# Beyond logistics
# Beside you

LX Pantos Sustainability Report 2023




LX Pantos

# ABOUT THIS REPORT

## Overview

With the aim to communicate with stakeholders about our ESG strategies, sustainable progress, and future directions in a transparent manner, we have decided to publish our first sustainability report. Going forward, we will disclose and share our efforts, developments, and achievements on this journey towards ESG management through the publication of sustainability reports.

## Reporting Period and Boundaries

This report covers our sustainability activities and performance from January 1, 2022 through December 31, 2022. Key operations in the first half of 2023 are also included to give readers a better understanding. The scope of this report includes the economic, social, and environmental performance of the Headquarters of LX Pantos, with the performance of its subsidiaries excluded. And we added footnotes or gave explanations for some of collected data to specify their scope.

## Reporting Principles and Framework

This report aligns with the Global Reporting Initiative (GRI) Standards 2021. When it comes to financial performance, it follows the Korean version of International Financial Reporting Standards (K-IFRS). And in order to reflect key issues related to the nature of the industry, we comply with the framework of the Sustainability Accounting Standards Board (SASB).

## Data Assurance

The data in this report have been verified by BSI, an independent verifier, in order to ensure the reliability and accuracy of this report. The results are available on page 63.

## Inquiries

Please contact us for any inquiries for further information regarding the report.

Team in charge : ESG Team, LX Pantos
Address : 58 Saemunan-ro, Jongno-gu, Seoul, Republic of Korea
Homepage : https://www.lxpantos.com
Date of issuance : March 2023

### INTERACTIVE PDF READER'S GUIDE

This 2023 Sustainability Report is published in the form of interactive PDF with the added functions of directing to relevant pages and associated web pages.

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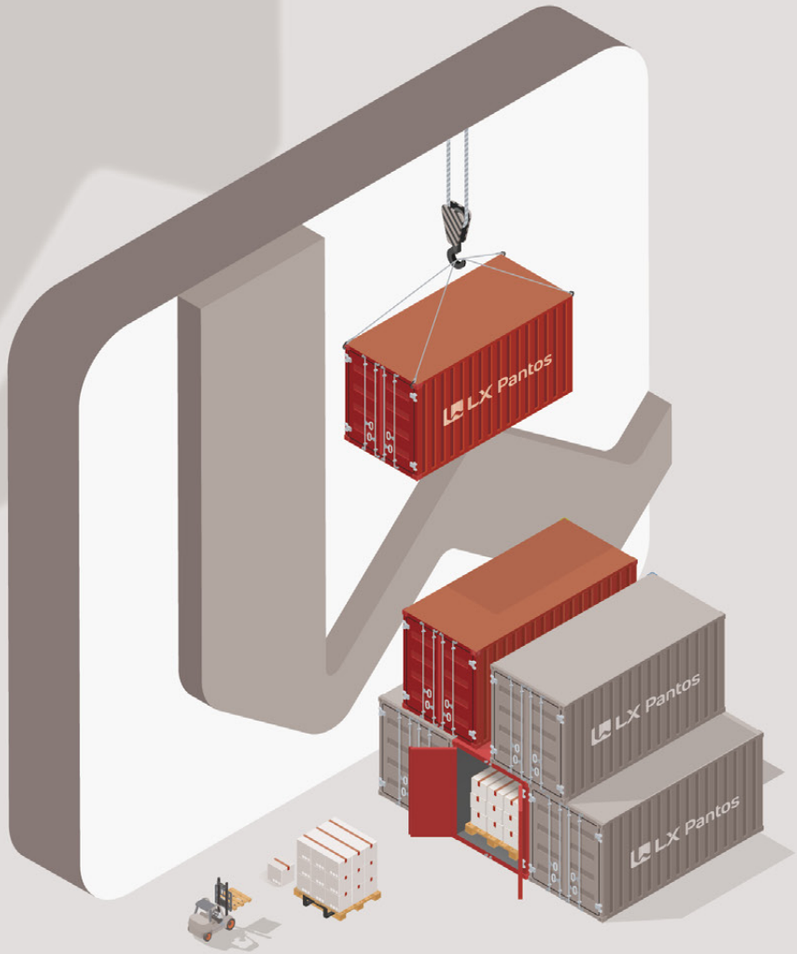

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# Overview




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# CEO Message



## Dear stakeholders,

2022 was a year of constant change in our lives and trends in logistics. The logistics industry was in the grip of the prolonged COVID-19 pandemic, suffering from the sluggish global economy. There has been a growing demand for companies not only to achieve economic growth but also sustainability, and to take their social and environmental responsibility. In addition, the international community has tightened ESG-related regulations and evaluations. We are also faced with a growing demand for ESG management within our supply chain.

Against this backdrop, we made 2022 an inaugural and meaningful year of laying the cornerstone for a sustainable future and ESG management in the logistics industry through multifaceted efforts, including the formulation of ESG management strategies. This first sustainability report is a great demonstration of our journey towards sustainability. Going forward, LX Pantos will put ESG management into action in following directions, thereby unlocking a sustainable future and delivering value beyond logistics services.

**We will make global logistics greener.**
To this end, we will embed environmental management into every corner of our business to combat climate change and minimize our negative impact on the environment. In detail, we will set up an environmental management system along with the establishment and management of relevant goals. On top of that, we will actively join global environmental initiatives so that we can have a greater positive impact on the environment.

**We will lay the foundation for all our stakeholders, including partner companies and local communities, to grow together.**
Our focus will be on the creation of an environment where all supply chains and partner companies linked to us will join the efforts towards ESG management. To this end, we will conduct ESG evaluations, and at the same time, introduce a program for shared growth, thereby providing a practical ground for all stakeholders to work together on ESG activities. In addition, social contribution activities will be carried out to create a culture where we can go hand in hand with local communities to attain growth and happiness.

