introduction of the autonomous compliance program for fair trade. Formation of the Compliance Team. Operation of the Internal Trading Association. 	Governance_ Ethics and Compliance
Creation of economic performance	<ul style="list-style-type: none"> 22% of sales/55% increase of operating income (vs. previous year). 	Introduction of Sebang, Businesses of Sebang
Management & reduction of greenhouse gas emissions	<ul style="list-style-type: none"> 14.9% reduction of GHG emissions per unit (vs. previous year). GHG reduction performance: 4,670 tCO₂eq 	Environment & Safety_ Green Logistics
Management of ESG management risks	<ul style="list-style-type: none"> Inspection of ESG risks by the BOD. Operation of the risk management system. 	Governance_ Corporate Governance Structure, Risk Management
Ethical management	<ul style="list-style-type: none"> Signing of compliance pledge and pledge to practice ethical management (all employees every year). Mandatory for partner companies to pledge to comply with the Code of Ethics. 	Governance_ Ethics and Compliance
Expansion of logistics infrastructure	<ul style="list-style-type: none"> Acquisition of logistics company in Jeju Island (Jan. 2023). Formation of the Overseas Logistics Business Team. Introduction of a 4-channel video recognition system for SPMT equipment and heavy equipment. 	Business Highlights, Businesses of Sebang
Strengthening of logistics service quality	<ul style="list-style-type: none"> Contract renewal rate of major shippers: 95% Maintained certification as Outstanding Service Quality Company in Korea. Development of WeLink (integrated order placement system). Training aimed at enhancing service capabilities (approx. 1,600 sessions). 	Social_ Customers
Management of energy consumption	<ul style="list-style-type: none"> Reduction of energy consumption: 66 TJ Solar power generation: 10,516 MWh Independent solar power generation by SOLVIC Unit No.9. 	Environment & Safety_ Green Logistics, Ecofriendly Solar Power Generation

UN-SDGs

The UN General Assembly has set 17 SDGs (Sustainable Development Goals) as the common goals that mankind must achieve by 2030 to realize sustainable growth.

Sebang is contributing to the achievement of the UN SDGs with its eco-friendly logistics services and is engaging in responsible businesses at home and abroad by establishing strategic partnerships and various corporate social contribution activities. The details of the implementation of the major goals (SDGs) are as follows.

Our impact on the UN SDGs



 <p>Goal 1 End poverty in all its forms everywhere.</p>	 <p>Goal 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	 <p>Goal 12 Ensure sustainable consumption and production patterns</p>
 <p>Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	 <p>Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	 <p>Goal 13 Take urgent action to combat climate change and its impacts</p>
 <p>Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all</p>	 <p>Goal 10 Reduce inequality within and among countries</p>	 <p>Goal 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>

Specific Goals & Direction

SDGs	Index	Sebang's related activities	Page
	Goal 1 End poverty in all its forms everywhere.	- Supported vulnerable classes and social welfare facilities. - Donated funds raised through flea markets held by executives and employees.	75-79
	Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	- Provided scholarships for the marginalized people. - Supported young adults preparing for independent living. - Provided solar power batteries to Good People Lim Yeon-shim's Mission School in Kenya.	77-79
	Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all	- Participated in solar power generation project, 'SOLVIC' Unit No. 1-8. - Promoted independent solar power generation.	45-47
	Goal 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	- Recruited interns with job guarantee - Regular employment: 85%	65
	Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	- Conducted the Hope Switch ON project.	75
	Goal 10 Reduce inequality within and among countries	- Operate a policy of respect for diversity and protection of human rights.	68
	Goal 12 Ensure sustainable consumption and production patterns	- Established Cold chain business for fresh food.	20
	Goal 13 Take urgent action to combat climate change and its impacts	- Established Greenhouse gas and energy management. - Switched to eco-friendly means of transportation.	39-42
	Goal 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	- Introduced the autonomous compliance program (CP) for fair trade. - Operated a website for reporting cyber complaints and grievances.	87, 88



ESG PERFORMANCE

Sebang regards sustainability as the core value of its corporate activities and invests in the future to create a better earth, a fairer and safer society, and healthier communities based on sound and transparent management.

PART 3

Environment & Safety

- 037 Green Logistics
- 045 Eco-friendly Solar Power Generation
- 048 Health and Safety

Social

- 061 Customers

- 065 Executives and Employees
- 071 Partner Companies
- 074 Local Communities

Governance

- 081 Corporate Governance
- 085 Ethics and Compliance
- 089 Risk Management
- 092 Information Protection and Security

ENVIRONMENT & SAFETY

As an active response to climate change is perceived as a challenge facing all mankind, the government of every country is making efforts to combat climate change by tightening environmental regulations or adopting a carbon neutrality policy. Furthermore, there is increasing pressure from the international community and stakeholders for corporations to assume their environmental responsibilities and reduce their environmental impact by reducing greenhouse gas emission and disclosing environmental information. Concerning safety, it is becoming increasingly important to raise safety awareness and acquire the capacity to manage safety due to an increasing focus recent fire accidents and the enforcement of the Serious Accident Punishment Act. If the safety of workers is not guaranteed, the business activities of a company cannot be sustained. Therefore, the safety of the labor force translates into competitiveness.



Materiality of Issues

The growth of the global logistics industry can achieve a sustainable environment only when carbon emissions and environmental pollutants are reduced from the freight transportation and the supply chain. Since the investors considering ESG performance is especially attentive of environmental risks and carbon reduction opportunities, such environmental efforts can have a positive impact on a company's long-term performance. Hence, establishing an IT system for logistics energy to reduce greenhouse gas emissions, expanding the means of transitional transportation to include railways, and operating solar power generation facilities are all vital to Sebang's green logistics management.

Meanwhile, as a result of the materiality assessment, the most important issue for Sebang's sustainable management is 'the health and safety management of its business sites.' Sebang's safety is directly connected to the competitiveness of its business. Sebang is strengthening the management organization for the health and safety of its workers and improving the constitution of the entire system.

GREEN LOGISTICS

Our Approach

Sebang is aware of the impact that its logistics business has on the environment, and is carrying out green logistics management to tackle climate change and reduce its environmental impacts. We are at the forefront of the effort to reduce the greenhouse gas emissions and minimize the environmental impacts of port stevedoring and cargo transportation, and are implementing a green logistics management strategy aimed at achieving zero greenhouse gas emissions, improving air quality, and reducing waste generation.

Green Logistics Management System

Environmental Management Policy

- 1 Sebang carries out improvement activities to prevent environmental pollution and reduce risk factors according to the domestic and overseas regulations and agreements, as well as other requirements.
- 2 Sebang engages in continuous improvement activities to resolve environmental issues.
- 3 Sebang develops and applies technologies to prevent marine pollution and reduce greenhouse gas emissions generated by the inland and maritime transportation of general and heavy cargoes, and containers, stevedoring, storage, installation, and third-party logistics services.
- 4 Sebang establishes environmental goals in detail and carries them out for environmental performance.
- 5 Sebang takes the lead in local environmental activities through open mutual exchanges with its partner companies and local communities.
- 6 Sebang conducts systematic training to ensure that all its employees understand its environmental policies and instill them with a sense of responsibility, and to promote sound environmental activities.
- 7 Sebang does its best to support the government and stakeholders engaging in environmental activities and discloses environmental information.

Vision and Strategy of Green Logistics

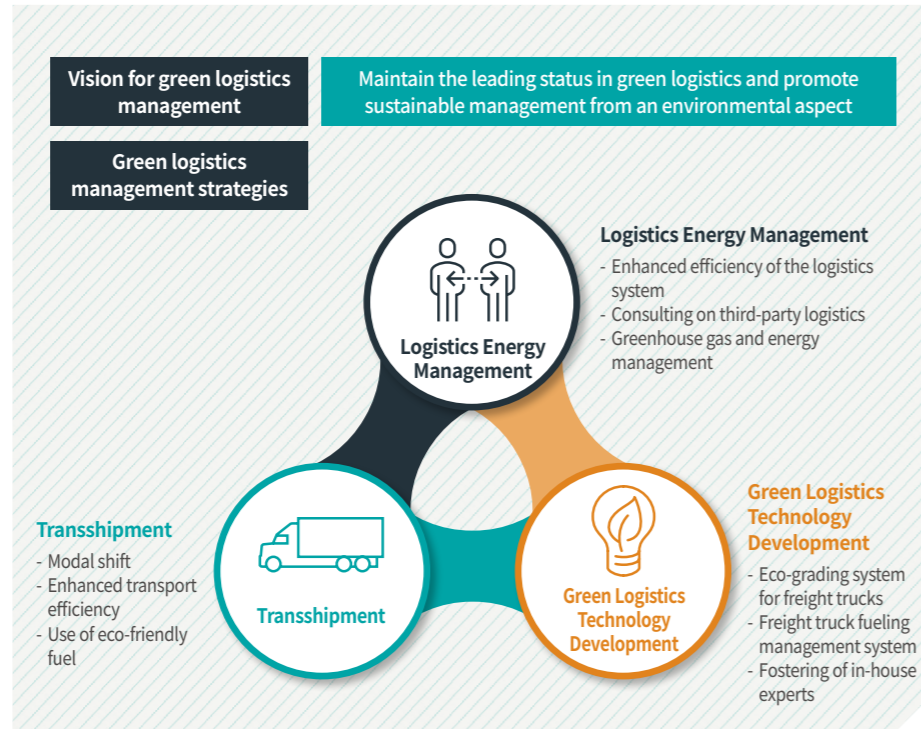
Sebang's business activities as a logistics company usually have an impact on the environment in the form of greenhouse gas emissions. As such, we are carrying out green logistics management to pursue harmony between the environment and corporate growth. We are pushing ahead with detailed strategies aimed at establishing an IT system for logistics energy, increasing the volume of railway transshipments, and developing next-generation green logistics technologies for sustainable green logistics management. We are working hard to reduce the GHG emissions generated by our business activities through active green logistics activities.

Furthermore, we are striving to minimize the environmental impact of our overall logistics activities from the management of air pollutants to the processing of waste.



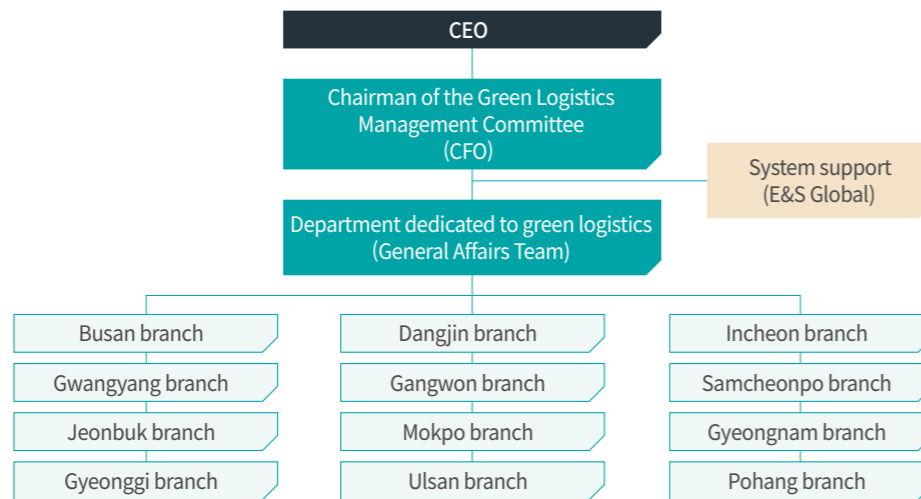
GREEN LOGISTICS

Green Logistics Management System



Green Logistics Organization

Sebang has formed the Green Logistics Management Committee (within the Business Management Division and under the direct control of the CEO) to manage green logistics activities systematically. The committee, which is composed of a chairman, a department dedicated to green logistics, and various support departments, carries out green logistics activities centered on the organization of each regional division.



Green Logistics Roadmap

Sebang aims to reduce its GHG emissions by 25% by 2030 (compared to its emissions in 2017). The company is implementing its GHG reduction roadmap step by step according to its green logistics management strategy. Sebang is responding proactively to the prevailing trend of low carbon green growth in the logistics industry while continuously carrying out programs focused on eco-friendly logistics, eco-friendly infrastructure investment, and an eco-friendly supply chain.

Sebang Green Logistics Roadmap

Classification	Promoted program	2023	2025 mid to long term goal
Eco-friendly logistics	Expansion of eco-friendly means of transportation (railway transport, etc.)	Progressing	Completed
	Introduction of eco-friendly freight trucks (electric & hydrogen fuel)	Progressing	Completed
	Internalization of the eco-driving culture	Progressing	Completed
	Development of next-generation transport systems such as inter-modal transport, etc.	Progressing	Completed
	Enhancement of the logistic energy management system	Progressing	Completed
Eco-friendly infrastructure investment	Introduction of eco-friendly port stevedoring equipment	Progressing	Completed
	Expanded use of new & renewable energy (solar power generation)	Progressing	Completed
	Enhancement of energy efficiency at business sites	Progressing	Completed
Eco-friendly supply chain	Expansion of green purchases	Progressing	Completed
	Support for partner companies' acquisition of the "Green Logistics Company" certification	Progressing	Completed
	Introduction of environmental assessment of partner companies	Progressing	Completed
	Vitalization of partner companies' use of eco-scan	Progressing	Completed

Environmental Management System

Sebang has acquired the environmental management system (ISO 14001) certification in order to carry out specialized and systematic green logistics activities. Designated as a certified green logistics company, it has set environmental management goals to assess and manage each of its business sites accordingly. Sebang is carrying out diverse environmental improvement activities, including greenhouse gas reduction, air pollution prevention and ecosystem protection activities, in order to minimize the environmental impacts of its business activities. In addition, we listen to the voices of our diverse stakeholder groups and actively carry out prevention activities after analyzing the potential environmental risks posed by our business activities.

(Ministry of Land, Infrastructure and Transport)

Acquisition of the "Outstanding Green Logistics Company" Certification



우수녹색물류실천기업
Certified Green-Logistics Company
MOLIT

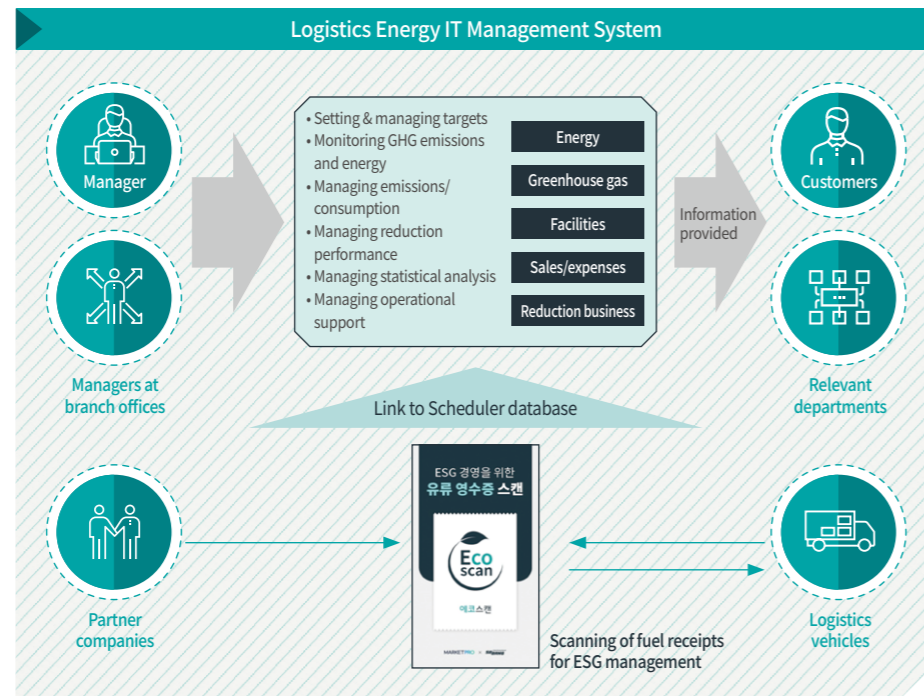
GREEN LOGISTICS

Greenhouse Gas & Energy

IT Management System for Logistics Energy

In order to respond to the increasingly tighter domestic and overseas environmental policies and regulations and to improve the energy efficiency of various business sectors, Sebang has introduced an IT system for managing logistics energy and is monitoring and analyzing the greenhouse gas emissions generated by its business sites. Furthermore, to increase the reliability of major data, in 2021 we introduced Eco-Scan, a platform designed to track the amount of fuel used by freight trucks, for the first time in the logistics industry, thereby enabling us to calculate our greenhouse gas emissions more accurately.

Meanwhile, from the mid- to long-term perspective, we plan to link this platform to all means of transportation in real time by shipper, region, and means of transportation and to upgrade it as an integrated greenhouse gas management system capable of monitoring greenhouse gas emissions.



Greenhouse Gas Emissions

As a company subject to the greenhouse gas and energy emissions trading scheme, Sebang aggregates and manages all its energy consumption, including the fuel consumption of its transport vehicles and the electricity consumption of its buildings. We have consolidated the system for monitoring, estimating, reporting, and verifying greenhouse gas emissions by establishing an IT system for logistics energy. Furthermore, we have secured the reliability of our data by having a third party conduct an annual verification of the greenhouse gas emissions of our business sites.

In 2022, the total GHG emissions of our domestic business sites amounted to 28,452 tCO₂-eq, a reduction of approximately 3% compared to the previous year. Our Scope 1 emissions, i.e. GHGs directly emitted within the organizational boundary, amounted to 22,276 tCO₂-eq, while our Scope 2 emissions, i.e. indirect emissions including power consumption, amounted to 6,177 tCO₂-eq. GHG emissions per unit amounted to 5.2 tCO₂-eq/Sales(USD 100 thou.), a decrease of 14.9% compared to the previous year, with emissions per unit falling for three consecutive years.

Greenhouse Gas Emissions by Year

Classification	Unit	2020	2021	2022
Total GHG emissions	tCO ₂ -eq	28,371	29,289	28,452
Scope 1 emissions		22,564	23,114	22,276
Scope 2 emissions		5,807	6,175	6,177
Emissions intensity	tCO ₂ -eq/Sales(USD 100 thou.)	5.8	5.4	5.2

Eco Scan

In August 2021 Sebang adopted Eco Scan, a platform/app for managing the fuel payment receipts of freight trucks, for the first time in the industry. It is designed to extract and provide only necessary data from the photos of fuel payment receipts uploaded by users, enabling us to generate more accurate fuel consumption data while breaking away from the existing method of estimating the details of using fuel welfare cards, which raises privacy issues related to the collection and use of personal information.

In the future, we will continuous promote and prepare an incentive system to raise the utilization rate of Eco Scan to 100%, improve its accuracy in estimating greenhouse gas emissions, and utilize it more widely in our emission reduction activities.

Greenhouse Gas & Energy Reduction Activities

Transition to eco-friendly means of transportation

Due to the nature of the logistics business, the highest percentage of GHG emissions is generated during cargo transportation; therefore, it is important to make concerted efforts to reduce them. Accordingly, Sebang is carrying out a modal shift from cargo vehicle to railway transportation in order to reduce fuel consumption and carbon emissions.

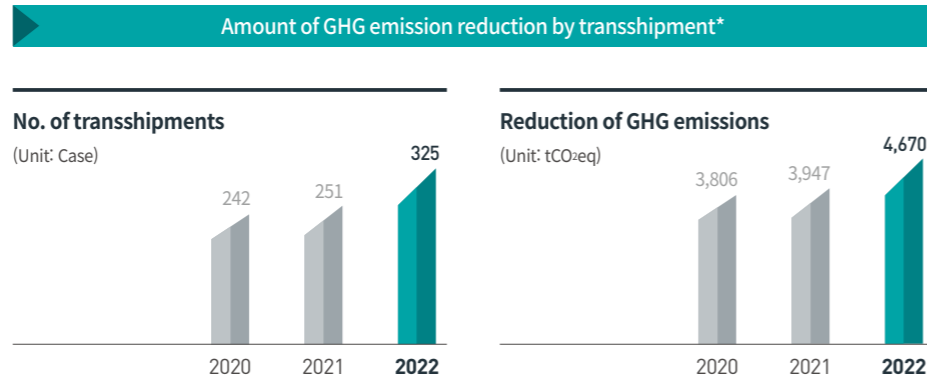
To promote eco-friendly logistics transportation, we are increasing the number of transshipment and distance every year to reduce air pollution and greenhouse gas emissions. As of the end of 2022, transshipments were carried out on nine sections between Busan and Obong, and Busan and Seokpyo. There were 325 transshipments, and greenhouse gas emissions along the total distance of 82,476 km were reduced by 4,670 tCO₂-eq.

Transshipment section

Classification	Section	Classification	Section
1	Busan → Obong	6	New Gwangyang Port → Dongsan
2	Busan → Seokpo	7	Obong → Namcheolsong
3	Bukcheolsongjang → Dongsan	8	Obong → Busan
4	Bukcheolsongjang → Obong	9	Obong → Bukcheolsong
5	New Gwangyang Port → Gunsan		

GREEN LOGISTICS

Greenhouse Gas & Energy



* Greenhouse gas data estimated based on the "Comparative Analysis of Rail Freight Transport and Road Freight Transport: Air pollutant and greenhouse gas emissions", 2016 by Kim Youngjoo, Park Jae-hyun, Oh Yong-hui.

Eco-grading system for freight trucks

Sebang has introduced eco-driving and improved the fuel efficiency of its freight trucks in order to reduce greenhouse gas emissions and air pollution. The company also operates a transport system based on optimized routes and return trips in real time. It equips each vehicle with a digital operation recorder to record its operational status in real time. It has also adopted an ecograding system for freight trucks that monitors their activities in order to improve their fuel efficiency. Thus, the company is considering the provision of incentives to the freight truck owners by eco-grading level.

Green Purchase

Sebang has enacted the green purchase guidelines as part of its green logistics management and is performing purchasing duties accordingly. Green purchasing consists in purchasing ecofriendly products that can contribute to saving resources, minimizing environmental pollution, and reducing energy consumption at the same time. The company is making efforts to purchase eco-friendly products, ranging from equipment and facilities to office supplies, in all its business activities.

In 2022, we produced eco-friendly business diaries made out of 100% recycled materials and distributed them to all the employees of the group's companies. We are also planning to gradually expand our green purchase activities by introducing eco-friendly materials in the production of safety vests and uniforms.



Green Purchase_Eco-friendly Business Diary

Investment in Eco-friendly Infrastructure

Sebang puts eco-friendliness first when purchasing and replacing new products and equipment to minimize the environmental impact of its major business areas, including stevedoring, transportation, and storage. In 2022, we increased energy efficiency by replacing 726 fluorescent lights in the warehouse of the Gwangyang branch office and the Anseong Logistics Center with LED lights and is looking forward to a reduction of wastes.

In addition, when purchasing SPMTs (Self-Propelled Modular Transporter) and E/Ts (Elevating Transporter) for transporting heavy equipment, we opted for eco-friendly equipment that has passed EURO Stage 5, a European environmental standard, and Tier 4 Final, a North American environmental standard. With these efforts, we have minimized the environmental impact of our exhaust gas emissions by lowering nitrogen oxide and carbon dioxide emissions below the legal standards.

Regarding our official business vehicles, Sebang has introduced electric freight vehicles at the wharf for the products of the Gwangyang branch office and is conducting test operations. By analyzing its effects, the company intends to gradually replace all its existing or ageing transport vehicles with eco-friendly vehicles.

Environmental Impact Management

Goal of Environmental Management

Sebang has set detailed environmental improvement goals for the first and second half years according to its environmental management goals, and is working hard to comply with the legal regulations and create a pleasant environment. We are complying with the Clean Air Conservation Act and the Marine Environment Management Act in logistics transport and port stevedoring work, and are making environmental investments, running training programs, and conducting promotional campaigns on a continuous basis.

Goals of Environmental Management

Environmental conservation and pollution prevention	Compliance with the environmental laws and regulations	Continuous environmental improvement	Strengthened environmental training and environmental protection campaigns
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Prevention of air and marine pollution

Sebang complies with the laws and regulations on the atmospheric environment, such as the Special Act on the Improvement of Air Quality in Port Areas and the Special Act on the Reduction and Management of Fine Dust. We halt our business operations when the average wind speed exceeds 8m/s and prevent the inflow of carbon dusts when performing work and cleaning up the docks. We have installed freight truck washing facilities and dust screens to minimize the generation of dust by major business activities, such as port stevedoring, within our business sites. We are also using sprinkler trucks to prevent dust pollution. Meanwhile, even in the transport sector, we monitor freight trucks' compliance with the exhaust gas regulation standards and support the scrapping of old vehicles.

In October 2022, we produced and installed dust screens within the Hapo General Wharf at Gwangyang (invested USD 100 thousand), and minimized the impact of dust scattered by works involving the use of oxides.



Installation of dust screens_Hapo General Wharf at Gwangyang



Freight truck wash

Waste Management

To reduce waste and vitalize recycling within our business sites, Sebang has established and is operating waste management standards for the storage, transportation, and processing of wastes. We entrust the collection and separation of 100% of the waste resources generated by our business sites to waste treatment and recycling companies, and transparently manage waste through Allbaro, the Korean government's waste management system. Furthermore, the business agreement related to our partner companies' maintenance and disposal of waste contains explicit provisions on compliance with eco-friendly practices.

GREEN LOGISTICS

Environmental Impact Management

Compliance with other environmental regulations

Sebang implements internal work guidelines and procedures related to the safe management and transportation of dangerous substances. We are managing the overall work undertaken at the storage facility for dangerous substances, including storing dangerous substances and harmful chemicals according to the Chemical Substances Control Act, loading and taking out export containers, and moving inventory. Meanwhile, we are paying attention to the management of water and waste materials that do not have a significant environmental impact, and we are continuously striving to improve the environment.

Environmental Training and Campaign

Sebang provides safety and environmental training for its workers through a TBM (Tool Box Meeting) before they start work. In addition, we provide environmental training on the major contents of, and response to, the environmental management system for new employees and the people in charge of ISO. At the same time, we have established the monthly Environmental Cleanup Day for the area around our business sites, and are running a compulsory campaign in which vehicles are used every 5th day to improve air quality.

Ecosystem Protection Activities

Sebang is making concerted efforts to minimize the impact of its business activities on nearby ecosystems and to preserve the biodiversity of local communities. Besides environmental cleanup activities, we cooperated with Yeosu City in a project to foster fishery resources in May 2022. We released 164,000 young Korean stumpy bullheads, a species of fish native to Korea, into the Namhgang River and received a plaque of appreciation from the Federation of Fishing Village Cooperatives of Yeosu City.

Furthermore, we have actively engaged in a variety of ecosystem protection activities such as participating in a project to develop a 'carbon offset forest' within Seonghwang Neighborhood Park at Gwangyang City in collaboration with companies in the logistics sector.



ECO-FRIENDLY SOLAR POWER GENERATION

Our Approach

Sebang strives to identify various risks and opportunities that may occur due to environmental issues. Even though the GHG emissions generated by our transport and warehouse operations could pose a threat to our overall business, we could enhance our competitiveness and create new business opportunities if we respond to the issue appropriately. As such, Sebang has installed solar power generation equipment on the roof of its logistics warehouses in each region and is now producing eco-friendly solar energy.

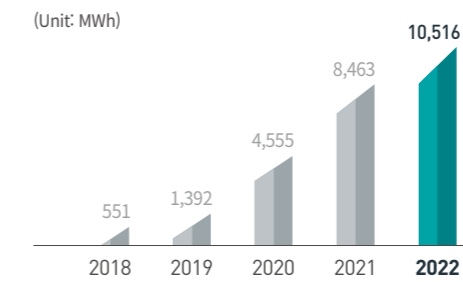
Solar Power Generation Project

SOLVIC, Solar Power Generation Project

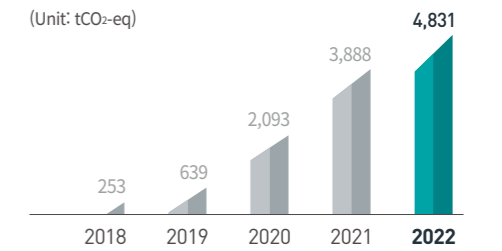
Sebang is actively participating in pan-national projects to establish Green Ports, a low-carbon port infrastructure, and to reduce carbon emissions by increasing and operating solar power generation facilities. In 2018 we initiated the construction of solar power plants under the solar power brand SOLVIC based on our expertise and experience in operating a construction project division, and we are currently operating eight solar power plants.

Sebang has equipped itself with excellent technologies based on financial stabilization (construction via 100% equity financing), and is selling the power generated by solar energy to the Korea Power Exchange and five electric power companies including Korea South-East Power Co., Ltd. In 2022, we supplied 10,516MWh of power by operating solar power generation facilities, which had the equivalent effect of reducing GHG emissions by 4,831tCO₂-eq.

Annual Solar Power Generation



Greenhouse gas reduction effect from solar power generation



* GHG emission coefficient from solar power (tCO₂-eq/MWh): 0.4594106

GHG reduction effect (2018~2022)



11,704 tCO₂-eq









ECO-FRIENDLY SOLAR POWER GENERATION

Environmental Impact Management

Status of Solar Power Plants

Sebang's solar power business has been operating its own brand of SOLVIC Units 1 to 8 since completing its first solar power plant at the New Busan Port logistics center in 2018. The company aims to become a green logistics company capable of responding to climate change and leading low-carbon green growth by pushing ahead with a new and renewable energy project that effectively exploits its infrastructure.

Status of Sebang Solar Power Plants

<p>2018</p>  <p>1 Busan SBNL solar power plant</p>	<p>2019</p>  <p>2 SOLVIC 1 at Sebang Global Battery, Gwangyang</p>	<p>2020</p>  <p>3 SOLVIC 2 at the Coil Warehouse, Gwangyang Port</p>
<p>2021</p>  <p>4 SOLVIC 3 at the Dongbang Logistics Center, Busan Port</p>	 <p>5 SOLVIC 4 at the LME Warehouse, Gwangyang Port</p>	 <p>6 SOLVIC 5 at the Logistics Warehouse, Gunsan Port</p>
 <p>7 SOLVIC 6 at the Anseong Logistics Center</p>	 <p>8 SOLVIC 8 at the Logistics Center, Pohang Port</p>	

Participation in the Small-scale Power Brokerage Business

Starting with Sebang SOLVIC 5 in December 2021, a total of eight power plants have participated in the small-scale power brokerage business of Korea West Power Co. and KT to date. Accordingly, we expect to generate additional profits by utilizing the system effectively to forecast the amount of power that can be generated from renewable energy.* In addition, by participating in this business, we expect to enhance our power generation efficiency by constantly monitoring our facilities and services to ensure a rapid response to malfunctions.

* This system is designed to forecast the amount of power generation from renewable energy. In this system, a power brokerage business which collects power resources exceeding 20 MW submits the forecast amount of power generation for the preceding day to the Korea Electric Power Exchange, whereupon the system pays the predicted power price to the power brokerage business if the amount of power generation falls within the error rate (within 8%) on that day. We adopted this system to respond to variations in power output according to an increase in renewable energy.

Participation in the New & Renewable Energy Propagation Project (Government-supported Project)

In addition to its own business, Sebang is participating in the 2023 new & renewable energy propagation project in a bid to diversify its new and renewable energy businesses and expand the related business areas. As such, it has been selected as a company to participate in the project. We will promote the use of solar power plants in everyday life by recruiting housing and building projects for propagation.

Promotion of independent solar power generation

Sebang's Logistics Center No.3 (Anseong) in the capital region is a refrigerated and frozen logistics center that includes areas with ambient temperatures and consumes electricity on a 24/7 basis. Accordingly, we have reviewed the installation of solar power self-generators on the roof of the logistics center, which are scheduled for installation within the year. This is expected to consume electricity produced by new and renewable energy and contribute to reducing greenhouse gas emissions.

SOLVIC Unit 9
Promotion of independent solar power generation




HEALTH AND SAFETY

Our Approach

Sebang, as a comprehensive logistics company, manages the safety of all its logistics facilities, equipment, and transportation. The health and safety of business sites was identified as the most important issue to be considered by Sebang and its stakeholders. Sebang regards the safety of its business sites and the health of its workers as the top priority and is paying extra attention to these areas. Due to the enforcement of the Serious Accident Punishment Act, the safety management of business sites is no longer an option but an essential requirement and is recognized as an opportunity to boost corporate values in the face of a great crisis.

Health and Safety System

Health and Safety Management Policy

Sebang prioritizes health and safety in all its business activities and has revised and enforced its health and safety management policy (as of January 2022) based on discussions with and the participation of employees to make sure that all company executives and employees implement the health and safety management system and ensure the health and safety of workers.

Health and Safety Management Policy

- 1 We shall do our best to achieve zero serious accidents and minimize industrial disasters by instilling our employees with safety awareness and securing suitable personnel and equipment while upholding health and safety as our highest priority.
- 2 All Sebang executives, employees, and workers (including partner companies) shall strictly comply with the statutes and regulations on health and safety.
- 3 We shall improve the safety awareness of all our executives, employees, and workers (including those of our partner companies) by conducting systematic health and safety training.
- 4 The company shall support the human and physical resources needed for health and safety activities to the maximum extent in order to identify risk factors within workplaces and when operating vehicles and transporting cargoes, and create a pleasant and safe work environment by eliminating and controlling all hazardous factors.
- 5 All our executives, employees, and workers (including those of our partner companies) shall voluntarily participate in and practice health and safety activities, and faithfully implement the health and safety management system to achieve our goals and implement the policy.

Health and Safety Management System

All of Sebang's branch offices have acquired Health and Safety Management System (KOSHA-MS) certifications and accordingly regard accident prevention and the creation of a safe work environment as their top priority. KOSHA-MS is a health and safety management system developed by the Korea Occupational Health & Safety Agency by reflecting the recommendations of the International Labor Organization's (ILO) on health and safety management system to satisfy the requirements of the Occupational Safety and Health Act, and to establish the international standard (ISO 14001) reference system. Sebang declares the health and safety policy, establishes action plans regarding this (P), supports (S) the necessary resources, executes and operates (D), and inspects and takes corrective measures (C), while the CSO (Chief Safety Officer) reviews the results. Through the cyclical process of P-S-D-C-A, the company is carrying out systematic health and safety activities.

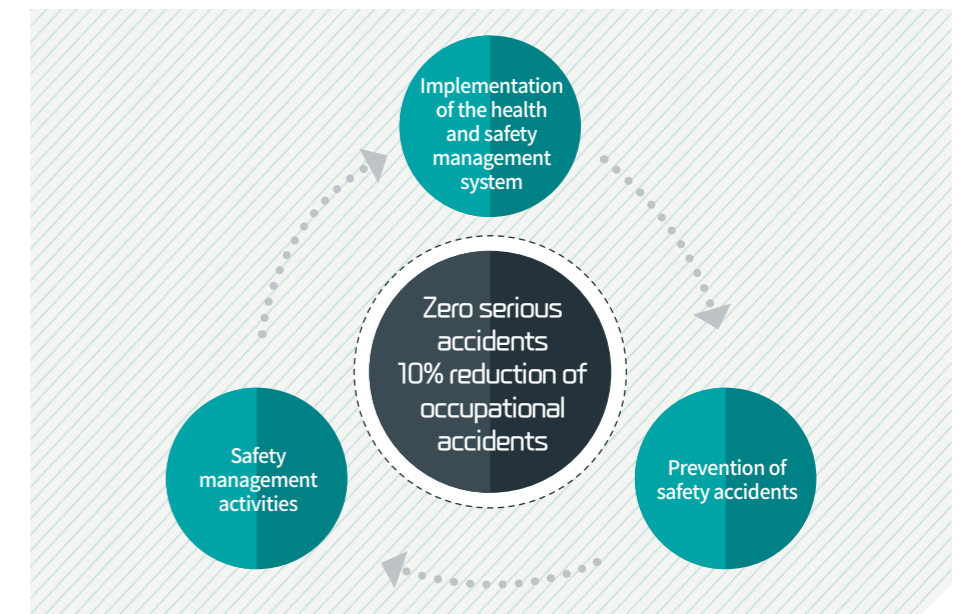
Safety Management Organization

Sebang's Chief Safety Officer (CSO) oversees decisions related to safety within the organization and plays the role of establishing and implementing the safety policy, while the Safety Part establishes the company-wide safety management plan and is in charge of all duties related to safety. In addition, we have assigned safety managers to the head office and all our branches to manage our employees and those of our partner companies so that they can safely perform their duties at the sites of port stevedoring and transportation. At the same time, we are striving to create a safe and healthy workplace environment by conducting periodic and non-periodic safety training, performing daily site inspections, and taking various preventive measures.



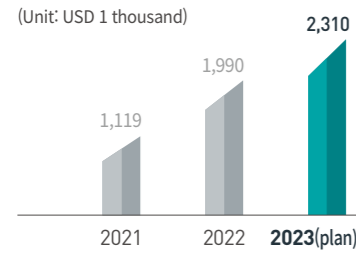
Goal of Health and Safety Management

Sebang aims to achieve the targets of 'zero serious accidents and a 10% reduction of occupational accidents,' implement the health and safety management system, prevent safety accidents, and carry out detailed plans according to safety management activities. Furthermore, the company continuously engages in five major activities for AEO import and export safety management.



HEALTH AND SAFETY

Health & safety management expenses



Increase of Health & Safety Management Expenses

Sebang is exerting every effort to prevent and reduce safety accidents by increasing its investment in health and safety every year. In 2022, the company invested USD 1,990 thousand in health and safety, an increase of 73% compared to the previous year. We are guaranteeing the health and safety of our employees and improving their working environment by reinforcing the personnel specializing in safety, purchasing safety facilities and equipment, running training programs, and improving the work environment.

Even in 2023, we increased the health and safety management budget to approximately USD 2,318 thousand, and we will make doubly sure to prevent safety accidents and promote health by establishing a systematic health and safety infrastructure.

Labor-Management Communication on Health & Safety Issues

Sebang holds quarterly meetings of the Occupational Health and Safety Committee so that both labor and management can make joint decisions on health and safety issues. Every month, all our branch offices hold regular meetings and make efforts to create a safe work environment by managing investments in health and safety to prevent industrial accidents. In 2022, we checked the status of the rest and recreation facilities at each business site, purchased office equipment, and held discussions on the serious accident reduction roadmap.

Activities for Preventing Safety Accidents

Spot, Cross & Joint Safety Inspections

30 inspections



Performance and Plan by Item of Safety Accident Prevention Activities

Item	2022 Performance	2023 Plan
Sebang Group joint inspection	Formed the Task Force and drew up plans	Inspect all branch offices Improve issues detected during an inspection
Spot, Cross and Joint inspections	Conducted 30 spot and cross inspections	Conduct 40 spot, cross, and joint inspections
Weekly risk assessment by branch manager	-	Conduct and report the results of risk assessments every week
TBM activities	Daily	Daily
Introduction of a video body recognition device to prevent accidents involving heavy equipment	Completed the installation of recognition devices at all 12 branch offices	Expand the use of the equipment
Non-destructive inspection of stevedoring tools	Conducted once a year (1st quarter)	1st quarter, dispose of all defective products
Quarterly inspection of stevedoring tools	Conducted every quarter	1st quarter, dispose of all defective products

Safety Training

Sebang provides mandatory safety training according to the Occupational Safety and Health Act as well as various systematic health and safety training programs designed to further raise the standard of its health and safety management.

We have new employees attend training on work procedures and major risk elements related to the work environment when switching work to help them understand the company's health and safety management system. In addition, we foster in-house health and safety experts to enhance the level of health and safety management, and we select and reward outstanding/excellent employees in charge of safety.

2022 Major Safety Training Programs

No.	Safety Training Program	Accumulated no. of trainees (persons)	Total no. of training hours (hours)
1	Safety Training Program	2,864	10,376
2	New recruit and job change training	94	752
3	Manager training	264	4,208
4	Safety manager training	3	82
Total	-	3,225	15,418

Safety Manager Workshop

In 2022 Sebang held 3 workshops for 1 night and 2 days to strengthen the competencies of newly recruited safety managers. We are working hard to create a safe work environment by providing safety training, reviewing safety activities, and conducting on-site cross inspections.



Sebang Group's Joint Safety Inspections

In January 2023, we formed Sebang Group's joint safety inspection task force for three months to strengthen the safety capacity through the voluntary safety inspection for the first time in the group. We conducted inspections of seventeen affiliates and are endeavoring to create safe workplaces that are completely free of industrial accidents.



Sebang Group's Joint Safety Inspection (left, right)

HEALTH AND SAFETY

Cross Inspection for Safety

Cross Inspection for Safety

Sebang shares its expertise in safety management through cross inspections by branch office, and inspects unsafe practices and conditions. Furthermore, we are enhancing the competences of our safety managers through business site-specific safety management and by checking work procedures, and are improving management capabilities across the entire company. In July 2022, we conducted cross inspections of six branch offices with a high level of risk and consequently took corrective measures and improved the identified issues, such as introducing safety measures for freight truck drivers, improving the management and operation of stevedoring tools, and posting and attaching MSDSs (Material Safety Data Sheet).

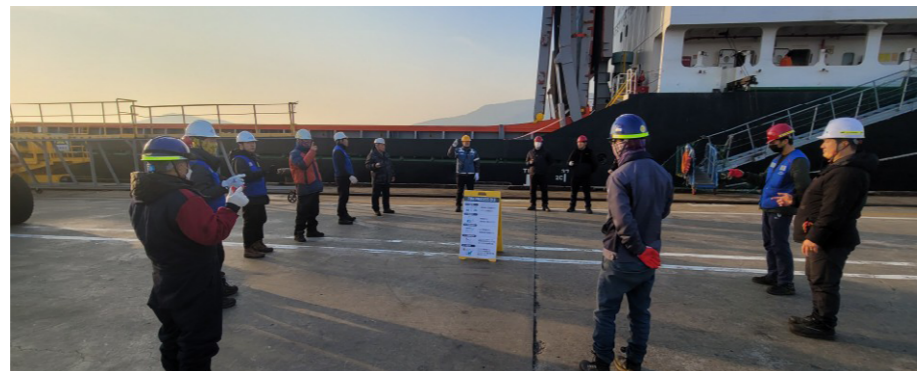


Cross inspection for safety (left, right)

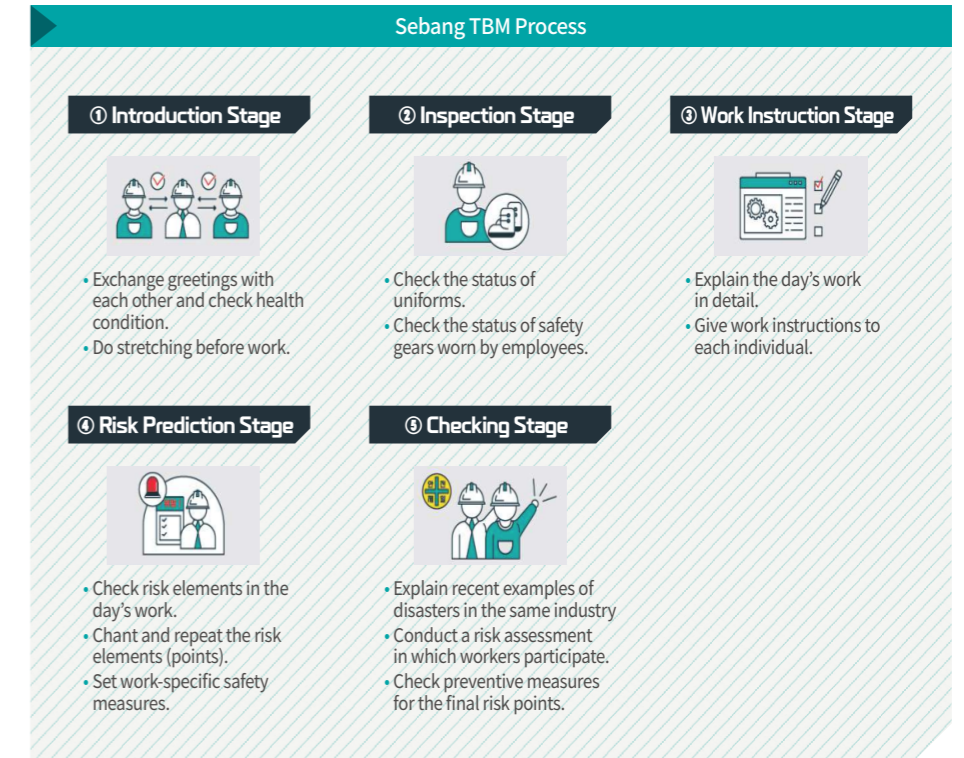
TBM activities

To address topics related to worksite safety, Sebang assembles employees and holds a TBM (Tool Box Meeting) every day. During these meetings we remind workers about safety issues and procedures related to their work and help them to recognize risk elements in their work environment. Moreover, we take immediate countermeasures to deal with risk elements and non-conformities within worksites, and utilize them as periodic safety training materials within the company as well as for partner companies.