**We will deliver responsible management built on our transparent and well-organized management system.**
With the aim of meeting the demand for ESG management from stakeholders including customers, a systematic process for non-financial and ESG risk management will be established. And we will make the ESG permeate all levels of business management while forging a system to monitor and manage the progress. Through these efforts, we will disclose our sustainable progress in a transparent manner.

Dear esteemed stakeholders, LX Pantos will unwaveringly stand at the forefront of ESG management, and I look forward to your support and interest on our journey towards full-fledged ESG management.

Thank you very much.

CEO Choi Won-hyok

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# Stakeholder Interviews

**LX Pantos pays attention to its stakeholders to reflect their opinions and feedback in its business operations. For the publication of our first sustainability report, we reached out to a wide range of stakeholders to understand their thoughts in regard to the ESG issues we have to foc us on as well as the directions in which we will be heading for sustainable progress.**

### "We will take one step closer to eco-friendly logistics"

Weighing up a company's sustainable growth requires us to look into the environmental and social value as well as the soundness of its governance structure in addition to its financial performance. Regarding ESG management as a factor deciding the survival, we have made multifaceted efforts towards full-fledged ESG management. As part of the effort to boost the implementation of ESG management, we created a dedicated ESG team to work with business divisions in the form of TFT in 2022 while using external consulting services to build up our ESG system and selecting key tasks to be done. With a focus on ESG management as a new growth engine, we will manage ESG-related risks in a proactive manner and reinvent our management system as a sustainable one.

**Maeng Yun-ju**, Manager of Business Support Office, LX Pantos



### "For the take-off towards green aviation logistics"



Aviation logistics requires more advanced technologies and incurs much higher costs for decarbonization compared to other industries, which makes it more difficult for the air cargo industry to mitigate carbon emissions. Despite this challenge, global demand for air transportation is being on the rise, which has led to more stringent regulations worldwide on the operation of aircraft powered by fossil fuels to reduce their environmental impact. In response, LX Pantos established a partnership with Air France-KLM for the first time in Korea to facilitate the use of sustainable aviation fuel (SAF). I expect LX Pantos to continue its journey towards the sustainable air freight industry down the road.

**Kim So-young**, Korean Branch Manager of Air France-KLM Cargo

### "The Sustainability of LX Pantos is closely linked to that of LG Energy Solution"



LG Energy Solution has taken advantage of the service provided by LX Pantos, named Pantos View System that enables us to find the best routes for shipping, deliver goods in containers, track every shipment, and respond to risks including the one posed by climate. This service ensures just-in-time delivery at the locations designated. Likewise, LX Pantos' various activities to accomplish sustainable management contribute to enhancing our sustainability. In this sense, I want LX Pantos to be committed to delivering ESG management that leads to co-prosperity with customers.

**Kim Myeong-ryong**, Team Leader of LG Energy Solution

### "Hoping that LX Pantos will grow into a leading player that drives ESG management in the logistics industry"

No industry is immune to ESG management. The logistics industry is not an exception. Logistics may be the industry that is required the most to play a leading role in delivering ESG management. Considering the impact that logistics companies have on the environment, labor issues, and their role in global supply chains, logistics firms are an integral part of ESG management, affecting shippers within supply chains. In Korea, listed companies are the main players in terms of ESG management, aiming to responding to investors or related evaluations. And most of them approach from the perspective of social contribution or eco-friendliness. LX Pantos has been demonstrating its iron will towards ESG management, which is evidenced by its diverse ESG-related activities in the logistics industry despite its position as an unlisted company. In addition, it has pursued sustainable management so that it can fulfill its social responsibility, and create not only financial but also environmental value. If LX Pantos continues its efforts to put ESG management into action, taking business sustainability into account in line with the LX Group being at the forefront of ESG management, it will evolve into a leading company that drives ESG management in the logistics industry. Expectations are high for what LX Pantos will achieve through its ESG operations.

**Shin In-sik**, Managing Editor of Korea Logistics News



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# Company Overview

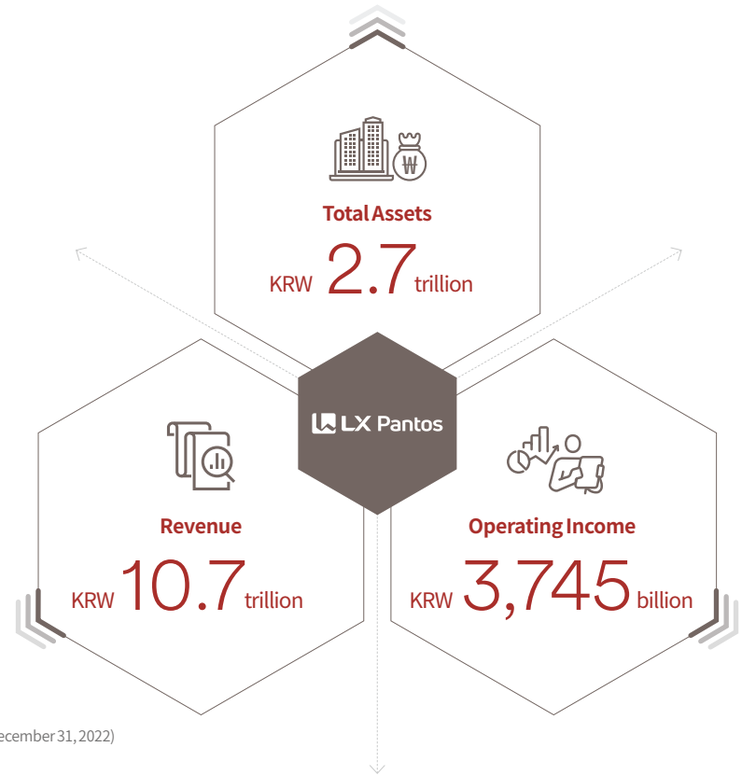
## Introduction

Founded in 1977 as 'Bumhan Huengsan Corporation', we went through 'Pan Korea Express', and finally became 'LX Pantos' in 2021, a logistics company that provides a full suite of logistics services. Up to this time, we have never relented in challenging ourselves in pursuit of customer value. With seamless 360 networks across the world, we provide comprehensive logistics services for 13,000 domestic and overseas clients across a wide variety of industries, including electronics, construction, distribution, and many more, thereby solidifying our stature as a global logistics company.

Going forward, we will establish ourselves as a leading smart logistics firm through intensive investments in logistics IT. To satisfy customers and earn their trust, we will be persistent in making innovation-driven progress with distinguished full-service logistics.

(As of 31 December, 2022)

| | | | |
|---|---|---|---|
| Company Name | LX Pantos Co., Ltd. | Date of Establishment | February 1977 |
| CEO | Choi Won-hyok | No. of employees (HQ) | 2,012 |
| HQ Location | 58 Saemunan-ro, Jongno-gu, Seoul, Republic of Korea | Main Business Area | Logistics |




(As of December 31, 2022)

**Key Business Areas**




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## Business Areas

### Freight Forwarding

#### Sea Freight

Based on its massive freight volume that amounts to approximately 1.53 million TEU per year, LX Pantos opens its bidding system called Global Bidding to global leading shipping firms to secure competitive freight rates every year. On the strengths of our robust partnerships with shipping companies around the globe, we provide safe, swift, and customized shipment services, taking advantage of our strategic prime service contracts and special services that meet the specific requirements of each shipping firm.

**Global sea freight volume**

Yearly 1,530,000 TEU

*as of 2022

**Global sea cargo capability**

Served 13,000 customers for maritime shipping

**Global network**

About 360 global networks across 40 countries

**Sea freight specialists**

About 900 in-house experts

#### Air Freight

LX Pantos is a leader in global air logistics, handling an annual cargo volume of around 1,400 cargo planes. We flexibly respond to the rapidly changing aviation market through strategic alliances with major airlines worldwide and the operation of dedicated aircraft. We provide optimal services with reasonable freight rates and stable allocation of freight space throughout the year to meet the needs of our customers.

**Air freight volume**

Yearly 122,000 tons

*as of 2022

**Global air cargo capability**

Served 1,700 customers for air shipping

**Global network**

About 360 global networks across 40 countries

**Air freight specialists**

About 500 in-house experts

**Achieved No. 1 spot in the shipment of exports by air**

14 years in a row (2008~2021)

#### Rail Freight

LX Pantos has accumulated know-HOW in inland rail transportation services encompassing Russia, CIS, Europe, and Central Asia for a number of years. With local subsidiaries and branches located at strategic logistics hubs, we have put spurs to the optimization of services, offering an unparalleled level of services at a competitive prices.

**Domestic rail freight volume**

Yearly 70,000 TEU

**In-house SOC**

20,000 TEU owned

**Global network (A total of 360 global networks)**

10 CIS networks across 3 countries

**Rail freight specialists**

About 300 in-house experts

**Operated our own SOC containers**

Yearly 17,000 TEU

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## Warehouse & Distribution(Contract Logistics)

LX Pantos provides comprehensive W&D services, living up to the demands of about 13,000 clients in various industries. We present thorough operation management built on the verified process, unparalleled logistics services combining Know-HOW and Know-WHERE, and optimal logistics solutions putting customer value first.

**International express service**

Yearly 23,000 TEU

**International express service specialists**

About 120 in-house experts

**Global international express service coverage**

Door-to-door express service available at around 220 countries

**Size of distribution centers worldwide**

3,620,000 m²

## Project Logistics

On the strength of our vast overseas network and heavy cargo transport and consulting capabilities, we have an unrivaled competitive edge in project logistics. In particular, our unique solution, 'Dynamic Simulation', enables us to build a supply chain strategy and execution plan (design, production, logistics, assembly, and construction) for various types of projects in the construction industry.

**Success Cases**

**North America Oil Sands Project**

200 F.tons*

*F.tons: Freight tons

**U.S. Wind Power Generation Plant Project**

700 miles

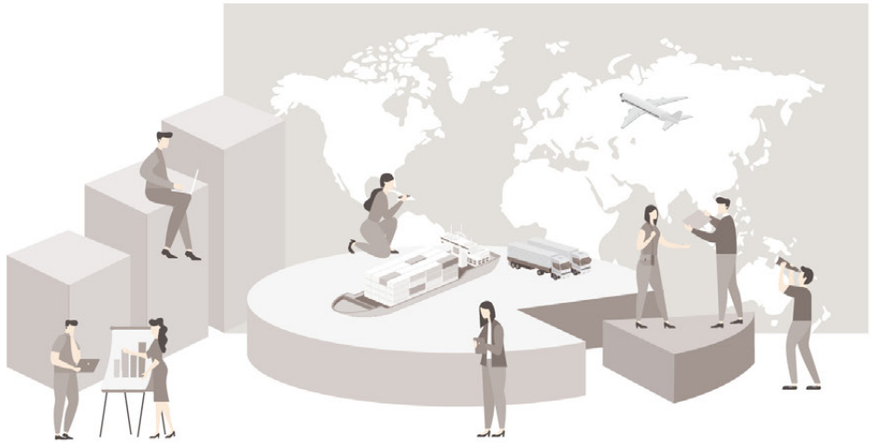
**Subsea Cable Transportation Solution Project**

20,000 km

**Yerevan CCPP** Project**

186 tons

**CCPP: Combined Cycle Power Plants





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## Express e-Commerce Logistics

LX Pantos provides the safest and fastest transportation service that delivers various EC products to the place where our customers want them to be. We offer a complete suite of logistics services at home and abroad related to e-Commerce, encompassing storage, pickup, domestic transportation, customs clearance, overseas transportation, fulfillment, and return of cargo. Besides, our EC integrated platform makes it easy for customers to easily check reservations, schedules, and cargo information in real-time.