In early 2023, we made a TBM process signboard to promote the TBM at all our business sites and produced and distributed TBM videos and standard drafts of execution scenarios.



TBM_ Tool Box Meeting



4-Channel Video Recognition System

In 2022, we introduced the 4-channel video recognition system to prevent safety accidents involving heavy equipment, and installed the devices on 17 forklift trucks, 14 wheel loaders, and 16 reach stackers. Accidents may occur as blind spots are bound to exist no matter how careful the user is due to the nature of heavy equipment and the circumstances at a given site. This system contributes to preventing safety accidents related to heavy equipment by analyzing the situation and information around the worksites and notifying dangerous situations to drivers and pedestrians via the camera installed on heavy equipment and the use of artificial intelligence technologies. Furthermore, in 2023 we plan to introduce the video recognition system to subcontractors following a survey on demand.



4-Channel video recognition system (left, right)

HEALTH AND SAFETY

Activities for preventing safety accidents

Introduction of the SPMT Lighting System

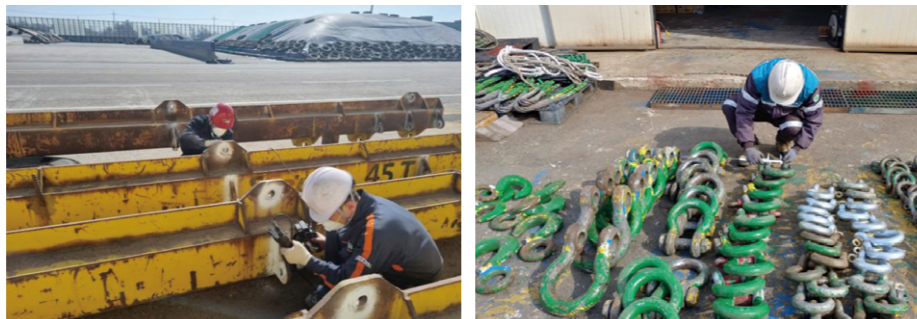
The SPMT (Self-Propelled Modular Transporter) is a large piece of equipment with numerous wheels that is designed to transport heavy cargoes. Sebang has introduced the SPMT lighting system for the safe handling of heavy cargoes for the first time in Korea. This system provides excellent visibility underneath moving wheels and axles, which helps enhance its operation, maintenance, and safety. It controls and manages work situations very effectively thanks to its high-efficiency LED lights, which cast no shadows even under poor conditions or in bad weather.



SPMT lighting system

Inspection of Stevedoring Tools

Sebang conducts quarterly inspections of stevedoring tools. Even for stevedoring tools that can be identified by the naked eye, such as wire ropes and sling belts, the company assigns different color codes to these tools every quarter and manages them accordingly, and attaches red markings to malfunctioning stevedoring tools and immediately disposes of them. We also conduct non-destructive inspections using specialized equipment to obtain more precise measurements. The non-destructive inspection of stevedoring tools is an effective method of inspecting physical defects of and damage to tools used in stevedoring, and is a very important factor in ensuring safe and efficient stevedoring work. Sebang prevents accidents involving defective tools during work by conducting regular inspections of stevedoring tools, detecting defective tools in the early stages and extending their life cycle, and reducing maintenance costs.



Non-destructive inspection of stevedoring tools/ Inspection of stevedoring tools

QR Risk Reporting System

Sebang has introduced a risk reporting system that uses QR codes to ensure that workers can report any risks freely and conveniently if they judge the work conditions or methods to be unsafe. The introduction of this system has enabled us to prevent accidents by taking preventive and improvement measures immediately.



Safety Management of Transport Vehicles

As a company with the AEO (authorized economic operator) certification, Sebang habituates and manages the following to manage the safety of its transport vehicles. Meanwhile, the company enhances traffic safety through transshipment to railway transportation.

Rules to follow for the safety management of transport vehicles

Compliance with safety management activities for means of transportation (containers, trailers, trucks, railway vehicles)	Compliance with safety management activities such as the sealing of containers and the locking of trucks	Training truck drivers on the prevention of smuggling and legal violations	Monitoring and tracking of and legal violations transport vehicle movements (GPS, daily operation log)	Management of arrivals & departures of transport vehicles, and expected or required arrival/ departure times
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Implementation of health and safety management system

Performance and Plan by Item for Implementation of the Health and Safety Management System

Item	2022 Performance	2023 Plan
Autonomous safety consulting	Conducted twice a year (April-May/Nov.)	Conduct semi-annually
Risk assessment	Conducted once a year (Oct.)	Conduct once a year
Evaluation of supervisor managed by the health & safety manager	Conducted twice a year (June/Dec.)	Conduct semi-annually
Evaluation of eligible contractors	Conducted twice a year (June/Dec.)	Conduct semi-annually
Emergency response training	Conducted twice a year (June/Nov.)	Conduct semi-annually

HEALTH AND SAFETY

Implementation of the health and safety management system

Autonomous safety consulting

Sebang is enhancing its supervisory capability by having an external specialized organization (Korea Occupational Safety Association) conduct two inspections a year to evaluate and improve its safety policies, procedures, and systems. The company strives to prevent serious industrial accidents by conducting on-site diagnoses of the health and safety management system at twelve nationwide branches and deriving measures for improving risk factors. In the first and second halves of 2022, we conducted semi-annual inspections (18 days per inspection), and we will exert every effort to achieve a “zero disaster workplace” by continuously conducting inspections.



Autonomous safety consulting (left, right)

Risk assessment

Sebang conducts annual risk assessments to prevent the causes of injuries and accidents at its business sites. The company first derives potential risk factors with the focus on field personnel at each branch office, and then quantitatively calculates and efficiently manages the dangerousness of each risk factor by considering the possibility of accidents and the materiality of accident occurrences. In 2022, we analyzed 506 company-wide risk factors and then devised countermeasures for each type of risk and took the appropriate improvement measures.

Safety Management of Partner Companies

To ensure the health and safety of workers when subcontracting or requesting services and consignment to a partner company, Sebang has prepared evaluation items and standards, and checks whether partner companies (suppliers) have engaged in health and safety activities more than once every six months. The evaluation items are broadly classified into health and safety management system, execution level, operational management, and level of disaster occurrence. We score the evaluation based on the evaluation standards for each item. In the first and second halves of 2022, we evaluated 61 and 58 partner companies respectively. We have shared the results of the evaluation with our suppliers so as to induce them to take voluntary measures, and are focusing on managing and providing training on inadequate areas in order to enhance their health and safety system.

Evaluation of Partner Companies' Health & Safety Activities

119 companies

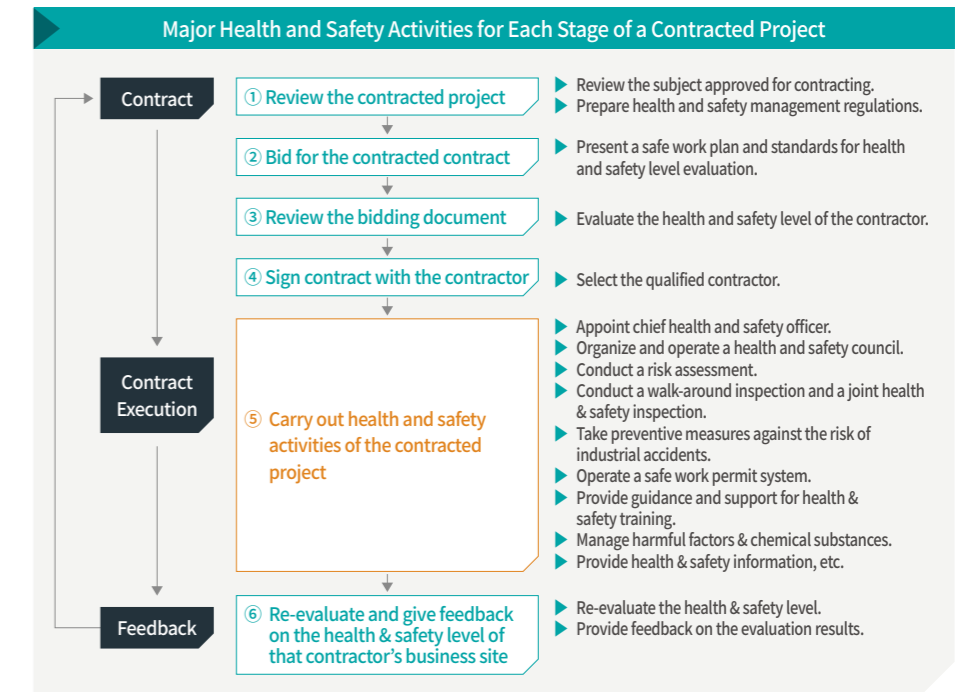


Items and standards for evaluating the health and safety level of suppliers

Classification	Evaluation item	Evaluation standard
A. Health & safety management system (20 points)	1. General principle	Appropriateness of health and safety policy
	2. Planning	Appropriateness of plan for implementing industrial accident prevention activities
	3. Roles and Responsibilities	Division of roles for employees to carry out the implementation plan (Head office, worksites)
B. Execution level (40 points)	4. Risk Assessment	Level of understanding of results of risk assessment of subcontracted work, and level of supplier's own risk assessment of hazards and risk factors
	5. Safety Inspection	Safety inspection and monitoring (including checking of whether protective gear is worn)
	6. Verification of Implementation	Verification of whether safety measures were taken (including implementation due to guidance/advice by a contractor)
	7. Training & Recording	Management of health and safety training plans and records
	8. Safe Work Permit	Level of implementation of safe work permits for hazardous and dangerous work
C. Operational management (20 points)	9. Signal and Contact System	System of signals and contacts with contractors
	10. Dangerous Substance & Equipment	Verification of safety of hazardous and dangerous substances, machinery, instruments, and equipment used in handling these substances
	11. Emergency Measures	Measures for evacuation and minimization of damages in the event of an emergency (Ministry of Employment and Labor, fire stations, etc.)
D. Level of disaster occurrence (20 points)	12. Status of Industrial Disaster	Current status of industrial disaster occurrence

Meanwhile, in December 2022, Sebang adopted a guideline for selecting a qualified contractor for a subcontracting project to prepare the conditions and procedures for selecting a contractor equipped with the ability to prevent and take measures against industrial accidents.

Accordingly, the company is reviewing matters related to health and safety from the initial stage of a project operation, and supporting and evaluating health and safety activities to prevent accidents involving the contractor during the project. In addition, we are continuing these activities in order to enhance the level of health and safety through re-evaluation and feedback.



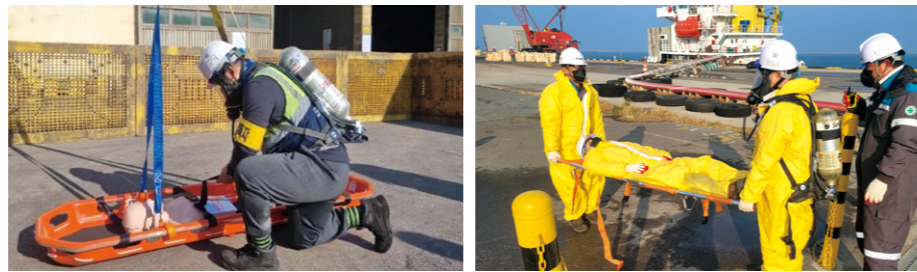
HEALTH AND SAFETY

Implementation of the health and safety management system

Operation of and training on the emergency response system

Sebang conducts semi-annual emergency response training to enable employees to respond rapidly and efficiently to an emergency. In 2022, we conducted training on fire extinction and oil leakage prevention to suit the nature of each branch office, as well as emergency response training for work in a sealed space, in order to improve the response strategy, enabling an efficient response to an emergency by strengthening teamwork.

Furthermore, we checked the emergency manual, which includes incident response and relief measures, checked the measures for preventing additional damages, and updated the composition of the emergency response organizational chart, the composition of the accident reporting system, and the emergency response training scenarios.



Emergency response training (Left, Right)

Health & Safety Management

Performance and Plan by Item for Health and Safety Management

Item	2022 Performance	2023 Plan
Designation of Safety Inspection Day	Operated at all 12 branch offices	Safety inspection: 100% execution rate Corrective measure ratio: 100%
Publication of safety newsletter	Published between June and December	Monthly publication
Presentation of Outstanding Employee in Safety Award	Awarded in June, September, and December	Quarterly implementation rate: 100%
Presentation of Excellent Safety Manager Award	Awarded in November	Planning to present awards between November and December every year
General/special health checkup	Checkup of all employees	Execution rate: 100%
Development of smart work safety management program for port stevedoring	-	Select companies and proceed with development
Payment of congratulatory money for acquisition of safety license	-	Select and pay congratulatory money

Habituation of Safety Inspection

Sebang has designated the monthly Safety Inspection Day and is discovering and improving potential risk elements at its business sites by raising safety awareness and carrying out activities aimed at ensuring safety.

We conduct inspections with our partner companies by including periodic firefighting and electricity facilities for warehouses within docks and logistics centers based on the guidelines for managing near-misses and potential risks, and the risk evaluation standards. The results of the inspection of each branch are compiled and managed until improvements can be made after integration. By doing so, we are laying a firm foundation for achieving zero disasters.

In addition, we conduct spot checks to inspect the unsafe behavior of workers and to check whether safety measures are being taken.

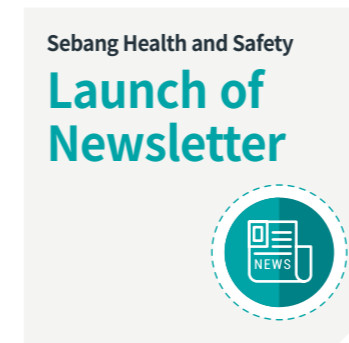


Safety Inspection Day_Sebang Pohang branch

Health & Safety Newsletter

Since September 2022 we have published the monthly 'Sebang Health & Safety Newsletter' in order to share the latest information and raise awareness of health and safety issues. The newsletter is composed of contents related to the causes of major accidents and measures to prevent them, major status in the same industry, industrial safety cases, and major safety issues.

Furthermore, the newsletter introduces outstanding/excellent safety employees who are chosen every quarter, and organizes safety quiz events to motivate workers' participation and to spread the safety culture.



Launch of Newsletter



Presentation of Outstanding/Excellent Safety Employee Awards

Promotion of Employees' Health

Sebang supports general health checkups and special health checkups to assess the health of employees and to enable the necessary measures to be taken for employees who show signs of poor health. For employees who are exposed to risk elements, we perform various inspections depending on their workplace environment and work conditions; while for those with diagnosed medical conditions, we provide support so that appropriate health care can be given in association with designated hospitals in each region.

Furthermore, in November 2022, we issued electrically heated vests to employees working at outdoor sites to combat the intense cold according to the distinct characteristic of the work environment, such as port stevedoring. Thanks to these efforts, we have created a safer work environment by preventing musculoskeletal disorders during the winter season and diseases caused by cold weather.

Measurement of the Work Environment

Sebang has the work environment measured by a specialist agency to determine the safety of each work environment, including checks of noise, vibration, and exposure to harmful substances. We investigate the actual conditions and distribution of harmful factors for each type of port stevedoring work and each warehouse management process, and measure harmful factors by each process in the work environment.

The results of the 2022 assessment of the workers' level of exposure to harmful substances showed it to be below the legally permitted level. Sebang explains the results of work environment measurements to its workers, and conducts periodic health and safety training on the proper way to work to reduce exposure, the proper use and management of protective gear, the types of harmful substances, and health disorders caused by exposure.

SOCIAL

There is a heightened awareness that a company should not only pursue profits but also fulfill its social responsibilities. Thus, a company's social responsibility consists in making contributions to promote the growth of society and the wider public interest. If a company responds sensitively to social issues, respects social values, and is operated in a socially transparent way, this helps to raise its sustainability and earn the trust of society. There is also a rising demand for human rights and labor practices, job creation, and win-win growth with partner companies and local communities.

Contract renewal rate of major shippers:

95%



Average turnover rate for the past 3 years:

4.1%

Formation of the **Transport Management Team newly established contract management section to strengthen supply chain management**

Materiality of Issues

Stakeholders are the principal agents through which a company interacts with society. Sebang classifies its major stakeholders into customers, employees, partner companies, and local communities, and values corporate social responsibility in relation to them.

We gather stakeholders' suggestions through various channels and are pushing ahead with the management system to satisfy them. We believe that cementing trusting relationship with our customers, valuing executives and employees as the most precious assets of the company, and pursuing win-win cooperation results in the overall growth of the supply chain. We are striving to promote mutual values in the relationship between the company's social responsibilities and local communities.

CUSTOMERS

Our Approach

Sebang provides a highly professional and efficient integrated logistics service. It provides logistics services to domestic and overseas companies that are leading their respective industries, including the steel, chemical, and automobile industries, and contributes to strengthening the competitiveness of customers in the logistics sector based on the experience and know-how it has accumulated in handling diverse items from various industries.

Sebang has acquired the 'AA' grade in AEO certification in three areas for the first time in the logistics industry and has received the Excellent Logistics Company certification in recognition of the quality and safety of its services. As such, it is providing integrated logistics services for petro-chemical products, electronic materials, automobiles, machinery and supplies.

Customer Satisfaction Management

Customer-Relations Management (CRM) System

Sebang operates an integrated customer-relations management (CRM) system to manage and maintain its customers in an efficient manner. We have established a continuous customer management system by performing integrated management of customer databases in real time using cloud computing. We are also improving customer loyalty and satisfaction by providing customer-tailored services and carrying out efficient sales and marketing campaigns.

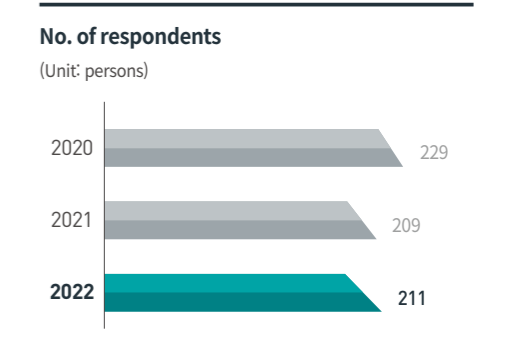
Customer Satisfaction Survey

Sebang accurately identifies the needs of its customers and listens to VOC in order to respond promptly to all potential issues during the entire logistics process, and immediately reflects them in company's duties. As a result, the contract renewal rate of major shippers (approx. 190 customers with annual sales of over KRW 500 million) exceeded 90% over the past three years. In March 2022, we conducted a customer satisfaction survey on twelve branches nationwide, dividing the categories into service, quality, delivery, and prices. For items that received low satisfaction scores, we analyzed the causes and took appropriate countermeasures.

Results of Customer Satisfaction Survey

Contract renewal rate of major shippers

95%



CUSTOMERS

External Certifications

AEO and the Excellent Service Quality Company Certification

Sebang continuously carries out activities aimed at improving legal compliance, import/export safety management, and the internal control management system. As a result, the company acquired the AEO* AA grade in the following three categories - bonded transporter, bonded area operator, and stevedoring service provider - for the first time in the industry in 2018. Various benefits such as faster customs clearance and exemption from customs inspections are awarded to AEO-certified companies.

In addition, we have been recognized in the Excellent Service Quality Company evaluation sponsored by the National Institute of Technology and Standards of the Ministry of Trade, Industry and Energy, acquiring the certification in July 2021. (Validity: July 31, 2021- July 30, 2024)

Excellent companies and organizations are awarded the Excellent Service Quality Company certification based on the results of an objective assessment of their service quality, system, and detailed indicators on their performance. Sebang will strengthen its competitiveness in terms of service quality and further build customer trust by introducing innovations to its work processes.

* AEO (Authorized Economic Operator) refers to a company that is certified by the customs authority after a thorough review of its legal compliance and level of safety management (i.e. companies related to trade, including import & export companies, transporters, warehousing businesses, and customs brokers, etc.).

Acquisition of the AEO Certification

(Certified in 3 areas, sponsored by the Korea Customs Service)

AA Grade



Certified as an Excellent Service Quality Company in Korea

(Hosted by the Korean Agency for Technology and Standards, Ministry of Trade, Industry and Energy)

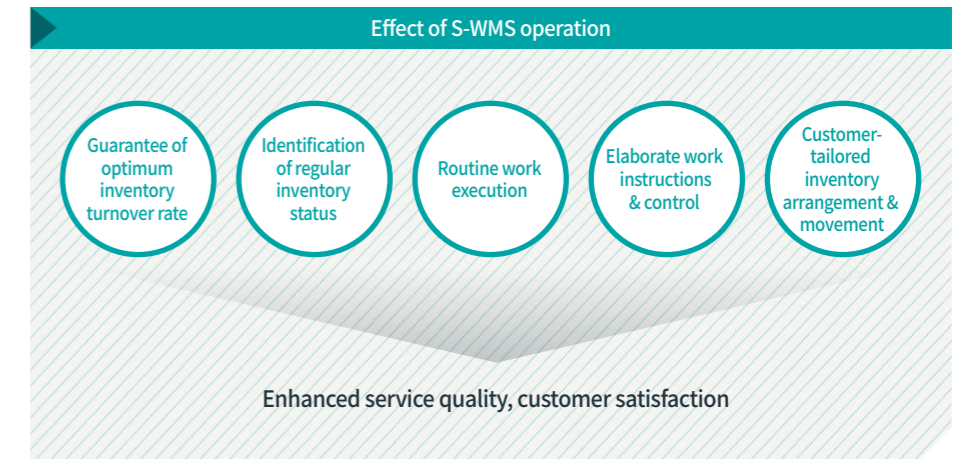


Enhancement of the Logistics IT Service

Logistics Center Cargo Management S-WMS

Sebang has developed customized systems for various logistics businesses and is providing optimal solutions to enhance logistics productivity and reduce the logistics costs of our customers.

We have also introduced the advanced S-WM S (Smart Warehouse Management System) and are supporting the effective operation of logistics centers and warehouses, as well as providing real-time information on the inventory and delivery status from warehousing to shipment, and reducing costs and minimizing downtime through the optimization of business operations.



Cargo Tracking Management_e-Biz System

Sebang operates an e-Biz system that enables employees and customers to track and check the current status and transportation routes of cargoes. Furthermore, we provide more efficient services by enabling the accurate and timely vehicle allocation and stevedoring of customers' cargoes through this system.

Container Transport Management_Concall

Concall is an open-market solution that connects the entity requesting a transportation service with the driver of a freight vehicle. This solution helps to reduce logistics costs and monitors the cargoes of companies requiring transportation services via an integrated cargo management system, and also provides opportunities for improving work processes and expanding the business of customers who use the platform for allocating and dispatching freight trucks.

Concall is an open-market solution that unifies all the processes of container transportation from the transport requester to freight truck owners. The service also comprises a wide range of convenient functions, including simple queries about container transport information, a simplified truck allocation procedure, a mobile app for shippers, an easy-to-use cargo fee payment system, and data protection.

All Concall transportation data is encrypted and stored safely to prevent access by unauthorized companies or third parties, and data access rights are only granted to registered members.

Features of Concall

- Transport fee payment system: Convenient payment system that relieves anxiety about unpaid amounts.
- Simple settlement: Capable of automatic transfer and card payment when sending from My Account to Customer Account.
- Simple order registration: The user can view various classes of information, such as Container Terminal, Unipass, E-trans, and Cargo View, at a glance.
- Simplification of truck allocation: Processes orders using various methods of truck allocation (designated allocation, controlled allocation, group allocation, shared allocation).
- Response to shipper service: Responds to inquiries from the shippers provided by Concall app.
- Cloud: Data are saved on the cloud for data protection, easy recovery and convenient sharing.

CUSTOMERS

Enhancement of the Logistics IT Service

Integrated Processing of Orders_ Welink

Due to the nature of online logistics, Sebang has independently developed Welink, an integrated order processing program designed to respond to and process orders from various customer channels efficiently. Welink provides integrated management of online orders and order information upon signing a contract with OMS (Order Management System) companies such as Sabang Net, Playauto, etc. Through this program, customers can manage their order details and check inventory management information by item in addition to warehousing, and can also check the location of their cargo in real time by entering an invoice number. Meanwhile, Sebang identifies the customer order volume, inventory trend, and customer behavior in order to utilize them in customized customer management.

In-company Cargo Management System_Senter 4.0

Sebang has improved its computer system to enable the person in charge to query incoming/outgoing bonded cargo errors and errors in reporting bonded transport by setting the required period. When certain situations, such as violations of important matters (fines, caution, warning, etc.) or cargo accidents (vehicle accident, loss/damage of cargo) arise, we ensure that relevance facts, response, and preventive activities are strictly reported according to established regulations, and the details of the report are announced in real time as a pop-up window whenever employees log into the groupware. Sharing the facts, causes of occurrence, and measures for preventing the recurrence of abnormal situations within the company ultimately leads to company-wide legal compliance and the prevention of vehicle and cargo accidents.

Service Competency Training

Sebang ran various training programs aimed at strengthening the service competencies of its sales division and branches. In 2022, we conducted approximately 1,600 training sessions related to logistics as well as foreign language lectures.

Furthermore, the company provides CS (customer satisfaction) training to instill good business manners and a good business mindset in its employees, thereby enabling them to apply the lessons learned from theory lectures and practical training to their duties and their everyday life.

Service competency training programs (Unit: no. of sessions)

Classification	2020	2021	2022
Training aimed at enhancing expertise	1,300	1,340	1,490
Training aimed at enhancing foreign language skills	303	302	155

Guarantee of Safe Transport

Sebang has subscribed to International Freight Movement Operation Insurance (indemnity limit: 10 million USD/case) to guarantee its compensation liabilities related to a company's cargo transport and logistics business. To guarantee safe transport, we aim to minimize in advance the risk of potential accidents during all logistics activities, including fire, theft, damage, and other disasters. We also guarantee safe cargo management and tracking using vehicles equipped with GPS.

EXECUTIVES AND EMPLOYEES

Our Approach

Sebang is making efforts to foster talents with the highest standards of expertise and to secure competitiveness as they strive for self-development based on a sound understanding of the rapidly changing logistics environment. We have established an open corporate culture where diversity and abilities are respected so that all our executives and employees can display their abilities to the maximum extent, achieve self-fulfillment, and contribute to the sustainable growth of the company and society.

Through training courses designed to support our employees' voluntary and active participation and growth, we enable them to acquire professional knowledge and skills and enhance their competencies.

Recruitment of Talents and Employment Stability

Sebang uses various methods - including open recruitment, recruitment of employees with job experience, and the recruitment of interns with job guarantee - to recruit outstanding talents who conform to our ideal image of an employee who contributes to the growth of the country and society as well as leading the sustainable growth of the company. In addition, we now use an AI-based capacity test to identify the strengths and weaknesses of each individual and assess their job fitness. We manage the entire recruitment process through the Sebang Group Recruitment System to strengthen fairness and transparency, and have recruited 177 new employees at all business sites (as of 2022) to secure future competitiveness.

Sebang is working hard to ensure employment stability for its executives and employees. As of the end of 2022, the percentage of permanent employees stood at 84.7%. As a result of our efforts to help new employees to adapt to our corporate culture and improve their job satisfaction, we recorded an average length of service of 13 years and a turnover rate of 5.3%.

Sebang's Ideal Employee



Trust
Employees who do their best to earn the trust and support of our customers.




Growth
Employees who strive to equip themselves with the highest level of expertise in their field through selfdevelopment.



Challenging spirit
Employees who are not afraid of failure and who take up difficult challenges in order to achieve new goals.



Communication and cooperation
Employees who know how to communicate and cooperate with a humble attitude.

 [Sebang Group recruitment website](#)

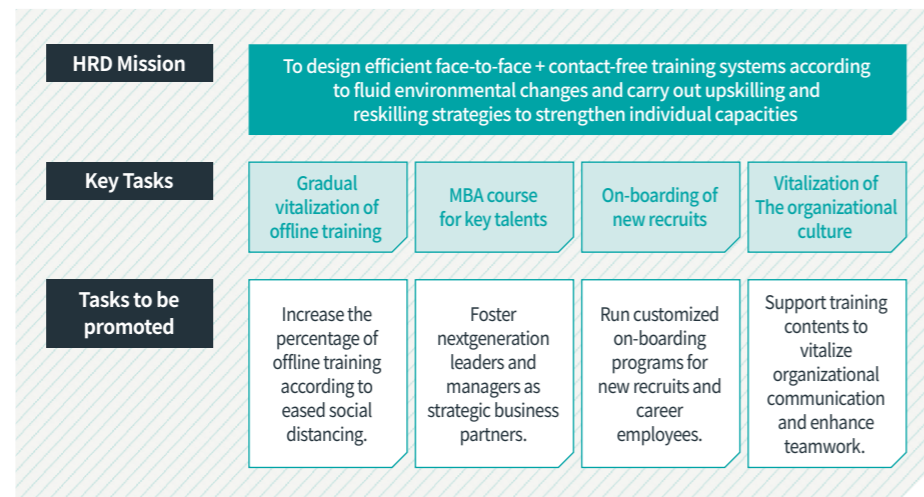
EXECUTIVES AND EMPLOYEES

Talent Development

HRD Operation System

To induce voluntary capacity building and foster leaders capable of meeting the needs of Sebang, the company runs diverse and systematic training programs aimed at enhancing job competencies and fostering leaders.

As of 2023, we are running more specific training courses designed to raise the efficiency and effectiveness of training with the focus on four key HRD (Human Resources Development) tasks.



Training Programs

Sebang runs a broad range of training programs in which employees determine their goals and growth direction, based on which the company supports them. In 2022, we ran training sessions on various topics and provided effective online/offline training to overcome the Covid-19 situation.

We ran a total of 23 training courses in three broad training areas: leader competency, specialized job competency, and common job competency. Our executives and employees completed a total of 727 sessions of online job training and foreign language courses, achieving training completion rates of 96% (job area) and 95% (foreign language training area).

Furthermore, to evaluate the effectiveness of the training and identify its necessity, we conducted surveys to gather our employees' opinions, assess their satisfaction with the training, and identify their needs. As a result of the survey, we found that the demand is high for collective training on the organizational culture and liberal arts, and thus plan to open new programs. As of 2023, we are gradually increasing face-to-face training along with online training. In particular, we will run an onboarding program for both new recruits and career employees, operate a specialized course for next-generation leaders, and focus on training aimed at vitalizing the organizational culture and in-company communication.

23 training courses for executives & employees,

Job training completion rate

96%



Training Programs for Executives & Employees

Training area	Details	Type of training
Leader competency	Fostering of next-generation leaders	Highest level course on IGM negotiations
		AI SCM leader course
	Required courses	Team leader leadership course
		KPI evaluator training
Specialized job competency	Organizational culture	Training for promoted employees
		Introductory training for new employees
	Strengthening of logistics competencies	Business manner training
		Mentoring training
Common job competency	Basic competencies	Manager's cost management course
		Cold chain manager fostering course
		Logistics consultant fostering course
		Consortium course
	Required courses	Logistics license acquisition support
		Training on specialized jobs by team
		Legal mandatory course
	Basic course	Training on the Code of Ethics
		Basic course for financial accounting
		Safety manager, health & safety training
Other courses	Online training for introduction of company & duties	
	E-learning duties, reading communication, Phoneducation(language)	
	Real Class English	
		Training on AEO & ISO
		Others

Fostering of personnel specializing in logistics

Sebang provides specialized training aimed at strengthening its employees' specialized knowledge and competency in the field of logistics.

We have designed a customized job specialist course taught by in-company lecturers and external experts, and are operating a license support system to strengthen employees' basic logistics competencies. We also run diverse programs, including an AI SCM leader course, a logistics consultant fostering course, a cold chain manager fostering course, etc. In addition, we run online/offline courses to help employees acquire a license specializing in logistics. Of the active employee as of 2022, Sebang has 166 logistics license holders, and is fostering logistics specialists who can improve our worksites and achieve innovative performance.

Status of course completion (logistics specialists) in 2022

(Unit: persons)

Course	No. of persons
Logistics managers	38
Customs brokers	14
Total	52

EXECUTIVES AND EMPLOYEES

Human Rights & Labor

Respect for Diversity and Inclusiveness

Sebang respects the diversity of employees and provides equal opportunities in order to create an environment where anyone can achieve the best performance. We strictly prohibit discrimination based on gender, disability, nationality, and religion; uphold the prohibition of child and forced labor; guarantee freedom of association and collective bargaining; and protect human rights as our highest values. We actively recommend the use of maternity leave and childcare leave to protect the motherhood of female workers, and also support various welfare systems for non-regular workers.

Protection of Human Rights

Sebang is doing its utmost to create a sound organizational culture by respecting each individual's human rights and promoting mutual trust, and by conducting annual training aimed at preventing sexual harassment and raising employees' awareness of the disabled. We receive reports on human rights violations related to all stakeholders - including customers, partner companies, and employees - via the cyber complaint hotline and process them according to standardized procedures, and make sure that the personal information of whistleblowers is not disclosed and that their human rights are not violated in any way.



Cyber Complaint Hotline

Labor-Management Communication

Sebang complies with the domestic labor laws and ISO conventions, thereby guaranteeing freedom of association and prohibiting forced labor. As of the end of 2022, the labor union membership rate stood at 58.4%, and the company holds a labor-management council meeting every quarter to resolve major labor-management issues and promote the welfare of the labor force.

In 2022, we hosted four labor-management council meetings in order to share our business performance and discuss eighteen items of agenda, reaching a consensus after sufficient discussion of the major issues, such as the creation of a safe workplace, improvement of the work environment, and promotion of welfare. Especially in 2022, we held discussions on the need to improve the freight vehicle allocation process, enact standard work manuals, and enhance performance-based benefits. Furthermore, we are holding periodic meetings of executives and employees at our overseas subsidiaries with the aim of promoting more harmonious labor-management relations, by sharing the status of business management and listening to workers' difficulties.



Labor-management council meeting in 2022

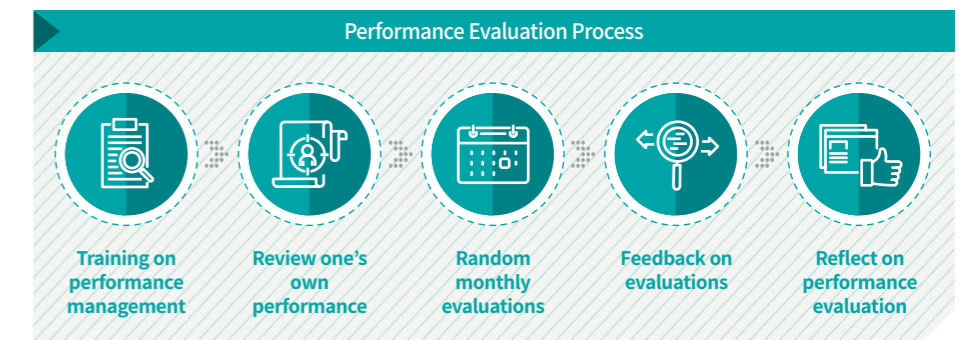


Strengthening of Work Efficiency_RPA System

Sebang has introduced the RPA (robot process automation) system, which uses software robots to automate repetitive and regular work, in order to enhance work efficiency. Introducing the RPA has improved work efficiency by shortening the time taken to process work and by reducing human errors. In 2022, after performing 2 selected tasks, we deployed eleven RAP bots to carry out fourteen office duties, including the processes of application for recreation centers, registering client data, and issuing bills. We anticipate that this will save 530 work hours every month.

Fair Performance Assessment and Compensation

Sebang operates a target management system that allows employees to set a clear job target and assess their performance. We have also introduced monthly random evaluations to ensure fair evaluations, and managing the overall process through feedback. In addition, we have adopted a multi-faceted evaluation system in which relative evaluations are performed between employees. The company is endeavoring to improve the system by surveying the level of user satisfaction to enhance the fairness and credibility of the evaluations.



Welfare System

Sebang has introduced various welfare systems to improve the quality of life of its executives and employees. It supports the leisure activities of its employees by providing leave and compensation and providing recreational facilities for those who have served the company for a long time. The company also operates a system designed to ensure a stable livelihood for employees, as well as a welfare points system, supports the educational costs of employees' children, and gives out presents on national holidays and anniversaries.

Especially in the case of educational expenses, Sebang helped to reduce the financial burden of employee households by granting educational expenses of USD 383 thousand per year to 272 children of 166 executives and employees in 2022, even though the Korean government started providing free education up to high school.

Status of educational expenses supported

(Unit: Persons, USD)

Classification	2020	2021	2022
Eligibility for support	313	252	272
Total amount of support	487,284	414,430	382,947
Amount of support per person	1,557	1,645	1,408

EXECUTIVES AND EMPLOYEES

Welfare System

Support for leisure activities



Leave and reward for long-term employees
Refresh leave and reward is available for longterm employees.



Support for summer vacation expenses
Summer vacation expenses are supported once a year.



Support for recreational facilities
Condominium memberships of nationwide resorts are offered to employees.



Support for educational expenses
Educational expenses are supported for employees' personal development.

Support for a stable livelihood



Support of education expenses for employee's children
Congratulatory money for admission to school and educational expenses for employee's children.



Payment of money for gift items and travel expenses for home-visits
Gifts are presented at the Lunar New Year, Chuseok (Korean thanksgiving), Labor Day, company's foundation day. Travel expenses for home-visits are also supported.



Support for congratulatory and condolence expenses
Costs of congratulatory leave, expenses for congratulations and condolences, and funeral supplies are supported.



Promotion of residential stability
Company housing is provided to employees assigned to a remote location or those residing at or near a business site. Financial support is provided to ensure a stable livelihood.



PARTNER COMPANIES

Our Approach

Sebang's partner companies are generally related to transportation, port stevedoring, and equipment operation, which account for the greatest percentage of our transactions, as well as companies that provide other types of merchandise and goods. Sebang has established the Contract Management Part for each branch and is striving to create a fair trade culture and engage in win-win partnerships with its partner companies. We share social values through solid partnerships based on win-win cooperation, thereby forming a sustainable supply chain.

Code of Ethics for Partner Companies

Sebang has made it mandatory for its partner companies to sign a pledge to practice ethical management in all subcontracting agreements. The company is spreading the value of anticorruption, fair trade, and ethical management, and has strengthened the ability to execute ethical management throughout the entire supply chain by introducing the CP (compliance program).

Furthermore, we are running a cyber complaint hotline, a window for whistleblowing on unfair trade practices and illegal demands by our employees. Reported violations are subjected to a fair but thorough investigation, and disciplinary action and follow-up measures are taken to prevent the recurrence of unethical behavior.

Sebang pursues fair trade and mutual prosperity with its partner companies, and specified this in the partner company management guideline within the code of ethics. We recognize that forming mutual partnerships by strengthening close ties with all our partner companies is the path to shared prosperity.



Activities for promoting win-win cooperation

Enhancement of convenience in performing duties

Sebang uses the e-Biz system to manage cargo status and cargo routes and to promote closer collaboration with its partner companies by sharing real-time inventory information, order status, and expected demands. In addition, we provide safety newsletters and conduct frequent training to enhance the level of our transport partners' safety and environmental management.

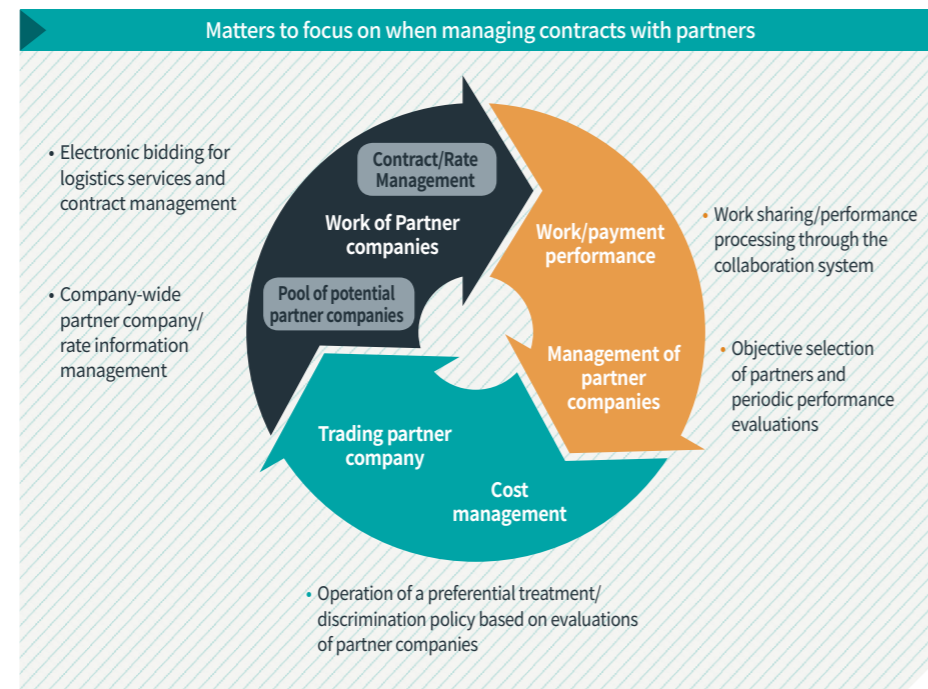
Meanwhile, by utilizing the S-WMS developed by E&S Global (an IT company within the Sebang group), we are customizing and linking up related systems tailored to the demands of customers. At the same time, we are using the Sebang Concall program to enhance convenience in the performance of certain duties, such as tracking containers and queries about transport information.