**EC export volume**

Yearly 4,000,000 cases

**No. of domestic and foreign EC customers**

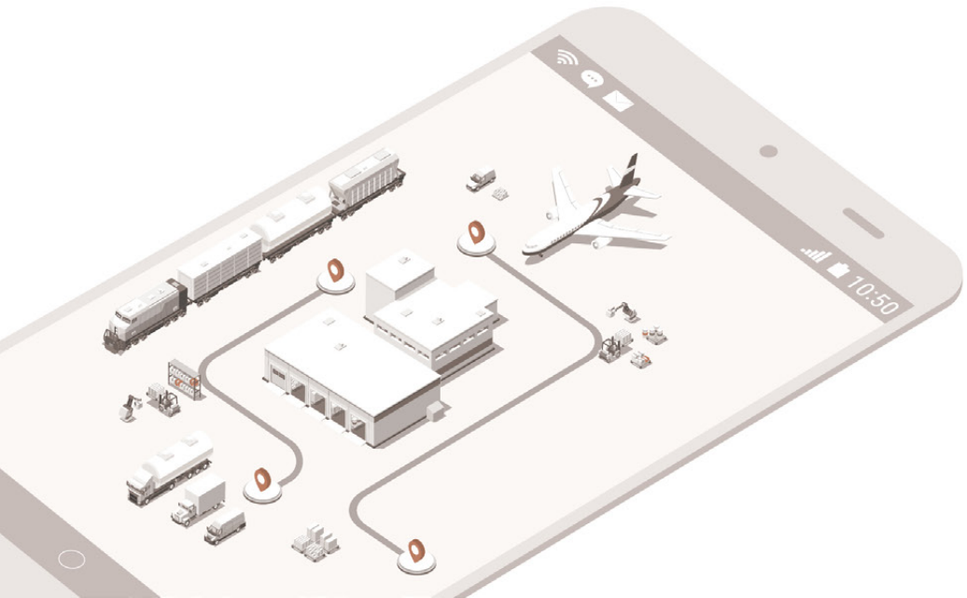
About 240 EC customers

**Global fulfillments**

71 overseas & 32 domestic FCs

**Global network**

About 360 global networks across 40 countries




## SCM & Logistics Consulting

With an aim to build and operate optimized logistics systems in all areas of SCM, we provide tailored logistics and transportation operation models for our clients. To this end, we analyze logistics functions, work processes, logistics systems, and costs. On top of that, we capitalize on our long experience and Know-HOW in the logistics sector as well as our unique logistics consulting methodology, PLCM*, to ultimately resolve the pain points of our customer's business.

**No. of consulting projects performed worldwide**

100 Cases



### Major Consulting Projects

① **LG Energy Solution (battery)** : Consulting for optimization of production and sales logistics hubs in North America / Europe
② **LX Hausys** : Consulting for the selection of domestic integrated base for interior business expansion and the warehouse CAPA calculation
③ **LS Automotive (automotive parts)** : Investment feasibility review for logistics automation facility introduction and consulting for the automation center design
④ **Hisense USA (home appliances)** : Consulting for mid- to long-term base optimization for sales logistics in North America
⑤ **Kumho Tire** : Consulting for the domestic replacement equipment (RE) base strategy and the logistics operation efficiency
⑥ **Shinsegae Casa (living furniture)** : Consulting for the domestic logistics operation strategy (furniture installation, base optimization, operation improvement, etc.)
⑦ **HAVE&BE (cosmetics)** : Consulting for the construction of new logistics center (focusing on the delivery operation design for 8 distribution channels)
⑧ **Samyang Foods (CPG)** : Consulting for the nationwide logistics network strategy and the delivery cost optimization

*PLCM : Pantos Logistics Consulting Methodology

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# Our History

## 1970 - 1999

1977 02 Established Bumhan Huengsan Corporation (air cargo agency)
1992 10 Registered as a multimodal transportation business
12 Changed the company name to PanKorea Express
1997 12 Established a bonded shed, and commenced bonded transportation business
1999 07 Commenced customs clearance business

## 2000 - 2010

2000 09 Established Ansan bonded shed for sales purpose and the Pyeongtaek HUB Warehouse
2001 04 Established Gimpo bonded shed for sales purpose
2002 12 Obtained ISO 9001:2000 certification
2003 10 Awarded the 11th Korea Logistics Grand Prize
2005 10 Selected as the business of the year by the Economic Review
11 Completed the construction of Incheon Airport Logistics Center
2006 03 Selected as an exemplary foreign-invested business in Shanghai
03 Awarded the Korea Logistics Society Grand Prize
07 Changed the company name to Pantos Logistics
2007 11 Obtained the total logistics company certification from the Ministry of Construction and Transportation
2008 02 Developed the first domestic paperless air shipment electronic system
07 Awarded the Excellent Innovation Company Grand Prize by The Korea Economic Daily
11 Obtained the bonded shed license in Russia
2009 02 Awarded the Conspicuous Trading Business Prize by the Korea Trade Research Organization
08 Listed in the Guinness World Record for transporting the world's largest heaviest cargo by air
09 Won the world's first Outstanding e-Freight (air freight electronic documentation) Company from IATA
2010 04 Established a subsidiary company Helistar Air
06 Won the grand prize at Korea Logistics Awards
09 Completed the construction of Busan Newport Logistics Center
10 Obtained ISO 28000 certification