PARTNER COMPANIES

Activities for promoting win-win cooperation

Strengthening of the Supply Chain Management Organization

Sebang has established the Contract Management Part for each branch to ensure transparency and fairness in selecting and operating partner companies. We have supplemented the evaluation standard and operating guidelines, and are in the process of discovering new partner companies and building systems for selecting and evaluating them. Meanwhile, in 2022, we newly formed the Transport Management Team whose role is to promote mutual cooperation and shared growth with our transport partner companies which play an important role due to the nature of a logistics company. We are building the overall operational management system from selecting and contracting to operating and evaluating the performance of our transport partners, and are applying a more transparent and objective management standard. We will improve operational efficiency, reduce costs, and enhance customer satisfaction by systematically managing the entire supply chain.



Selection and Management of Partner Companies

Sebang conducts periodic evaluations of its partner companies in order to secure successful business partnerships and to spread ESG management. A partner company is evaluated based on its financial condition, establishment of an information system, and expertise. We are striving to spread ESG management throughout the entire supply chain by reflecting the results of the 2022 evaluations in health and safety. To assist partner companies that receive poor evaluation results, we induce them to initiate improvements, while we intend to create an incentives system for excellent partner companies. Especially in the case of a subcontracting project, we make efforts to ensure the safety of the subcontracted business sites and prevent accidents involving workers by providing a separate guideline for selecting eligible contractors. Meanwhile, to engage in fair and transparent transactions with our partner companies, Sebang operates a standard contract process designed to systematically manage all data and documents related to a contract.

Major contents of the guidelines on selecting eligible contractors for subcontracting projects

- 1 Obligations of the subcontracting project management department, contract department, and department in charge of health and safety.
- 2 Matters related to the health and safety evaluation of contractors.
- 3 Matters related to health and safety to be included in the announcement of competitive bidding for subcontracting projects.
- 4 Matters regarding evaluations of industrial disaster prevention and ability to take measures for health and safety in a subcontracting project.
- 5 Committee for evaluating eligible contractors for subcontracting projects.
- 6 Special contractual conditions related to health and safety.

Channel of Communication with Partners

In order to maintain trusting relationships and promote shared growth, Sebang is making efforts to vitalize communication with its partners through win-win partnership meetings, a cyber complaint hotline, and the Sebang blog. In particular, we will resume the periodic win-win partnership meetings, which were postponed due to the COVID-19 pandemic, and continue to communicate and cooperate with our partners by sharing information on safety issues and industrial trends and listening to any difficulties they may face.



LOCAL COMMUNITIES

Our Approach

Sebang has developed and is participating in social contribution programs under the auspices of the Sebang Lee Eui-sun Foundation, the Sebang Group's social welfare enterprise, for the public benefit and to ensure the continuity of our corporate social contribution activities.

Sebang's executives and employees participate voluntarily in diverse social contribution activities by actively communicating with local communities. So far, we have mainly supported welfare facilities in the capital area and in metropolitan cities, but recently we expanded our support to the Jeju region after noticing that welfare facilities in alienated areas were experiencing difficulties due to a lack of available support during the COVID-19 pandemic.

System for Promoting Social Contribution

To engage in activities aimed at visiting and providing assistance to places that urgently need help rather than simply giving donations, Sebang receives and reviews applications for support projects and decides whether to support them. Sebang also provides vehicle support services, carries out projects to support local children's centers nationwide, and engages in emergency relief activities by making good use of its business attribute through the Foundation. From the establishment of the Foundation up until 2022, the total amount of company expenditure on social contribution activities came to approximately USD 7,387 thousand.

Mission	To build a society filled with love, sharing, dreams, and hope!
Vision	<ol style="list-style-type: none"> 1 Create a synergy effect through corporate social contribution activities by making good use of the strengths of the Foundation and sponsoring companies <ul style="list-style-type: none"> • Provide professional and practical social contributions through activities that exploit the strengths of the sponsor and sponsoring companies in the logistics and battery industry. • Play a creative and leading role in corporate social contribution activities. 2 Create the maximum impact by carrying out projects that meet the needs of the beneficiaries. <ul style="list-style-type: none"> • Promote practical problem-solving by surveying the needs of the beneficiaries and carrying out projects to meet them. • Provide benefits to as many beneficiaries as possible by carrying out social contribution projects efficiently and effectively.

Social welfare project expenditure of the Sebang Lee Eui-sun Foundation:

USD432.7 thousand
(2022)



Sebang Lee Eui-sun Foundation, a social welfare corporation

The Sebang Lee Eui-sun Foundation was founded by honorary chairman Lee Eui-sun in December 2007 to promote social welfare by supporting welfare facilities and engaging in volunteer activities for socially disadvantaged members of Korean society, such as children and youth from low-income families, senior citizens, etc.

Strategies for Promoting Social Contributions

Sebang has selected and is carrying out various social contribution programs to support welfare facilities, low-income families and the socially disadvantaged. It also engages in emergency relief activities according to the Foundation's philosophy of "giving the profits earned through corporate activities back to society."

We aim to establish a culture in which our executives and employees voluntarily participate in beneficiary-oriented social contribution activities.



Social Contribution Activities

Support for welfare facilities

Hope Switch ON

The 'Hope Switch ON' project supports the remodeling of welfare facilities in order to improve the learning environment for children who will be the leaders of tomorrow. Sebang donated approximately USD 1,970 thousand to 143 facilities all around the country between 2008 and the end of 2022, and many children and young people benefited from the project.

In 2022, we fully renovated and remodeled thirteen local children's welfare centers and nursery schools by carrying out the Hope Switch ON project for the first time in Jeju Island.

Vehicle Support Project

The vehicle support project was established to assist welfare facilities in the local community that have difficulty in providing local welfare services because they do not own a vehicle or only have obsolete vehicles. We have carried out the project after undertaking a fair review every year since 2019, and in 2022 we provided one vehicle for each of five organizations in the Jeju region.

With this project, we have improved the mobility of disadvantaged neighbors who experienced a welfare gap.



2022 Sebang Lee Eui-sun Foundation's social contribution event for Jeju Special Self-Governing Province



Vehicle support project

LOCAL COMMUNITIES

Social Contribution Activities

Battery Support Project

Each year the Sebang Lee Eui-sun Foundation runs a battery support project for electric wheelchairs. In November 2022, we replaced one battery in an old vehicle and three batteries in electric scooters free of charge at the Chilgok-gun Community Welfare Center for the Handicapped in Chilgok-gun, Gyeongbuk province. This project enabled us to ease the financial burden of disabled persons with a low income who were experiencing inconvenience in getting around, and we also prevented potential accidents due to defective parts.

Awarded Grand Prize in the 1st Jeju Community Public Order Awards

The Sebang Lee Eui-sun Foundation was awarded the “Grand Prize for Protecting the Socially Disadvantaged” at the 1st Jeju Community Public Order Awards held at the Seolmundae Women’s Culture Center in June 2022. Hosted by the Jeju National Police Agency and Jeju JIBS Broadcasting, the Jeju Community Public Order Awards select and award excellent organizations and groups that have contributed to the following three areas, crime prevention, traffic safety, and protection of the socially disadvantaged, in order to establish Jeju-style public order governance. Sebang plans to support welfare facilities in poor environments so that children can grow into healthy adults, and to improve public order and prevent crimes in local communities in Jeju by installing CCTVs.



Jeju Community Public Order Awards (left, right)

Support for low-income families

Support for vulnerable social group

Sebang is joining efforts to spread a culture of sharing to support vulnerable social groups in its local communities. In May 2021, the company donated 100 padding blankets and 140 10 kg bags of rice to a welfare center in Anyang City, Gyeonggi Province to help vulnerable social group. Furthermore, to “practice love for our neighbors” during the winter season, we donated 40 10 kg bags of rice to the Donghae City Welfare Center, and delivered boxes of ramen noodles for vulnerable social groups by visiting welfare centers in Ulju-gun, Ulsan City and Songjeong-dong, Donghae City in December 2022.

Sebang Flea Market

The Sebang Group has organized an in-company flea market every year since 2004 and donated the proceeds from the sales of goods to neighbors in need residing in the local communities in which Sebang’s business sites are located. In January 2022, we donated support supplies, including mattresses, to assist the safe rehabilitation treatment of disabled children at the Our Lady of Mercy Welfare Center, and showed the warmth of sharing at a welfare center in Ocheoneup and the Ocheon Volunteer Service Center in Pohang. In May 2022, we gave away bicycles and helmets to forty children at the World Vision Songpa General Social Welfare Center in commemoration of the 100th anniversary of Children’s Day. Moreover, in November, we donated goods worth USD 9,272 to three social welfare facilities on Jeju Island. We also take part in social contribution activities that provide practical help by delivering goods requested by each welfare facility, including air conditioners and massage chairs, in addition to replacing old or worn-out furniture.



Ceremony for delivering supplies to the Huimang Narae Activity Center



Sebang charity event for helping needy neighbors, Ulsan branch office

Volunteer activity for delivering coal briquettes

Our volunteers delivered coal briquettes to show our compassion to neglected neighbors while marking the end of the year in December 2022. Thirty-five executives and employees from the Sebang Group donated and personally delivered 1,500 coal briquettes to residents living around Bogungmun-ro, Seongbuk-gu, Seoul.



2022-Delivery of Warmth of Love (left, right)

LOCAL COMMUNITIES

Social Contribution Activities

Youth Welfare Programs

Scholarship Support

The scholarship support project is designed to support learning expenses and increase educational opportunities in order to foster local talents and support students experiencing financial hardship. In early 2022, we sponsored USD 3,245 to the Single Parent Family Support Center in Gyeongsangnam Province to support gifted young scholars from low-income families. In April, we visited the Mundeok-myeon office in Boseong-gun, Jeollanam Province to sponsor a college scholarship of USD 2,318 and deliver scholarship funds worth USD 4,636 to students attending Kookje University in Pyeongtaek city, Gyeonggi province. We intend to consistently engage in scholarship support projects to help young people realize their dreams.



Scholarship support for the Gyeongsangnam Province Single Parent Family Support Center



Scholarship support for Kookje University

Support for young adults preparing for independent living

The Sebang Lee Eui-sun Foundation has signed a social contribution agreement with Holt Children's Services to act as a reliable and trustworthy partner by helping young adults who are preparing to leave children's and youth welfare facilities to live independently, become self-reliant, and grow into healthy members of society.

Youth Career Education

In January 2023, the Sebang Lee Eui-sun Foundation sponsored 'Mentor's Day' with Professor Kim Sang-wook, a physicist, which was organized by the NGO, World Vision. Mentor's Day is a special lecture and experience program in which invited, influential careerists working in various fields provide teenagers with information about a variety of career choices. At this Mentor's Day, the Foundation invited and encouraged children and youth who nurture dreams of entering the fields of science and engineering, and handed USD 12 thousand to World Vision to support the dreams of children.



Mentor's Day with Professor Kim Sang-wook (left, right)

Emergency Relief Activities

Domestic and Overseas Emergency Relief

The Sebang Group continues to engage in emergency relief activities in disaster-stricken areas due to domestic and overseas natural disasters and accidents. In March 2022, we donated USD 77.5 thousand to the Korean Red Cross to support refugees from the war in Ukraine and USD 77.5 thousand to the Korea Disaster Relief Association for victims of wildfires in the Gangwon and Gyeongbuk region for a total of USD 155 thousand. Furthermore, we raised funds of USD 8 thousand and delivered them to support the restoration of flood damages and to assist low-income families at risk in Ocheon-eup, Pohang City, which was hit hard by Typhoon Hinnamnor in September.

Support for Developing Countries

In July 2022, the Sebang Lee Eui-sun Foundation donated thirty-six solar batteries to the Lim Youn-sim Good People Mission School in Turkana, Kenya to replace the depleted batteries we donated in 2017. The Lim Youn-sim Good People Mission School is a middle and high school attended by about 200 children from the Turkana region. We will continue to follow up on our existing support activities, and use our recent support efforts to improve the learning environment for the students.



GOVERNANCE

Corporate governance plays a vital role in strengthening a company's transparency and responsibility. A transparent and effective governance structure discloses information on a company's decision-making and operations to its stakeholders, and helps build their trust. Due to an increased tendency of determining the risk of a company by the level of ESG management, the financial stability of a company with high ESG risks can also be at risk as the cost of borrowing increases.

Meanwhile, companies must comply with ethical principles when considering the interests of their stakeholders, abide by the laws and regulations, and make fair and transparent decisions.

Board of directors attendance rate
100%

Introduction of Compliance Program

Materiality of Issues

Corporate governance that takes into account a long-term vision and sustainable growth helps to gain the trust of investors and enhance corporate competitiveness. An active response is required to secure governance for the sustainability of a company and reducing risks as sturdy governance is the stepping stone for supporting the execution of social and environmental values.

Meanwhile, ethical management is an essential factor in building trust and forming sustainable partnerships between a company and its stakeholders by emphasizing fidelity, honesty, responsibility, mutual respect, and social responsibility. Sebang is restructuring its organization and system in a bid to strengthen ethical management and compliance with the fair trade law and regulations.

CORPORATE GOVERNANCE

Our Approach

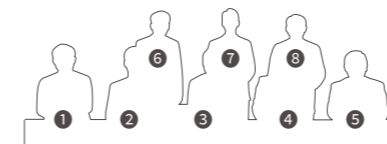
Sebang leads sustainable management by establishing a sound governance structure based on the expertise and transparency of the board of directors. We hold meetings of the Audit Committee to enhance internal control, and have recently formed the Internal Trade Committee to eradicate unfair internal transactions.

Composition of Board of Directors

To establish a sound and transparent governance structure, the board of directors and the top management make decisions and fulfil their responsibilities through mutual cooperation.

Sebang's board of directors, as the company's highest decision-making body, reviews and resolves major policies and decisions about business activities.

As of the end of March 2023, the board is composed of five executive directors and three external directors, i.e. eight directors. We have secured the expertise and diversity of the board of directors by appointing experts in human resources management, tax affairs, and law as external directors. Furthermore, we have established and operate the Audit Committee and the Internal Transaction Committee under the board of directors.



- 1 Kim Woo-hyeon, external director
- 2 Choi Jong-il, executive director
- 3 Lee Sang-woong, executive director
- 4 Yun Jong-hoon, external director
- 5 Choi Woo-soo, external director
- 6 Kim Jung-ho, executive director
- 7 Lee Won-sup, executive director
- 8 Lee Ji-hun, executive director



Composition of the Board of Directors

* As of the end of March 2023

Name	Classification	Assigned duties	Major career history	Area of expertise	Term of service	Name	Classification	Assigned duties	Major career history	Area of expertise	Term of service
Lee Sang-woong	Executive director	Supervision of overall management (Chairman)	Vice-president, Sebang Global Battery (1990) CEO & President, Sebang Global Battery (1999) CEO & President, Sebang Co., Ltd. (2000) Chairman, Korea Rugby Association (2015) Director, Dankook University (2020) Current-Member, National Academy of Engineering of Korea Current-Chairman of Sebang Group	Overall business management	Mar.1989-Mar.2025	Yun Jong-hoon	External director	Audit Committee chairman	Commissioner, Busan regional tax office (2004) Commissioner, Seoul regional tax office (2005) Auditor, KB Bank (2006) Advisor, Barun Law Firm (2011) Current-Auditor, Nepes Co., Ltd.	Tax affairs	Mar.2023-Mar.2025 (Newly appointed)
Choi Jong-il	Executive director	CEO(vice-president), chairman of board of directors	Manager, Incheon branch, Sebang Co., Ltd. (2014) Director, Seoul Regional Division, Sebang (2017) Director, Sales Division, Sebang (2018) Current-CEO of Sebang Co., Ltd.	Overall business management	Mar.2017-Mar.2025	Choi Woo-soo	External director	Member, Audit Committee	Leader of the Management Support Team, Mexico Compound Complex, Samsung Electronics (2000) Leader of the HR Support Group, HR Team, Samsung Electronics (2004) HR Team, DS (semiconductor) Division, Samsung Electronics (2009) CEO, Samsung Electronics Service Co., Ltd. (2016-2018)	HR management	Mar.2021-Mar.2025
Lee Ji-hun	Executive director	Director, Business management division	Leader of the Finance & Accounting Team, Sebang Co., Ltd. (2013) Current-Director, Business Management Division, Sebang Co., Ltd.	Finance & accounting	Mar.2015-Mar.2025	Kim Woo-hyeon	External director	Member, Audit Committee	Assistant prosecutor 1st, Busan Local Public Prosecutor's Office (2015) Director, Alien Policy Division, Ministry of Justice (2016) Director, Anti-Corruption Department, Supreme Prosecutor's Office (2017) District Attorney, Incheon Regional Prosecution Office (2018) District Attorney, Suwon Regional Prosecution Office (2019) Current-Lead attorney, Jungbu Law (law firm) (2020)	Law	Mar.2021-Mar.2025
Kim Jung-ho	Executive director	Director, Strategic planning division	Leader of the HR Team, Strategic Planning Division, Sebang Co., Ltd. (2014) Head of the Talent Management Team, Presidential Secretary Office (2016) Current-Director, Strategic Planning Division, Sebang Co., Ltd.	Management strategy	Mar.2016-Mar.2025	Lee Won-sup	Executive director	Executive for overseas business/investment	Deal Advisory, Samjeong KPMG (2018) Head, Sebang Group Management Strategy Office (2022) Current-Executive in charge of overseas business/investment, Sebang Co., Ltd.	Investment	Mar.2023-Mar.2025 (Newly appointed)

CORPORATE GOVERNANCE

Operation of the Board of Directors

Activities of the Board of Directors

The BOD (board of directors) holds regular meetings once per quarter as well as temporary meetings as and when required. The temporary meetings are convened at the request of the chairman or by more than one third of the registered directors. The BOD held six meetings in 2022, and made decisions on thirteen items of agenda, including those related to the internal accounting management system and the health and safety management system, etc. In 2022, the attendance rate of executive directors and external directors was 100%.

The board of directors will enact the Corporate Governance Charter and promote the rights and benefits of the stakeholders, including shareholders, customers, and partner companies, by strengthening the transparent management of the company under the supervision of the professional and independent BOD.

Board of directors attendance rate	Number of board meetings held	Number of items of agenda resolved
100%	6 times	13 cases

Inspection of ESG Risks by the Board of Directors

Matters pertaining to a decision on major investments related to ESG, or when entering into or terminating an important contract, are approved by the board of directors.

At the regular and temporary board meetings held in 2022, the board reviewed the annual health and safety plan, and approved the creation of the CSO position and the appointment of the CSO(Chief Safety Officer). The board of directors is also minimizing ESG risks by reporting the actual conditions of the internal accounting management system and giving their approval.

Evaluation and compensation of BOD members

The board of directors discusses the compensation for board members by considering their expertise in relation to projects and BOD activities within the limit of the compensation approved by the regular general shareholders' meeting. The compensation of executive directors is determined by comprehensively evaluating their position, the nature of their duties, and their job performance according to the company's Executives Compensation Payment Policy. The compensation of external directors is paid as fixed compensation rather than compensation based on a performance assessment by considering their independence.

Current Status of Compensation Payment of BOD members in 2022 (Unit: USD 1 thousand)

Classification	No. of persons	Total compensation	Average compensation per person
Registered directors	4	2,539	635
External directors (Audit Committee)	3	116	39

Strengthened Internal Controls

Audit Committee

Sebang established the Audit Committee to supervise overall business management under the board of directors. The Audit Committee is composed solely of external directors who have no history of transactions with the company. The Committee also performs objective and independent supervision through periodic, non-scheduled, and special audits. The ethical management team and the compliance team support the overall audit tasks.

The Audit Committee may audit the overall tasks which the board of directors and the CEO have carried out throughout the company affairs, request a report on sales to any director or employee at any time, or investigate the company's business affairs and property status. In 2022, the Audit Committee held five meetings, while an external expert conducted four training sessions on upgrading the internal accounting management system to enhance the expertise of the committee members.

Roles of the Audit Committee	
<ul style="list-style-type: none"> Management and supervision of the internal accounting management system. Management and supervision of an internal audit department. Management and supervision of the external auditor. 	<ul style="list-style-type: none"> Management and supervision of the fraud prevention system. Management of other regulations for the Audit Committee, verification of improvement measures taken as a result of external audits.

Internal Transaction Committee

In March 2022, Sebang launched the Internal Transaction Committee to supervise internal transactions, and enhanced the transparency of the company's business management by establishing the CP system. Composed solely of external directors, the Committee monitors and supervises unfair transactions through preliminary reviews and its authority to approve transactions with affiliates and special related parties.

Strengthened Shareholders' Rights & Benefits

Shareholders

To help shareholders and investors to better understand and to build their trust in our company, Sebang discloses its quarterly performance report and sustainability report on the company website and the Financial Supervisory Service's DART (Data Analysis, Retrieval and Transfer) system. In addition, foreign shareholders can download and view our company profile and our sustainability report in English at our English-language website.

Meanwhile, whenever a fact arises that could have a major impact on our investment decisions, or when an important matter of corporate business management occurs, we inform the market immediately.

Based on common shares as of the end of 2022, Sebang's total issued stocks amount to 19,308,690 shares, among them E&S Global and eight others hold 44.62%, and securities finance holds 6.32% of the shares.

Status of Shareholders

*Based on common shares as of the end of 2022

Name of shareholders	No. of shares held (shares)	Shares held (%)
E&S Global and eight others	8,614,992	44.62
Securities finance	1,219,518	6.32
Others	9,474,180	49.06
Total	19,308,690	100.00

CORPORATE GOVERNANCE

Strengthened Shareholders' Rights & Benefits

Dividend Policy

Sebang considers its continuous growth as well as the return of profits to the shareholders in a balanced manner. Based on the strategic conviction that continuous investments are vital to maintaining stability and growth, we pay stable dividends while considering the dividend payout ratio and yield ratio. Dividends are distributed pursuant to a resolution by the board of directors and the regular general shareholders' meeting according to the company's articles of association.

Dividend Information in 2022

Classification	Unit	2022
Total cash dividends	KRW 1 mil.	6,535
Dividends per share	KRW	300 common shares/ 305 preference shares
Dividend payout ratio	%	6.19

Gathering of Shareholders' Opinions

Sebang notifies shareholders of a meeting four weeks in advance of the regular general shareholders' meeting, and communicates with them by disclosing the phone number and e-mail address of the department in charge of IR on its website. Sebang also delivers company information to all shareholders through the Financial Supervisory Service and the Korea Exchange's DART (Data Analysis, Retrieval and Transfer) system. In the event of a major change in the company's business, we announce it publicly and actively gather the opinions of our shareholders.

Executive Indemnity Insurance

Sebang guarantees its responsibility for compensation in the event of managerial negligence so that the members of the BOD and company executives can rest assured and concentrate on their business management activities. We have subscribed to damage insurance according to the law in order to cover shareholders or a third party in the event that company executives incur economic damages due to a wrongful act in the performance of duties.

In the event that an individual executive has liability of compensation to a shareholder or a third party, or losses are incurred by an executive, the company will compensate the due amount of damages. The persons subject to insurance subscription are registered officers, executive officers, and executives of a subsidiary, and the compensation limit is KRW 10 billion.

Introduction of Electronic Voting

Sebang has introduced an electronic voting system to resolve the difficulty in attending a faceto-face regular general shareholders' meeting. Notably, this system is an open service in which even non-shareholders can join as a member, unlike the existing electronic voting system. It provides a simple means of authentication and a portal function which provides information related to the regular general shareholders' meeting. In developing this system we aimed to provide a convenient way for a shareholder to attend a regular general shareholders' meeting and enhance the efficiency of the meeting.

ETHICS AND COMPLIANCE

Our Approach

Sebang provides ongoing ethics education for its employees to raise their awareness of the importance of ethics, and is establishing "Jeongdo" management by enhancing the internal control system. Through such efforts, we are preventing unethical behavior by the company and its employees and protecting the company's human and physical resources. Furthermore, by introducing the Compliance Program (CP), we will earn the trust of our stakeholders while pursuing continuous growth of the company.

Ethical Management System

Rule of Ethics

Sebang has enacted the Ethics Charter and the Code of Ethics, which are the main guidelines for realizing ethics, compliance management, and human rights management. The Ethics Charter integrates the resolution that takes the proper behavior of all executives and employees and value judgment as indicators, while the Code of Ethics defines the specific guidelines for performing one's duties to ensure compliance with the Ethics Charter. Based on this, our executives and employees are making proper decisions and ethical judgments in the course of performing their duties.



ETHICS AND COMPLIANCE

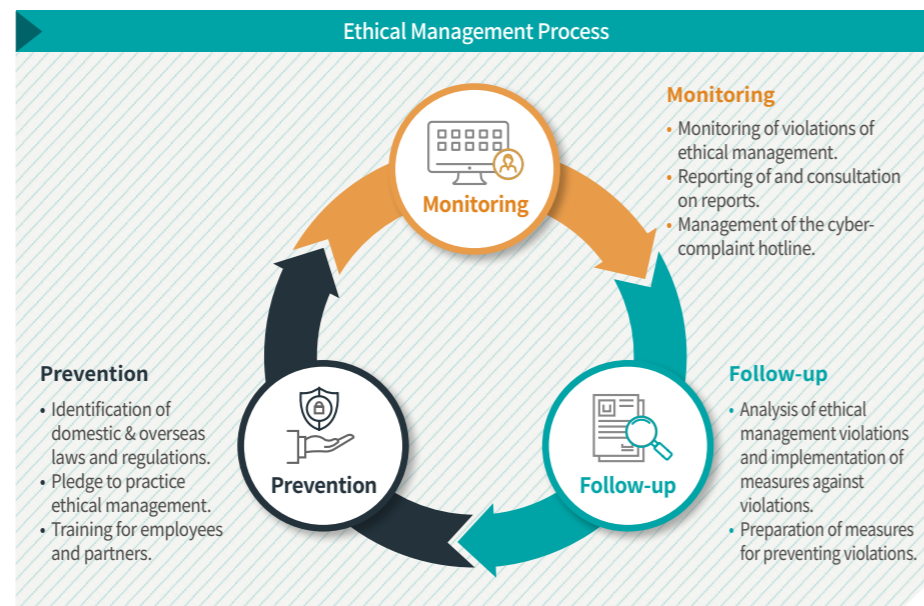
Ethical Management System

Ethical Management Organization

Sebang operates a separate ethical management team at the group level to manage its ethical management systematically. The team conducts training and internal audits to prevent corruption within the organization.

All Sebang executives and employees are required to prepare a written pledge on compliance and a pledge to comply with the fair trade rules every year, and they are also committed to practicing ethical management by signing a pledge to practice ethical management and a pledge to abide by the Improper Solicitation and Graft Act every two years. In addition, we have made it mandatory to sign a pledge to practice ethical management whenever a partner opens an account with the company, in order to spread the culture of ethical management.

Sebang is working hard to internalize ethical management within the organization by conducting periodic training on ethical management and operating the fair trade system to protect various stakeholders and markets and to fulfill its social responsibilities based on transparency, fairness, and the soundness of its business operations. We are actively communicating and cooperating with all of our stakeholders to ensure that the culture of ethical management takes root.



Human Rights Management

Sebang supports the international principles on human rights, such as the Universal Declaration of Human Rights and the ILO (International Labor Organization) Convention, and complies with domestic laws and regulations that reflect these principles. We are exerting every effort to guarantee the dignity of our stakeholders by enforcing regulations that prohibit discrimination based on race, religion, school ties, blood ties, gender, and physical disability, as well as preventing sexual harassment within the workplace.

We are also operating a cyber-whistleblowing channel where human rights violations can be reported.

Guidelines related to human rights within the Code of Ethics

Fair Trade

Training on Ethics and Fair Trade

Sebang is creating a culture of ethical management to ensure that we engage in transparent and fair corporate activities and fulfill our social responsibilities. Every year, we conduct periodic training on ethics for all employees and make it a requirement for new employees and career employees to complete introductory training on ethics. The content of the training goes beyond mandatory training for preventing sexual harassment and includes training on fair trade and anticorruption, and the company regularly engages in in-company campaigns to address these issues. Especially in 2022, we conducted training on fair trade for 77 employees in the first half of the year and 18 in the second half of the year in order to help employees in the sales division gain a clearer understanding of fair trade and to improve their attitude regarding compliance with the related laws and regulations.

Moreover, we are spreading the culture of ethical management to our domestic and overseas business sites and our partner companies. We have made it mandatory to sign a written pledge to abide by the code of ethics, and are providing content on ethics training via e-mail. Sebang is leading the way in eradicating illegal and unfair practices and corruption by establishing a culture and system of ethical management in order to foster an ethical management mindset in all our executives and employees.

Introduction of the CP Program

Sebang formed a new compliance organization in order to establish an internal compliance system and to preemptively manage legal risks related to fair trade according to the increased social demand for compliance management, and introduced the Compliance Program (CP) in 2022. The Compliance Program is a compliance system operated for companies to comply with the regulations related to fair trade.

To this end, we underwent a diagnosis of the fair trade risks by the Fair Competition Federation in 2022, and we have since prepared a regulation and an organization for operating the Compliance Program. We will continue to establish a culture of compliance by building an internal monitoring system according to the action plan related to CP for each year.



Formation of the Compliance Team for fair trade/legal compliance

Goal of CP Operation

- To maintain a transparent corporate culture that pursues ethical management and Jeongdo management.
- To realize a sustainable company through ESG management.
- To prevent corporate risks by blocking legal violations in advance.
- To pursue stable company growth by strengthening the respect for the law.

ETHICS AND COMPLIANCE

Whistle-blowing System for Ethical Management

Standard Fair Trade Contract

Sebang operates a standard contract management process to standardize and to strengthen monitoring according to each type of business contract. This applies to all partners and customers. We are also managing and analyzing the preparation of contracts and the revision history of contracts. We have enhanced efficiency in signing a contract by using digital signatures based on work transparency and security, and are contributing to the establishment of fair trade with our partner companies.

Cyber Complaint Hotline

Sebang receives reports about employees' acceptance or borrowing of money and valuables, acceptance of entertainment, unreasonable demands, abuses of power, and sexual harassment within the workplace through the cyber-complaint hotline on the company website, and processes them as private and confidential matters.

Whistleblowers can report violations via the Internet, phone or letter, and the company prohibits any disclosure or implication of their identity without their consent. If a whistleblower suffers disadvantages due to a failure to comply with this policy, the company restores the reputation of the whistleblower and fulfills its responsibilities accordingly. Furthermore, we are striving to establish a sound whistle-blowing culture by rewarding whistle-blowers and providing exemption clause.

In 2022, there were three reported cases of ethical management violations. As a result of checking the related facts, seven specific violations were confirmed, and warnings were given or disciplinary actions taken.

Measures Taken for Violations of Ethical Management (Unit: Case)

Classification		2020	2021	2022
No. of cases investigated	No. of cases investigated	1	2	3
Details of actions taken	Warning	1	1	3
	Disciplinary actions	-	1	4

Cyber Complaint Hotline

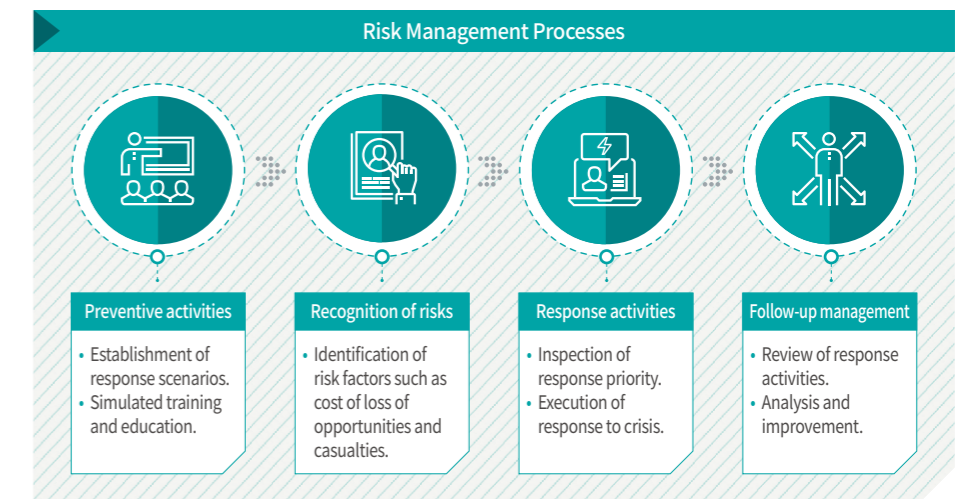


RISK MANAGEMENT

Risk Management System

Sebang identifies potential risks that may occur in the future, and provides strategies and procedures by which the organizations concerned can prepare and respond to such risks. We identify each risk that may have an impact on our financial status, and carry out preventive activities as well as activities for recognizing, responding to, analyzing, and improving risks according to the risk management process.

In addition, we have organized a crisis response task force for each type of risk situation to clarify which company entities are subject to risks, and are managing company-wide financial and non-financial risks by dividing up the appropriate roles between departments. In the case of major risks, we identify the possibility of their occurrence, and carry out preventive activities, including establishing scenarios and conducting training so that we can respond to them preemptively.



Financial Risks

Sebang's financial risks are classified into market, credit, liquidity, and capital risks. To minimize these risks, the top management periodically checks and assesses the operational status with the person in charge of finance. Furthermore, we secure the reliability of the accounting information by strengthening the internal accounting management system, and prevent acts of corruption, such as embezzlement.

• Market Risk

Market risk refers to a risk of fluctuations in the value or profit of a financial product due to the effect of market prices. Generally speaking, it is classified into, and managed as, foreign exchange risk and interest rate risk. Assuming that the Korean Won exchange rate against a major foreign currency rises (falls) by 10% while periodically assessing the foreign exchange rate exposure of foreign currency bonds in order to manage the foreign currency risk, the company reviews by conducting simulations to estimate their impact on the profit and loss of the current and previous period. In addition, regarding exposure to interest rates, we are also simulating various scenarios while considering the refinancing and renewal of existing borrowings. We also calculate the profit and loss effect according to the interest rate fluctuations defined based on such a scenario.

RISK MANAGEMENT

• Credit Risk

Credit risk refers to a risk in which the debtor is not making a payment due to their insolvency or refusal of payment. Sebang has established a credit risk management policy to recognize and systematically manage the signs of insolvency in a customer. We assess credit risks by using financial information and information from credit rating agencies when engaging in transactions with a new company, and we also periodically check the credit rating of all our customers.

• Liquidity Risk

Liquidity risk refers to the risk of the inability to repay a short-term loan on time due to a worsening business environment and deteriorating financial market conditions. Sebang periodically estimates the cash flow and liquidity plans so as to manage liquidity risks, manages the funds of all branch offices, and comprehensively manages liquidity management tasks. We will respond to liquidity risks according to potential shortages of funds in the future by maintaining an appropriate amount of savings and checking accounts.

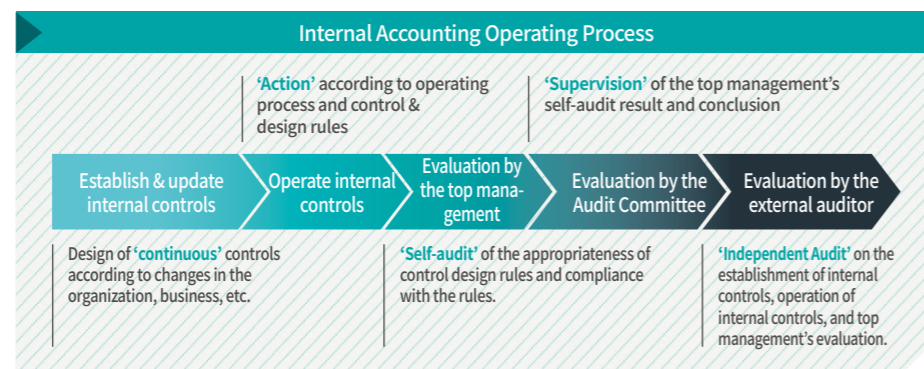
• Capital Risk

Sebang's management of capital risks is aimed at maximizing our shareholders' profits by maintaining a sound capital structure. We monitor key financial ratios, including the debt ratio and current ratio, every month to achieve the optimum capital structure, and also manage financial stability indicators while attempting to improve the company's financial structure continuously.

Internal Accounting Management System

Sebang is working hard to provide reliable financial information and enhance the transparency of its accounting information. In 2022, the company conducted design evaluation, operation evaluation, and external audit by work process, and as a result of an inspection by an independent auditor of the internal accounting management operating system and the internal control system, the company earned the audit opinion of 'Qualified.' In July of the same year, we checked our response to major changes by conducting a training session for the Audit Committee - the supervisory authority for internal accounting management - on preventing and detecting embezzlement by utilizing the internal accounting management system.

In early 2023, we expanded and restructured the existing internal control team as the Compliance Team, and thus established a preemptive management system in preparation for legal risks related to internal accounting and fair trade. In the future, we will continuously upgrade the internal accounting management system by improving the shortcomings identified by an external audit, and we will communicate and collaborate with our subsidiaries systematically. Moreover, we will establish and run an internal accounting management system based on the audit for consolidated financial statements, and respond in such a way that we conform to the newly tightened standards according to the requirement for mandatory external audits (by 2024).



Non-financial Risks

Sebang manages not only financial but also non-financial risks that may have a significant impact on its sustainable management. We are securing the sustainability of our business by managing and responding to all risks the company may encounter, including those related to health and safety, environment, fair trade, and IT systems.

• Health & Safety Risks

Since newly establishing the Safety Management Part in 2021, Sebang has recruited employees with experience in safety management and reinforced it in each branch office. We have organized a joint safety management task force with group companies in order to conduct joint inspections of health and safety, and we receive autonomous safety consulting from external specialized organizations. Furthermore, we are increasing investments in the safety sector every year in order to expand the health and safety infrastructure. Above all, we have adopted safety training sessions and daily spot inspections to prevent safety accidents, and take immediate action against risk factors at our worksites.

Meanwhile, we have periodically measured and improved the work environment to manage the health of our employees at our business sites, and are protecting the health of our workers from harmful factors in the workplace.

• Environmental Risk

Sebang formed the Green Logistics Management Committee to continuously monitor the government's policy and regulations for responding to climate change, and manages its environmental impact by controlling air pollution and the discharge of waste at its business sites. Moreover, we have introduced an IT-based system for managing energy logistics to systematically control company-wide greenhouse gas emissions and engage in activities to reduce them.

• Disaster Risks

Sebang is building a system that can respond to natural disasters or calamities centered on the Emergency Response Committee at its head office. We have developed disaster scenarios based on highly likely situations at each branch office, and are equipping ourselves with the ability to respond to disasters at all times by carrying out random drills exercises.

• Legal and Fair Trade Risks

Sebang has established an internal audit and review process to comply with the regulations and abide by the principles of fair trade. The company organization, dedicated to legal affairs, responds periodically to risks regarding the law and lawsuits. In addition, we have formed a compliance team to conduct internal controls related to fair trade and introduced the Compliance Program (CP), and are making efforts to comply with the related regulations. By diagnosing fair trade risks, we have identified the relevant risks and set up a response strategy. Furthermore, we have formed the Internal Trading Committee for internal audits and are periodically monitoring the status of compliance.

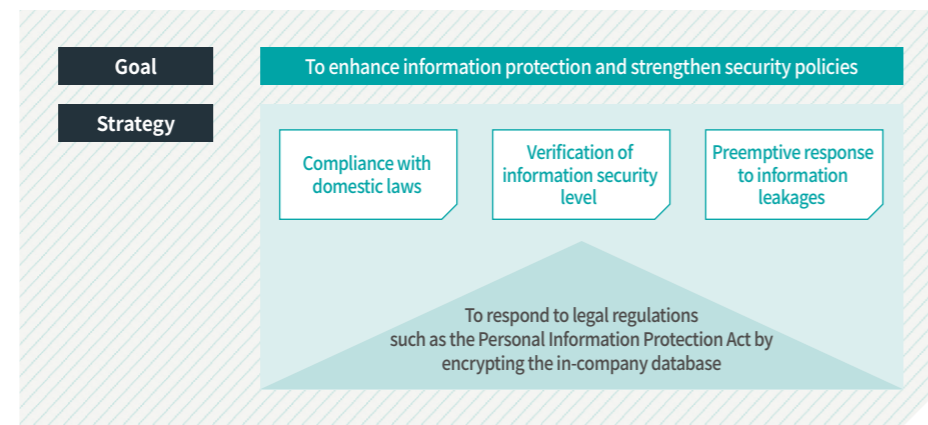
• IT System Risks

Sebang performs periodic backups of data to prevent damages due to computing accidents. The company is equipped with a system reactivation system based on situational analysis, collaboration with IT service providers, and reorganization of the network according to the recovery process in the event of damages. Furthermore, we make assurance in the emergency recovery of data through a separate disaster recovery center within the Sebang R&D Center.

INFORMATION PROTECTION AND SECURITY

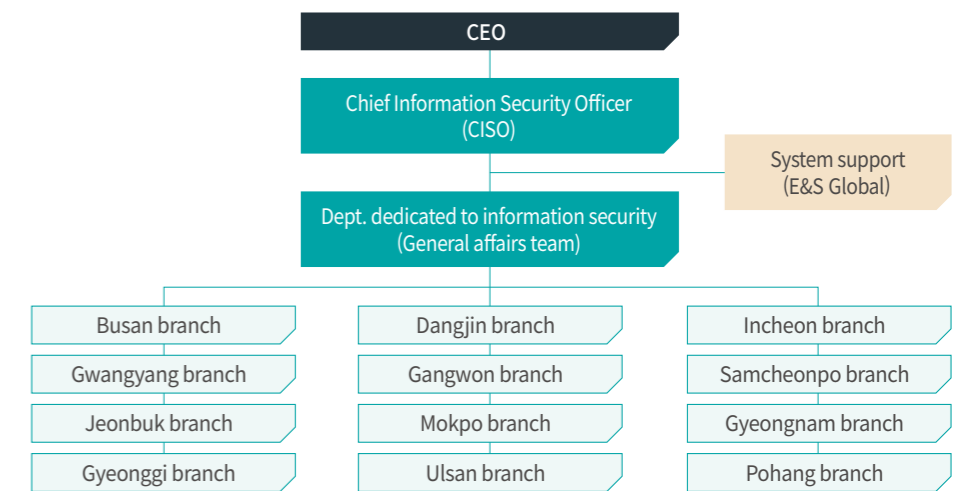
Information Security System

Sebang complies with domestic and overseas regulations related to personal information protection, operates a policy for personal information protection, and carries out systematic security activities. Since 2005, we have gradually built up the group's integrated data center and secured stability and efficiency through the integrated management of IT assets. In 2020, we set the group's standard information security policy for business stability and competitiveness, and organized and began operating the policy systems, including detailed procedures, and guidelines, etc. We have documented the security system based on the group company's standard and overhauled the organizational system, and are preventing security accidents by raising each individual employee's awareness of the importance and necessity of their security duties.