## 2011 - 2020

2011 04 Started international rail freight business
08 Acquired ISO 14001 certification
11 Received the IATA Korea Excellent Partner Award
12 Certified as a total logistics company of the Ministry of Oceans and Fisheries
2012 01 Established the Incheon Airport Logistics Center 2
04 Became the first logistics firm in the industry to open an Integrated Logistics Control Center
06 Selected by the Ministry of Land, Transport and Maritime Affairs as a global logistics company to promote nationally
11 Certified as a 'Green Logistics Company' by the Ministry of Land, Transport and Maritime Affairs
2013 01 Became the TAPA-certified Incheon Airport Logistics Center (A-grade)
02 Opened global integrated logistics system 'Pantos GSI' for the first time in the logistics industry in Korea
03 Pantos HQ acquired AEO certification (freight forwarder)
10 Opened Pyeongtaek Logistics Center
2015 04 Received a letter of commendation for communication relating to international mail flight operation
08 Obtained OHSAS 18001 certification
11 Took over HiLogistics
Selected as Global Procurement Leader by KOTRA
12 Appointed Choi Won-hyok as CEO
2016 03 Started air charter operation between Korea and China
08 Merged Pantos Logistics and HiLogistics
2017 02 Acquired AEO certification in Hong Kong and Thailand
04 Changed the company name to Pantos Logistics
2018 01 Established 'Hanultari Co., Ltd.', a work place for persons with disabilities
10 Established the Sihwa MTV Center
2019 01 Opened W.Icheon warehouse
Acquired AEO Certification as a bonded area operator
Obtained Certified Green-Logistics Company status from Ministry of Land and Transport
07 Obtained a certificate of a qualified business for Korean Good Supply Practice (KGSP)
10 Obtained integrated information protection ISMS-P (Information Security & Personal Information Security Management System) certification for the first in the logistics industry
2020 04 Acquired ISO 13485 certification
05 Won the grand prize at 23rd Korean Logistics Awards of Korea Logistics Society in the large company sector
06 Obtained CEIV Pharma certification (IATA) for the first time as the domestic logistics company

## 2021 -

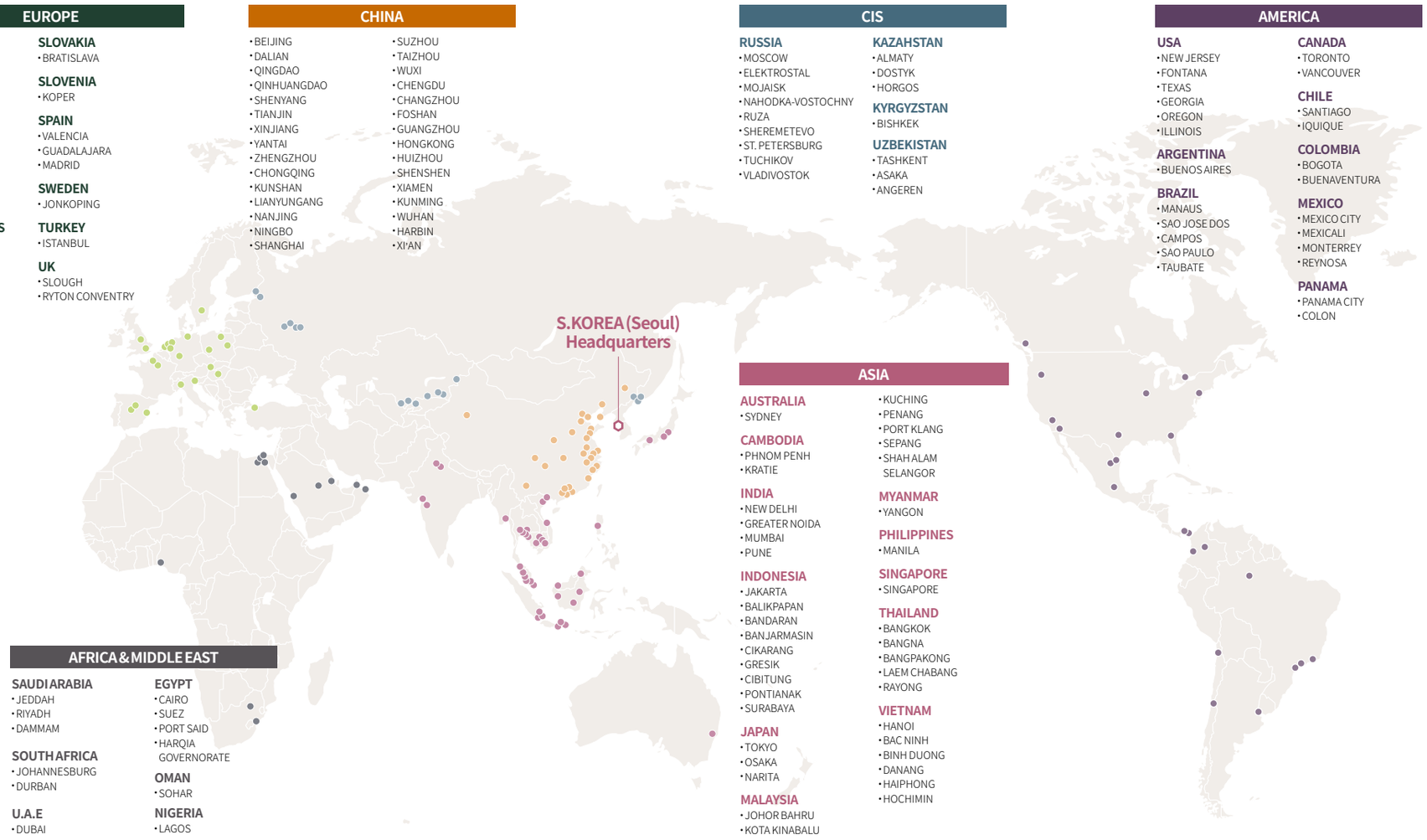
2021 05 Awarded a first-class rating by the Ministry of Maritime Affairs and Fisheries in the excellent shipper category
07 Changed the company name to 'LX Pantos'
2022 06 Incheon Airport distribution center obtained GDP (Goods Distribution Practices) certification for pharmaceuticals in Incheon Airport distribution center
07 Awarded Bronze Medal from EcoVadis, a global ESG & sustainable governance rating platform
11 Acquired CEIV-Fresh certification (Center of Excellence for Independent Validators in Perishable Logistics)