Information Security Organization

Sebang's information security organization is centered on Sebang Group's Information Protection Committee, which is composed of the chief information security officer (CISO) and information security managers. The company appoints an executive with professional expertise and technique in the area of information security as the CISO (chief information security officer) according to the in-company information security regulations. Sebang Group's Information Security Council and the department dedicated to information protection inspect the plan, review and approve company-wide security duties and information security risks.



Information Security IT History

<p>2005</p> <ul style="list-style-type: none"> Established the group's integrated data center. Received an award at the 1st Electronic Trade Awards (Ministry of Commerce, Industry and Energy (MOCIE)). Awarded the Grand Prize at the 3rd Marine Logistics e-Biz Awards (Korea Association of Shipping and Logistics). Awarded the Excellence Award at the 9th Korea e-Business Awards (MOCIE). <p>2006</p> <ul style="list-style-type: none"> Established Sebang's integrated information system. <ul style="list-style-type: none"> SIS (SEBANG Integration System). Transitioned to the Web system. Established a company-wide integrated network. <p>2008</p> <ul style="list-style-type: none"> Awarded the Grand Prize at the 2008 IT Innovation Awards (Ministry of Knowledge Economy). <p>2011</p> <ul style="list-style-type: none"> Establish the redundancy system <ul style="list-style-type: none"> Provided a seamless service to customers. 	<p>2012</p> <ul style="list-style-type: none"> Acquired the AEO Certification. <ul style="list-style-type: none"> Acquired the certification for logistics system information technology. Established the integrated security system. <p>2013</p> <ul style="list-style-type: none"> Launched the E&S Global IT service. <ul style="list-style-type: none"> Executed the group affiliates' IT specialty service. Personnel integration for the IT specialty service. <p>2015</p> <ul style="list-style-type: none"> Awarded the Grand Prize at the 3rd Software Industry Protection Awards (Ministry of Science, ICT, and Future Planning). <p>2016</p> <ul style="list-style-type: none"> Established Sebang's next-generation system. <ul style="list-style-type: none"> Standardized the logistics work (PI/BPR). Established the SENTER, SAP ERP systems. Yield logistics costs. 	<p>2018</p> <ul style="list-style-type: none"> Executed a block chain-based export customs clearance logistics service project (Korea Customs Service). <p>2019</p> <ul style="list-style-type: none"> Built an IT-applied high-tech logistics center. <ul style="list-style-type: none"> the refrigeration/freezing monitoring system. <p>2020</p> <ul style="list-style-type: none"> Established the important data disaster recovery system. <ul style="list-style-type: none"> Established data cloud backup for customers. Established the Group's standard information security system. <ul style="list-style-type: none"> Formed the Group's Information Protection Committee/ Information Security Council. Received the Grand Prize at the 2020 Global e-Business Awards (Global e-Business Association). 	<p>2022</p> <ul style="list-style-type: none"> 2022 Information security disclosure <ul style="list-style-type: none"> The Act on Promotion of the Information Security Industry, Article 13 (Information Security Disclosure), Enforcement Decree of the Same Act, Article 8 (Information Security Disclosure). Disclosed information security activities to a customer. <p>2023</p> <ul style="list-style-type: none"> Relocated the group's integrated data center (Sebang main building, 3F→2F). <ul style="list-style-type: none"> Secured the stability/continuity of the IT service. <p>2024</p> <ul style="list-style-type: none"> Built the Group-integrated data center's DR (Disaster Recovery) Center. <ul style="list-style-type: none"> Built the DR Center within the Sebang R&D Center. Secured the continuity of the IT service.
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INFORMATION PROTECTION AND SECURITY

Establishment of the Information Protection Management System

Sebang is clarifying the roles and responsibilities related to information protection within the organization according to the in-company information security regulations and guidelines. The company protects its information assets using security technologies such as firewalls, intrusion detection systems, encryption, and access control.

We conduct an annual self-assessment and external assessment of the level of our information security, and enhance it by encrypting personal information and strengthening the security policy. In 2020, as the amount of handled personal information of third parties increased due to the expansion of the B2C and e-commerce businesses, we built a database encryption system that complies with the Personal Information Protection Act.

In the future, we will build the Group-integrated Data Center's DR (Disaster Recovery) Center. We are also planning to secure business continuity even amid crises such as natural disasters, cyber-attacks, etc.

Information Protection Activities

Sebang periodically inspects and diagnoses the security level of its information security network and identifies its vulnerabilities by evaluating company-wide information security activities every six months. Notably, the company has prevented data leakage accidents by strengthening the management of key customer information, and has raised awareness about information security by designating the second Wednesday of every month as 'Information Security Day.' As a result, there were no leakages of information or legal violations related to personal information protection in the past three years.

Current status of Sebang's information security activities in 2022

- Enactment and revision of the information security regulations and guidelines.
- Bi-annual activities by the information security committee of group companies.
- Monthly activities by the Information Security Council of group companies.
- Designation of the monthly "Information Security Day" to raise security awareness among Sebang executives and employees.
- Introduction and operation of security systems (upgraded data leakage prevention system, simulated training against malicious mail, server access control, etc.).
- Security control monitoring.
- Introduction of solutions for diagnosing system vulnerabilities (scheduled to analyze vulnerabilities in 2023).
- Periodic personal information/information security training for executives and employees.
- Production and announcement of security PR materials related to information security.

APPENDIX

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- 111 AEO Certifications

MAJOR FINANCIAL INFORMATION

Summary Consolidated Financial Statements

(Unit: USD 1 thousand)

Classification	As of the end of Dec. 2020	As of the end of Dec. 2021	As of the end of Dec. 2022
Current assets	245,605	298,338	278,383
Non-current assets	824,843	747,398	735,848
Total assets	1,070,449	1,045,736	1,014,231
Current liabilities	173,598	192,699	170,017
Non-current liabilities	112,439	99,441	49,694
Total liabilities	286,037	292,139	219,711
Capital	10,569	9,659	9,104
Capital surplus	25,417	23,228	21,895
Other accumulated comprehensive income	28,806	21,274	25,162
Profit surplus	604,105	599,093	647,388
Capital adjustment	112,795	97,930	88,756
Equity attributed to noncontrolling interests	2,720	2,412	2,215
Total capital	784,412	753,597	794,520

Summary Consolidated Inclusive Income Statement

(Unit: USD 1 thousand)

Classification	2020	2021	2022
Sales	713,695	923,312	997,026
Sales cost	649,459	841,456	902,625
Gross profit on sales	64,236	81,856	94,401
Sales and administrative expenses	50,348	56,403	59,517
Operating income	13,887	25,453	34,884
Other income	1,474	12,890	778
Other expenses	7,513	4,363	4,647
Financial earnings	6,088	6,039	15,843
Financial expense	4,867	6,571	9,685
Equity method income	29,335	29,471	13,750
Net profit before corporate tax	38,404	62,919	50,921
Corporate income tax expenses	10,770	17,147	-30,617
Net profit of current term	27,633	45,771	81,538
Other comprehensive profit or loss	372	1,576	7,669
Total comprehensive profit	28,006	47,348	89,207

Subsidiary Companies subject to Consolidation

(As of the end of 2022)

Company name	Key business lines	Grounds for controlling relations
Hankook Shipping Co., Ltd.	International freight forwarding service	
Sungjin Industrial Co., Ltd.	Steel import/export	
Sebang Express Co., Ltd.	Import/export, domestic sales & shipping brokerage services	
SBNL Co., Ltd.	Inland transportation, maritime freight transport and other transportation service	
Sebang Gwangyang International Logistic Co., Ltd.	Inland transportation, maritime freight transport and other transportation services	50% or more equity holding
SEBANG VINA	Warehouse and transportation brokerage services	
Daeil Special Transportation Ltd.	Transportation and services	
Sebang Inland Transportation Co., Ltd.	Inland transportation, brokerage services	
Semyeong Inland Transportation Co., Ltd.	Transportation brokerage and transportation service	
Sejin Inland Transportation Co., Ltd.	Freelance cargo transportation service	
Gwangdeok Enterprise Logistics Ltd.	Inland cargo trucking service and others	
SEBANG BELGIUM LOGISTICS B.V.	Warehousing	

Creation and Distribution of Economic Values

(Unit: USD 1 thousand)

Classification	Details	2020	2021	2022
Shareholders	Dividend	4,298	4,433	5,049
Executives and employees	Payroll, welfare and benefits	38,067	75,345	66,403
Partner companies	Cost of purchase of goods and services	682,575	877,718	831,917
Local communities	CSR expenses, donations	2,289	1,087	794
Government	Corporate tax and other taxes and excise duties	13,595	20,619	-29,696
Others	Other expenses (depreciation, etc.)	8,866	8,102	4,648
Retained earnings	Fluctuation of retained earnings	53,284	49,954	80,691
Total revenues	Sales, other revenues	851,162	1,079,393	1,013,646

SUSTAINABLE MANAGEMENT DATA

Status of Executives and Employees

Classification		Unit	2020	2021	2022
Status of executives and employees	By region	Domestic	714	699	774
		Overseas	3	3	5
	By type of employment	Executives	14	9	9
		Regular employment	648	631	652
		Contract-based employees	55	62	118
	Gender	Male	646	638	710
		Female	71	64	69
	By age	Under 30 years old	85	71	119
		30 - 50 years old	439	424	449
		50 years or older	193	207	211
Total			717	702	779
Administrative (Supervisor or higher)	Male	persons	278	269	274
	Female		6	6	9
Status of physically handicapped employees	No. of employee	persons	6	5	5

Status of Recruitment/Turnover

Classification		Unit	2020	2021	2022
Newly hired	Newly hired employees	persons	47	61	177
Status of turnover	Voluntary resignation	persons	27	23	41
	Employee turnover rate	%	3.8	3.3	5.3
Average no. of years of service		year	14	14	13

Status of Maternity and Nursing Leave Taken

Classification		Unit	2020	2021	2022
Those on maternity leave		persons	1	2	-
Those on nursing leave		persons	2	1	6
Return to work from nursing leave	No. of employees serving over one year	persons	-	2	1
	Percentage of employees serving over one year	%	-	100	100

Status of Education

Classification		Unit	2020	2021	2022
Education hours	Total no. of hours of education	hours	17,623	14,351	18,015
	Education hours/person	hours/person	27	22	27
Education expenses	Total education expenses	USD	86,954	113,516	169,397
	Education expenses/person	USD/person	131	177	256

Status of Labor Union Membership

Classification		Unit	2020	2021	2022
Total no. of employees*		persons	648	631	652
No. of union members		persons	389	390	381
% of union members		%	60.0	61.8	58.4

* The figures concerning the total number of employees were corrected to the number of personnel subject to labor union membership (regular employees).

Environmental Management

Classification		Unit	2020	2021	2022
Investment in/expenditure on environmental protection ¹⁾		USD	253,040	41,028	271,403
GHG emissions	Total GHG emissions	tCO ₂ eq	28,371	29,289	28,452
	Scope 1 emissions		22,564	23,114	22,276
	Scope 2 emissions		5,807	6,175	6,177
	Emissions intensity ²⁾	tCO ₂ eq/Sales(USD 100 thou.)	5.8	5.4	5.2
	GHG reduction performance	tCO ₂ eq	4,063	4,120	4,670
Energy used	Total energy used	TJ	440	460	448
	Power consumption		120	129	129
	Volume of fuel used		320	331	319
	Energy intensity ²⁾	TJ/Sales(USD 1 mil.)	0.90	0.85	0.82
Energy saving performance	TJ	55	54	66	
Service water used	Volume of service water used	ton	49,418	49,255	45,254
Discharge of wastes	Total waste generated	ton	669	458	1,053
	General waste		288	241	805
	Designated waste		381	217	248
	Volume of waste recycled		392	129	481
Waste recycling rate	%	59	28	46	
Violations of environment-related statutes ³⁾	Cases		1	0	0

1) Recalculated due to a change in the data aggregation method.

2) The unit volume of GHG and energy used is based on sales of non-consolidated financial statements.

3) Violations of environmental statutes in 2020 are related to the scattering of dust generated following Articles 43 and 92 of the Clean Air Conservation Act. Currently, the company is taking measures to reduce dust scattering, such as installing dust screens and operating dust-collection trucks and sprinkler trucks.

SUSTAINABLE MANAGEMENT DATA

Safety Management

Classification		Unit	2020	2021	2022
Rate of occupational injuries and deaths	Rate of occupational injuries and deaths	%	1.1	0.9	1.2
	Permanent employees	persons	1,032	1,387	1,380
	Number of victims	persons	16	22	26
Safety education	No. of hours of education	hours	16,154	14,068	15,596
	No. of employees who have completed education	persons	462	702	703

CSR Activities

Classification		Unit	2020	2021	2022
CSR Activities	Total no. of hours of participation	hours	-	-	186
	Total no. of participants	persons	-	-	31
	No. of hours of participation/person	hours/person	-	-	6

* CSR Activities

Social Contribution Donations

Classification		Unit	2020	2021	2022
Funds raised by executives and employees	Cash	USD	-	2,619	5,517
	Goods		38,979	30,553	42,469
Donations to social contribution organizations			147,698	58,788	139,082
Total		USD	186,678	91,959	187,068

Sebang Lee Eui-sun Foundation Expenses for Return of Profit to Society

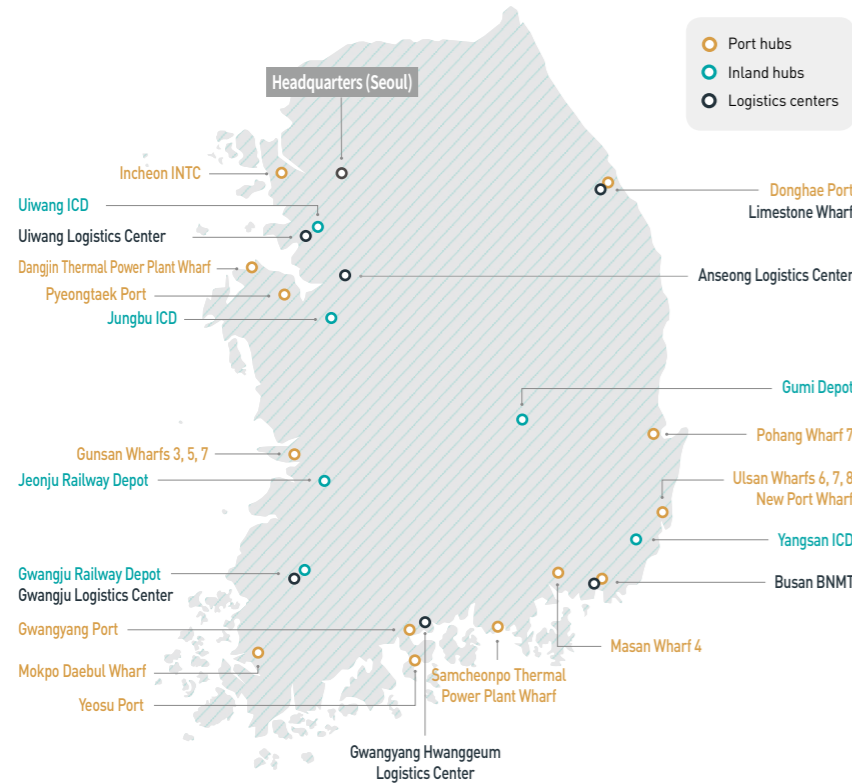
Major category	Sub-class category	Unit	2020	2021	2022
Support for welfare institutions	Flea market	USD	85,117	92,364	87,737
	Hope Switch ON		170,158	176,316	192,573
	Others		107,031	88,738	70,078
Support for low-income families	Youth scholarships		8,220	7,158	7,881
	Volunteer service for low-income families		0	0	7,727
	Support for low-income families		51,873	52,376	49,019
	Link with related agencies		42,035	8,729	3,802
Disaster emergency relief service			92,018	0	3,863
Support for low-income families in developing countries			3,624	4,365	9,991
Total		USD	560,075	430,046	432,671

CORPORATE HISTORY

1960's	1965	Company founded (Sebang Enterprise Co., Ltd.) and registered as a business for the issuance of affirmation documents.
	1966	Licensed for special automobile transport business, port stevedoring and transportation at Busan Port.
	1968	Established the Yeosu branch.
	1969	Obtained license for the marine cargo transport brokerage business.
1970's	1973	Established the Ulsan branch.
	1974	Established the Pohang branch.
	1976	Established the Incheon branch.
	1977	Initial public offering and stock listed.
	1978	Established the Seoul branch.
	1979	Established the Masan branch.
	1981	Licensed for the rental of construction equipment including forklifts and cranes.
1980's	1984	Established the Samcheonpo and Gyeongin branches.
	1985	Established the Donghae branch.
	1986	Established the Gwangyang branch.
	1989	Established the Jeonju branch and Gamman-dong CFS (Busan Uam CY).
	1991	Registered as a national trucking transport business.
	1993	Completed and moved into the Seoul headquarters building.
1990's	1994	Licensed for the integrated transport brokerage business, automobile transport mediation business, and integrated construction business.
	1996	Established the Gunsan and Mokpo branches.
	1999	Established the Dangjin branch.
	2000	Entered into a contract for exclusive right to use the 1x Gamman Pier Container Terminal at Busan Port, as well as acquiring loading equipment and peripheral equipment.
	2002	Secured the berth operation rights for Gunsan Port Pier 5, 57-58, operation of the LME business at Gwangyang Port and Busan Port.
	2004	Invested in Gunsan Container Terminal Operations, Ltd.
2000's	2005	Renamed the company from Sebang Enterprise Co., Ltd. to Sebang Co., Ltd.
	2006	Certified as an integrated logistics company.
	2007	Acquired the operation rights for Berths 3 and 4, West Wharf, Dangjin Port, Pyeongtaek, acquired the affiliated companies Sebang New Busan port Logistics Co., Ltd. and Sebang Gwangyang International Logistics Co., Ltd.
	2008	Opened the Seoul metropolitan area logistics center, acquired the affiliated company Mokpo Daebul Wharf Operation Co., Ltd.
	2009	Opened a multi-purpose wharf at New Busan Port.
	2010	Acquired the affiliated company Sebang New Busan Port Container Depot Co., Ltd., designated as the operator of Gunsan Wharf No. 7.
	2011	Expanded the capital area logistics center at Anseong, opened general merchandise piers (berths 79, 79-1).
2010's	2013	Opened the Gwangyang Port Sebang General Wharf and the New Ulsan Port Wharf and Logistics Center, acquired the AEO certification.
	2015	Founded the Vietnam corporation (SEBANG VINA).
	2016	Launched the SECD tank/container cleansing service, started sales of petroleum (Sebang Co., Ltd. Maeil Gas Station, Gwangju,) constructed the SEBANG VINA Logistics Center.
	2017	Acquired certification as an "Outstanding Green Logistics Company".
	2018	Appointed as the operator of Berth No. 65 Daebul Wharf, Mokpo Port, constructed a solar power plant at the logistics center at New Busan Port.
	2019	Upgraded and renewed the AEO certificate (AA grade), opened capital area logistics center 3 (cold chain) at Anseong, and acquired Sungjin Industrial Co., Ltd.
2020's	2020	Founded the container transportation platform company Translab Co., Ltd., opened a logistics center at Pohang-Yeongil Bay Port, appointed as the operator of New Gunsan Port's stevedoring service.
	2021	Opened a logistics center (SINL) at New Incheon Port.
	2022	Founded Sebang's Belgium corporation.

DOMESTIC NETWORK

To provide the very best integrated logistics services, Sebang has established a stable domestic logistics network by securing logistics centers at thirteen port hubs nationwide and at inland hubs and logistics centers in key regions.