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## Global Network

LX Pantos responds to our customer requests in a swift and flexible manner based on about 360 networks seamlessly spread around the world.




### EUROPE

**FRANCE**
- PARIS
- HERBLAY

**GERMANY**
- FRANKFURT
- HAMBURG

**HUNGARY**
- BUDAPEST

**ITALY**
- MILANO

**NETHERLANDS**
- SCHIPHOL
- ROTTERDAM
- MAASVLAKTE
- BREDA

**POLAND**
- WARSAW
- MLAWA
- KOBIERZYCE

**SLOVAKIA**
- BRATISLAVA

**SLOVENIA**
- KOPER

**SPAIN**
- VALENCIA
- GUADALAJARA
- MADRID

**SWEDEN**
- JONKOPING

**TURKEY**
- ISTANBUL

**UK**
- SLOUGH
- RYTON CONVENTRY

### CHINA

- BEIJING
- DALIAN
- QINGDAO
- QINHUANGDAO
- SHENYANG
- TIANJIN
- XINJIANG
- YANTAI
- ZHENGZHOU
- CHONGQING
- KUNSHAN
- LIANYUNGANG
- NANJING
- NINGBO
- SHANGHAI
- SUZHOU
- TAIZHOU
- WUXI
- CHENGDU
- CHANGZHOU
- FOSHAN
- GUANGZHOU
- HONGKONG
- HUIZHOU
- SHENSHEN
- XIAMEN
- KUNMING
- WUHAN
- HARBIN
- XI'AN

### CIS

**RUSSIA**
- MOSCOW
- ELEKTROSTAL
- MOJAISK
- NAHODKA-VOSTOCHNY
- RUZA
- SHEREMETEVO
- ST. PETERSBURG
- TUCHIKOV
- VLADIVOSTOK

**KAZAHSTAN**
- ALMATY
- DOSTYK
- HORGOS

**KYRGYZSTAN**
- BISHKEK

**UZBEKISTAN**
- TASHKENT
- ASAKA
- ANGEREN

### AMERICA

**USA**
- NEW JERSEY
- FONTANA
- TEXAS
- GEORGIA
- OREGON
- ILLINOIS

**ARGENTINA**
- BUENOS AIRES

**BRAZIL**
- MANAUS
- SAO JOSE DOS
- CAMPOS
- SAO PAULO
- TAUBATE

**CANADA**
- TORONTO
- VANCOUVER

**CHILE**
- SANTIAGO
- IQUIQUE

**COLOMBIA**
- BOGOTA
- BUENAVENTURA

**MEXICO**
- MEXICO CITY
- MEXICALI
- MONTERREY
- REYNOSA

**PANAMA**
- PANAMA CITY
- COLON

### ASIA

**AUSTRALIA**
- SYDNEY

**CAMBODIA**
- PHNOM PENH
- KRATIE

**INDIA**
- NEW DELHI
- GREATER NOIDA
- MUMBAI
- PUNE

**INDONESIA**
- JAKARTA
- BALIKPAPAN
- BANDARAN
- BANJARMASIN
- CIKARANG
- GRESIK
- CIBITUNG
- PONTIANAK
- SURABAYA

**JAPAN**
- TOKYO
- OSAKA
- NARITA

**MALAYSIA**
- JOHOR BAHRU
- KOTA KINABALU
- KUCHING
- PENANG
- PORT KLANG
- SEPANG
- SHAH ALAM SELANGOR

**MYANMAR**
- YANGON

**PHILIPPINES**
- MANILA

**SINGAPORE**
- SINGAPORE

**THAILAND**
- BANGKOK
- BANGNA
- BANGPAKONG
- LAEM CHABANG
- RAYONG

**VIETNAM**
- HANOI
- BAC NINH
- BINH DUONG
- DANANG
- HAIPHONG
- HOCHIMIN

### AFRICA & MIDDLE EAST

**SAUDI ARABIA**
- JEDDAH
- RIYADH
- DAMMAM

**SOUTH AFRICA**
- JOHANNESBURG
- DURBAN

**U.A.E**
- DUBAI

**EGYPT**
- CAIRO
- SUEZ
- PORT SAID
- HARQIA GOVERNORATE

**OMAN**
- SOHAR

**NIGERIA**
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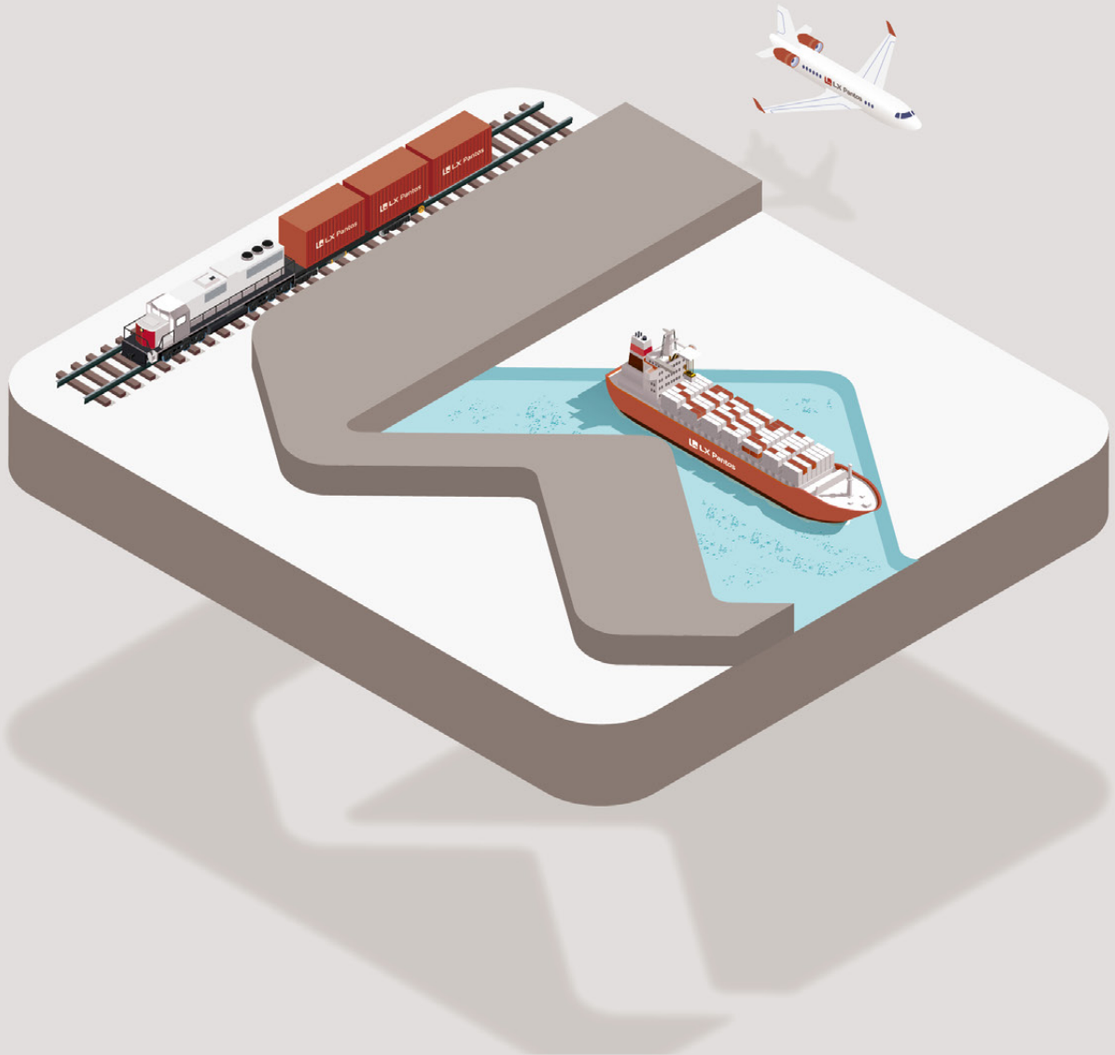
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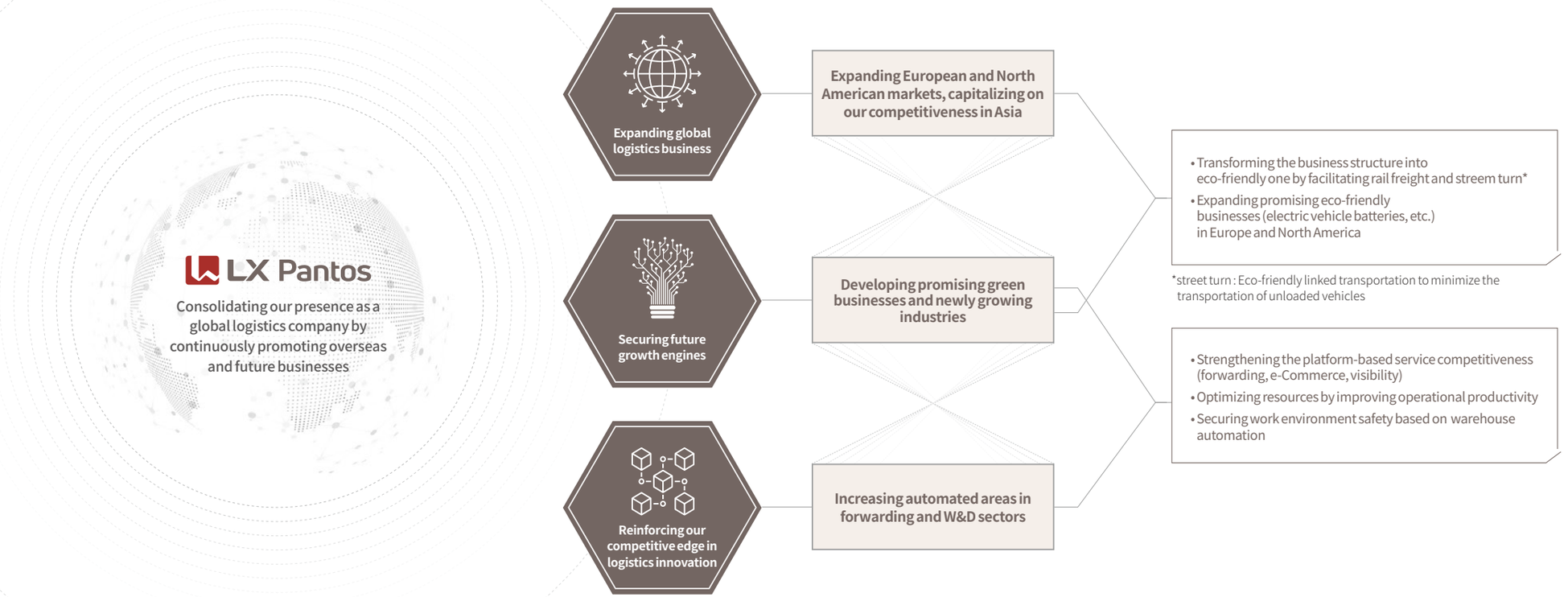
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# Value Deliverer