Domestic Hubs/Logistics Centers

13 port hubs	Holder of stevedoring licenses for 13 ports, including Busan, Incheon, and Gwangyang ports, etc.
11 inland hubs	Gwangyang Steel Shipping Yard, Uiwang ICD, Yangsan ICD, Jungbu ICD, Gumi Depot, Jeonju CY, Busanjin CY, Uam CY, Yongdang CY, Jeonju/Gwangyang Railway Depot
10 logistics centers	Anseong Logistics Center, Hwanggeum Logistics Center, Uiwang Logistics Center, Pohang-Mundeok Logistics Warehouse, Donghae Logistics Warehouse, Gwangju Logistics Center, Ulsan Logistics Warehouse, Masan Logistics Warehouse, Gunsan Logistics Warehouse, New Busan Port Logistics Center

Location of Operations

Classification	Key business lines	Location
Head-quarters	Strategic Planning Division Business Management Division Sales Division	433 Seolleung-ro, Gangnam-gu, Seoul (Yeoksam-dong)
Branches (12)	Busan branch	Rental and transportation service 127 Uam-ro, Nam-gu, Busan (Gamman-dong)
	Gyeonggi branch	Rental and transportation service 39 Changmal-ro, Uiwang city, Gyeonggi province
	Gwangyang branch	Rental and transportation service 45 Taein 4-gil, Gwangyang city, Jeollanam province (Taein-dong)
	Jeonbuk branch	Rental and transportation service 4th floor, 169 Sandan-nambuk-ro, Gunsan city, Jeollabuk province (Osikdo-dong)
	Gyeongnam branch	Stevedoring, transportation, storage, heavy cargoes 23 Bongam-gongdan 14-gi, Masan-heowon-gu, Changwon city, Gyeongsangnam province
	Pohang branch	Rental and transportation service 508 Naengcheon-ro, Ocheon-eup, Pohang city, Gyeongsangbuk province
	Incheon branch	Rental and transportation service 227 Seohae-daero, Jung-gu, Incheon (7-ga, Hang-dong)
	Ulsan branch	Rental and transportation service 311-116 Sanam-ro, Onsan-eup, Wulju-gun, Ulsan
	Mokpo branch	Rental and transportation service Sebang Co., Ltd., 2nd floor, 629 Daebul-ro, Yeongam-gun, Jeollanam province
	Gangwon branch	Rental and transportation service 210 Daedong-ro, Donghae-si, Gangwon-do (Songjeongdong)
	Samcheonpo branch	Rental and transportation service 1 Hai-ro, Hai-myeon, Goseong-gu, Gyeongsangnam-do (inside Samcheonpo Thermal Power Plant)
	Dangjin branch	Rental and transportation service 30 Gyoro-gil, Seokmun-myeon, Dangjin-si, Chungcheongnam province (inside the Dangjin Thermal Power Plant)

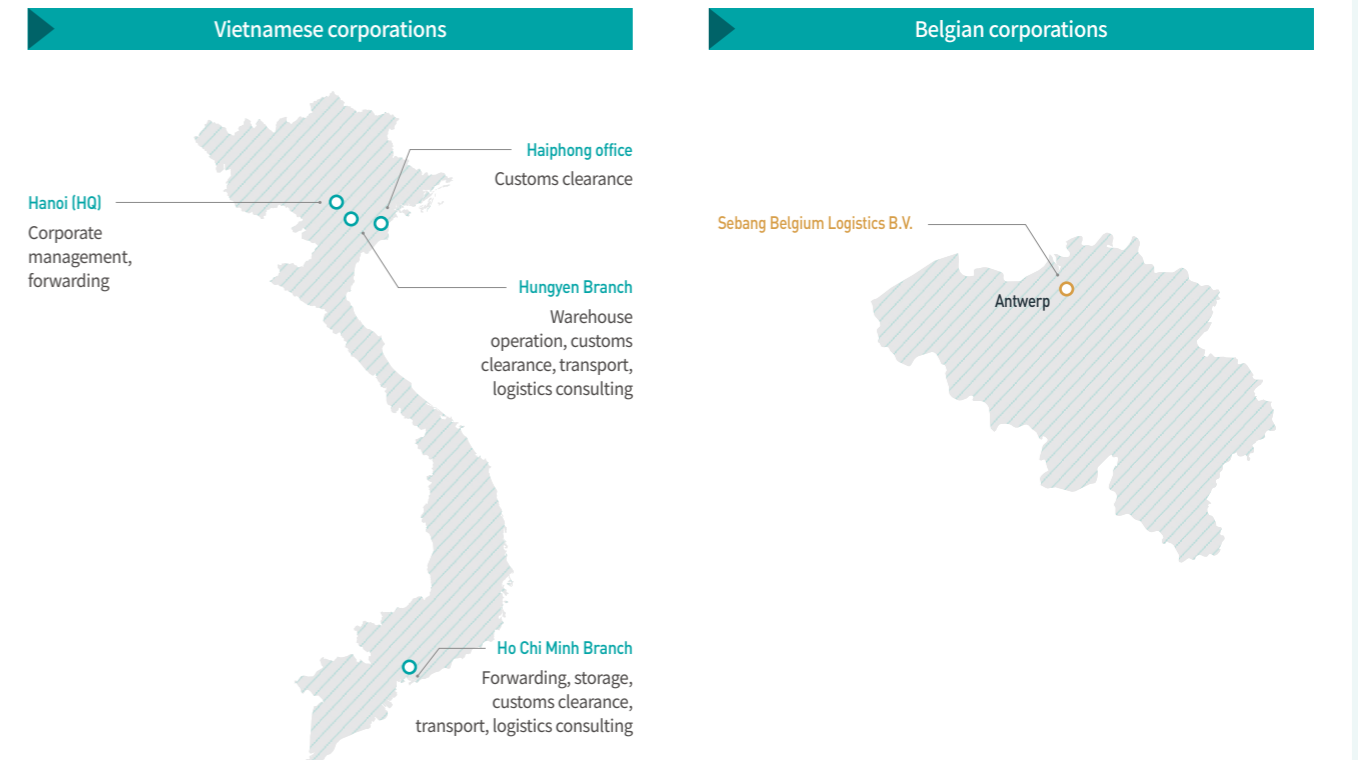
Status of Major Equipment Possessed

Classification	Location
Reach stacker	Empty 5
	Full 5
Multi-module transporter	6 axes 26
	4 axes 6
Crane	Power pack 12
	Transfer crane 1
	Gantry crane 5
Loader	Harbor crane 4
	Skid loader 4
Coil carrier	Wheel loader 15
	9
Forklift trucks	29
Excavator	4

OVERSEAS NETWORK

Sebang's Vietnamese corporations include Sebang Vina, which operates logistics centers at its Hanoi headquarters and in the Hungyen region in northern Vietnam, and PactraSebang Vina, a joint venture company located in Ho Chi Minh City, which performs forwarding, customs clearance, and transport services, etc.

Sebang's Belgian corporation provides international logistics services throughout the supply chain, ranging from the international shipping of EV battery modules manufactured by Sebang Lithium Battery to storage at the local logistics center.



Vietnamese corporations

Name	Location
Sebang Vina	Hanoi
PactraSebang Vina	Ho Chi Minh

Vietnam offices

Classification	Duties
Hanoi headquarters	Corporate management, forwarding
Hungyen Branch	Warehouse operation, customs clearance, transport, logistics consulting
Ho Chi Minh Branch	Forwarding, storage, customs clearance, transport, logistics consulting
Haiphong office	Customs clearance

Belgian corporations

Name	Location
Sebang Belgium Logistics B.V.	Antwerp, Belgium

Belgium offices

Classification	Duties
Antwerp Head Office/Warehouse	Stevedoring and custom clearance of imported EV batteries, quality inspection, re-packing, inventory management

GRI CONTENT INDEX

Universal Standards (General Disclosures, GRI 2)

Topic	GRI Disclosure	Report Page	Note
GRI 2 : The organization and its reporting practices	2-1 Organizational details	10	
	2-2 Entities included in the organization's sustainability reporting	About this report	
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	2-4 Restatements of information	99	
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GRI 2 : Activities and workers	2-6 Activities, value chain and other business relationships	10-24	
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GRI 2 : Governance	2-9 Governance structure and composition	80-83	
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	2-11 Chair of the highest governance body	81	
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GRI 2 : Stakeholder engagement	2-29 Approach to stakeholder engagement	6, 7, 29	
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Universal Standards (Material Topics, GRI 3)

Topic	GRI Disclosure	Report Page	Note
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	3-3 Management of material topics	31	

Topic-specific Standards (Economic Performance, GRI 200)

Topic	GRI Disclosure	Report Page	Note
GRI 201 : Economic Performance	201-1 Direct economic value generated and distributed	97	
GRI 203 : Indirect Economic Impacts	203-1 Infrastructure investments and services supported	75-79	
	203-2 Significant indirect economic impacts	33	
GRI 205 : Anti-Corruption	205-1 Operations assessed for risks related to corruption	-	Not executed
	205-2 Communication and training about anti-corruption policies and procedures	87	
	205-3 Confirmed incidents of corruption and actions taken	88	

Topic-specific Standards (Environmental Performance, GRI 300)

Topic	GRI Disclosure	Report Page	Note
GRI 302 : Energy	302-1 Energy consumption within the organization	99	
	302-2 Energy consumption outside of the organization	-	Not calculated
	302-3 Energy intensity	99	
	302-4 Reduction of energy consumption	99	
	302-5 Reductions in energy requirements of products and services	-	Not calculated
GRI 303 : Water and effluents	303-5 Water consumption	99	
GRI 305 : Emissions	305-1 Direct (Scope 1) GHG emissions	40, 41, 99	
	305-2 Energy indirect (Scope 2) GHG emissions	40, 41, 99	
	305-3 Other indirect (Scope 3) GHG emissions	-	Not calculated
	305-4 GHG emissions intensity	41, 99	
	305-5 Reduction of GHG emissions	41, 42	
	305-6 Emissions of ozone-depleting substances (ODS)	-	Not calculated
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	Not calculated
GRI 306 : Waste	306-3 Waste generated	99	
	306-4 Waste diverted from disposal	43, 99	

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	403-2 Hazard identification, risk assessment, and incident investigation	56-59	
	403-3 Occupational health services	59	
	403-4 Worker participation, consultation, and communication on occupational health and safety	50	
	403-5 Worker training on occupational health and safety	50, 51	
	403-6 Promotion of worker health	59	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	50, 55, 58	
	403-8 Workers covered by an occupational health and safety management system	-	All employees and cooperative company workers
	403-9 Work-related injuries	100	
GRI 404 : Training and education	403-10 Work-related ill health	-	Not calculated
	404-1 Average hours of training per year per employee	99	
GRI 405 : Diversity and equal opportunity	404-2 Programs for upgrading employee skills and transition assistance programs	66, 67	
	405-1 Diversity of governance bodies and employees	68, 81, 98	
GRI 406 : Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	-	No cases
GRI 413 : Local communities	413-1 Operations with local community engagement, impact assessments, and development programs	74-79	
	413-2 Operations with significant actual and potential negative impacts on local communities	-	None
GRI 416 : Customer health and safety	416-1 Assessment of the health and safety impacts of product and service categories	56, 57	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	None
GRI 417 : Marketing and labeling	417-2 Incidents of non-compliance concerning product and service information and labeling	-	None
	417-3 Incidents of non-compliance concerning marketing communications	-	None
GRI 418 : Customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	None

SASB STANDARD TABLE

The SASB (Sustainability Accounting Standards Board), an independent non-profit organization founded in 2011, has developed reporting standards by which companies across the world can deliver financially important sustainability information and data to their investors. The following table has been prepared based on the industrial standards for 'Air Freight and Logistics' in accordance with the SASB Sustainability Industrial Classification System.

Topics and Accounting Indicators for Disclosure of Sustainability				
Topics	Measurement Indicators	Unit	SASB code	Contents of report (as of 2022)
Greenhouse Gas Emissions	Gross global Scope 1 emissions	tCO ₂ -eq	TR-AF-110a.1	22,276
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	TR-AF-110a.2	Sebang operates the Green Logistics Management Committee. It has set the goal of reducing its GHG emissions by 25% by 2030 compared to emissions in 2017. The company is reducing its GHG emissions by changing the existing means of cargo transportation from by land to railway. In addition, the company is also replacing decrepit or ageing, obsolete vehicles (equipment) with fuel efficient vehicles (equipment). To manage such performance, the company is operating an IT system for logistics energy.
	Fuel consumed by (1) road transport, percentage (a) natural gas and (b) renewable, and (2) air transport, percentage (a) alternative and (b) sustainable	GJ, %	TR-AF-110a.3	(1) Not being reporting (2) No air transportation service
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , and (3) particulate matter (PM ₁₀)	Metric tonne (t)	TR-AF-120a.1	Not being reporting
Labor Practices	Percentage of drivers classified as independent contractors	%	TR-AF-310a.1	100 (Private 51%, Corporate 49%)
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations ²	USD	TR-AF-310a.2	Not being reporting
Employee Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	%	TR-AF-320a.1	(1) 1.2
Supply Chain Management	Percentage of carriers with BASIC percentiles above the FMCSA intervention threshold	%	TR-AF-430a.1	Not being reporting
	Total greenhouse gas (GHG) footprint across transport modes	tCO ₂ -eq	TR-AF-430a.2	22,002
Accident & Safety Management	Description of implementation and outcomes of a Safety Management System	-	TR-AF-540a.1	Sebang holds the KOSHA-MS certification, the health & safety management system of all branch offices, and runs a safety management system optimized for the characteristics of the logistics industry. The company engages in evaluation and improvement activities in line with the annual safety management plan.
	Number of aviation accidents	Number	TR-AF-540a.2	No air transportation service
	Number of road accidents and incidents	Number	TR-AF-540a.3	Not being reporting
	Safety Measurement System BASIC percentiles for: (1) Unsafe Driving, (2) Hours-of-Service Compliance, (3) Driver Fitness, (4) Controlled Substances/Alcohol, (5) Vehicle Maintenance, and (6) Hazardous Materials Compliance	%	TR-AF-540a.4	Not being reported

GREENHOUSE GAS EMISSION VERIFICATION STATEMENT

KMR has verified Sebang Co., Ltd.'s GHG emissions (Scope 1, 2) (as of 2022).

Scope	All business sites and emission facilities under operational control of Sebang Co., Ltd.
Standards	<ul style="list-style-type: none"> • ISO 14064-1:2006, ISO 14064-3:2006 • IPCC Guidelines for National Greenhouse Gas Inventories (2006) • Operational guidelines on the reporting and certification of emissions under the GHG emissions trading scheme.
Limitations	The verification contains inherent limitations that may arise during the process of applying standards and methods.
Conclusion	<ul style="list-style-type: none"> • The verification of GHG emissions has been performed to satisfy a reasonable level of guarantee in accordance with the verification standards. • No significant errors have been detected in the calculation of emissions during the verification process; therefore, KMR states that it has been calculated under appropriate management of the related activity materials and evidence. We hereby conclude that the "2022 GHG emissions" of Sebang Co., Ltd. have been correctly calculated and stated. • Materiality: Satisfied the standard below 5%.

(Unit: tCO₂-eq/yr)

GHG emissions	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total (tCO ₂ -eq)	
2022	22,276	6,177	28,452	
Energy Consumption	Fuel	Electricity	Steam	Total (TJ)
2022	319	129	0	447

※ The figures for Scope 1 and Scope 2 emissions are taken from the statement the company submitted to the Ministry of Environment.

May 19, 2023

KMR CEO **Hwang Eun-ju**

E. J. Hwang

THIRD PARTY ASSURANCE STATEMENT

To readers of SEBANG 2023 Sustainability Report

Introduction

Korea Management Registrar (KMR) was commissioned by SEBANG to conduct an independent assurance of its 2023 Sustainability Report (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of SEBANG. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with SEBANG and issue an assurance statement.

Scope and Standards

SEBANG described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards 2021
- Universal standards
- Topic specific standards
 - GRI 205 : Anti-corruption
 - GRI 302 : Energy
 - GRI 305 : Emissions
 - GRI 403 : Occupational Health and Safety

As for the reporting boundary, the engagement excludes the data and information of SEBANG' partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report's performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by SEBANG to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external

sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with SEBANG on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

SEBANG has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

SEBANG has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

SEBANG prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of SEBANG' actions.

Impact

SEBANG identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021-2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with SEBANG and did not provide any services to SEBANG that could compromise the independence of our work.

June 2023 Seoul, Korea



CEO **Hwang Eun-ju**
E. J. Hwang

AWARDS & CERTIFICATIONS AND ASSOCIATION MEMBERSHIPS

Awards & Certifications (since 2020)

Name of award & certification	Date/Remarks
Grand Prize at the Global e-Business Awards	Jun. 2020
Grand Prize at the Global Standard Management Awards	Nov. 2020
Selected as an Excellent Partner of SK Nexilis	Dec. 2020
Enterprise with an Excellent Labor-Management Culture	Jul. 2021
AEO (Certified as an Outstanding Company in Import & Export Safety Management)	Dec. 2023 (Expiration date)
ISO 14001 certified (all branches)	Individual renewal maintained
KOSHA- MS certified (all branches)	Individual renewal maintained
Certified as an 'Excellent Service Quality Company in Korea	Jul. 2024 (Expiration date)

Association Memberships

Korea Enterprises Federation	Korea Food Cold Chain Association
Korea Listed Companies Association	Construction Association of Korea
Korea Chamber of Commerce	Korea AEO Association
Korea Port Logistics Association	Korea Customs Logistics Association
Korea Integrated Logistics Association	Korea Electrical Contractors Association
Korea Logistics Association of Railroad	Korea Fair Competition Federation
Korea International Trade Association	Korea Industrial Safety Association

AEO CERTIFICATIONS

Status of AEO Certifications

	Classification	Address	Bonded area operator	Bonded transportation service operator	Stevedoring service operator	
Seoul	Home Office, Seoul	433 Seolleung-ro, Gangnam-gu, Seoul (Yeoksam-dong)	0	0	0	
Busan	Gamcheon LME	18, Gamcheonhang-ro 291beon-gil, Saha-gu, Busan (Gupyeong-dong)	0	0	0	
	Jungbu ICD	745-86, Yeoncheong-ro, Yeondongmyeon, Sejong	-	0	-	
	Busan Jungang-dong Office	2F, 9, Chungjang-daero 13 beon-gil, Jung-gu, Busan	-	0	-	
	Seobusan Sales Office	26, Songjeong-gil, Gangseo-gu, Busan (Songjeong-dong)	-	0	-	
	Yongdang CY	326, Sinseon-ro, Nam-gu, Busan (Yongdang-dong)	0	0	-	
	Uam CY	127 Uam-ro, Nam-gu, Busan (Gammandong)	0	0	-	
Changwon	Changwon Branch	13 Yangdeok-ro, Masan-hoewon-gu, Changwon-si, Gyeongnam	-	0	0	
Samcheonpo	Samcheonpo branch	1 Hai-ro, Hai-myeon, Gosung-gun, Gyeongnam	-	-	0	
Gwangyang	Gwangyang LME	545 Konbudu-ro, Gwangyang-si, Jeonnam (Doi-dong)	0	0	-	
	Logistics Operation Team 1 (Bulk Transportation part)	45 Taein 4-gil, Gwangyang city, Jeonnam province (Taein-dong)	-	0	-	
	Gwangyang Stevedoring Team (Product Wharf)	1655-426 Jecheollo, Gwangyang city, Jeonnam (Geumho-dong)	-	-	0	
	Gwangyang branch	460 Konbudu-ro, Gwangyang-si, Jeonnam (Doi-dong)	0	0	0	
	Gwangju Hanam Station CY	10 Hanam-daero, Gwangsan-gu, Gwangju (Hanam-dong)	-	0	-	
	Lotte Advanced Materials Logistics Operation Part	15 Hangnam-7, Gwangyang-si, Jeollanam-do (Doi-dong)	0	0	-	
	Yeosu Logistics Operation Part	87 Samdong-ro, Yeosu-si, Jeonnam (Jusam-dong)	-	0	0	
	Gunsan	Gunsan Transport Team	145 Oehangan-gil, Gunsan-si, Jeonbuk (Soryong-dong)	0	0	-
		Gunsan Stevedoring Team	145 Oehangan-gil, Gunsan-si, Jeonbuk (Soryong-dong)	0	0	0
		Gunsan Office	169 Sandan-nambuk-ro, Gunsan-si, Jeonbuk (Osikdo-dong)	0	0	0
	Jeonju CY	6 Sinheung-maeul-gil, Deokjin-gu, Jeonju-si, Jeonbuk	-	0	-	
Mokpo	Mokpo branch	629 Daebul-ro, Samho-eup, Yeongamgun, Jeonnam	-	-	0	
Ulsan	Ulsan branch	311-116 Sanam-ro, Onsan-eup, Wuljugun, Ulsan	0	0	0	
Pohang	Pohang Stevedoring Team	375-40 Dongchon-dong, Nam-gu, Pohang-si, Gyeongsangbuk-do	-	-	0	
	Pohang branch	508 Naengcheon-ro, Ocheon-eup, Pohang city, Gyeongbuk province	0	0	0	
	Yeongil Bay Warehouse	286 Yeongilmanhang-ro, Heunghae-eup, Buk-gu, Pohang city, Gyeongsangbuk province	0	-	-	
	Operation of POSCO Logistics Service	#506, 89 Haegwan-ro, Jung-gu, Busan	-	0	-	
Dangjin	Dangjin branch	30 Gyoro-gil, Seokmun-myeon, Dangjinsi, Chungnam province	-	-	0	
Incheon	Incheon branch	227 Seohae-daero, Jung-gu, Incheon (Hang-dong)	0	0	0	
Gyeonggi	Gyeonggi branch	39 Changmal-ro, Uiwang-si, Gyeonggi-do (Yi-dong)	0	0	-	
	Seoul Region Physical Center No. 1	325 Yangseong-ro, Yangseong-myeon, Anseong-si, Gyeonggi-do	0	0	-	
	Seoul Region Physical Center No. 3	San-22, Yihyeon-ri, Yangseong-myeon, Anseong city, Gyeonggi province	0	-	-	
Gangwon	Gangwon branch	210 Daedong-ro, Donghae-si, Gangwondo (Songjeong-dong)	-	-	0	



2023 Sebang Sustainability Report

Report Publication Task Force

Report part	Department	Person in charge
Supervision	General Affairs Team	Yoon Il-jin, Team Leader
		Yoon Jung-woo, Senior Staff
Environment, Safety, Win-Win, Green logistics, Social Contribution		Lee Jong-ho, Part leader,
		Kim Hyeon-jin, Assistant manager,
		Kim Woo-jae, Employee
Internal Accounting	Compliance Team	Kim Eui-jung, Senior Staff
Business Overview, New Business	Planning Team	Kim Wang-geun, Senior Staff
HR, Labor, Welfare	HR Team	Jeong In-chaе, Senior Staff,
		Park Jun-seob, Senior Staff
Economy	Finance Team	Lee Hoon, Senior Staff
Customers	Sales Strategy Team	Kim Geon-gi, Senior Staff
	Sales Team	Han Gook, Senior Staff
	Overseas Logistics Business Team	Kim Nam-hyeon, Senior Staff
Partner Companies	Contract Management Part	Hong In-gi, Part Leader
	Transportation Management Team	Youn Tae-gue, Team Leader
Overseas business	Vietnam Logistics Service Division	Park Sang-nam, General Director
	Belgium Logistics Service Division	Cho Woo-seung, Managing Director

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Logistics for Better Life!

Sebang will never stop innovating to a better business,
and a better life under our commitment to constantly
renew our customers' way of life according to the ceaseless
evolution of our speed, our solutions and our services.



Global Moving Network
SEBANG