## Business Portfolio

### Our Goal –ESG Value Creating Business

As a global total logistics business representing Korea, LX Pantos continues innovating itself to create customer value through logistics. We have established a global one-stop comprehensive logistics service system covering all areas of logistics on the foundation of Korea's top global network that closely connects the world. Currently, ESG value creation in business is essential for the sustainable growth of a company, and the logistics industry where we belong is also seeing the growing significance of ESG. Indeed, it is a critical factor deciding the survival in the logistics supply chain that is getting more sophisticated. For sustainable growth, ESG management is not an option but a necessity. Aiming at achieving sustainable growth, we have been at the forefront of expanding and developing rail freight, an eco-friendly mode of transportation. We also propose eco-friendly shipping and packaging materials to our customers while continuously making efforts to minimize carbon emissions generated in the course of delivery. On top of that, we contribute to the development of the industry through expanding overseas business and maintaining stable logistics services throughout the life cycle from the procurement of eco-friendly materials, such as electric vehicle batteries and solar power, to the delivery and collection of finished goods. Our direction towards automation / digitalization in the logistics operation will create an optimal working environment and maximize efficiency. Built on these efforts, we will consolidate our business structure to be able to sustainably grow based on ESG management.




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# Sea Freight

## We connect the world as a leading ocean freight forwarder

LX Pantos provides affordable and reliable marine logistics services through our unparalleled negotiation skills against shipping firms based on massive freight volume. A wealth of experience of serving around 13,000 customers as their forwarder enables us to be equipped with a wide range of service offerings and ocean freight professionals. Based on these strengths, we provide strategic prime service contracts and special solutions that meet the specific ocean freight requirements of each shipping firm. We promise that we come up with the best solutions for the safest and quickest ocean freight transportation.



## Context

The effectuation of carbon tax by the EU in 2023 has brought about new policies and regulations on the carbon emissions trading scheme (ETS) in the transportation industry. In particular, the shipping industry has been subject to the ETS since 2020, which has led to increases in the prices of emission trading and fuel costs. This represents greater financial risks for the shipping and logistics industries. The circumstances have brought eco-friendly logistics system into the public eye as it has become one of elements deciding the competitiveness of companies.

## Our Strength

With seamless 360 networks across approximately 40 countries, LX Pantos boasts the largest freight volume in Korea, and forges robust partnerships with leading shipping firms. Moreover, the operation of the marine control tower allows us to forecast weather conditions, and check up-to-date status of ports, and the possibility of strikes, which leads to on-time deliveries and quality services. When risks occur, we communicate with our subsidiaries across the world to be informed of what is going on, and propose countermeasures in a swift manner. It is how we satisfy our customers and help them maximize their value with the best services. On top of that, with our own systems, 'Pantos Now' and 'Pantos View,' we provide customers with multiple additional services including the access to real-time rates & quotes as well as the best routes.

## Create Value

LX Pantos, as a logistics company, understands every need of our customers, including shippers, and shipping companies / airlines. We figure out possible issues that can occur during the transportation in advance, coordinate them, and offer solutions to create value from the perspective of ESG within the value chain. In addition, we put our efforts into sharpening our logistics capabilities to serve industries contributing to social value creation. By doing so, we will serve as an enabler of sustainable growth with active assistance and solutions so as to accelerate the shift towards eco-friendliness.

**Suggested and operated intermodal transportation**

Shortened lead time in shipping and reduced logistics costs

**Assisted eco-friendly businesses in their development**

**Responded to shipment-related risks through comprehensive consulting and provided solutions**

**Managed shipment risks through our marine IT system (Pantos Now / View)**

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# Air Freight

## We Connect Time and Space, Possibility and Opportunity

**On the strength of 40 years of experience in air transportation and capabilities of handling over 1,400 cargo planes, our global air cargo service ensures that customers' cargo arrives at its destination safely and securely. In order to respond to environmental regulations as well as to accomplish green logistics, every effort is being made including the support for Sustainable Aviation Fuel (SAF) procurement so that we can contribute to achieving net-zero in the logistics industry.**




## Context

Air transportation benefits consumers and the entire economy, swiftly connecting cities across the globe. The outbreak of COVID-19 rapidly drove up the demand for air shipment of personal protective supplies and vaccines. And the sharp rise in e-Commerce is one of the reasons behind the soaring demand for shipping by air. Moreover, we are seeing a growing need for air transportation for fresh foods and small but luxurious items since air cargo delivery make sures safe and quick delivery.

## Our Strength

LX Pantos has obtained CEIV*-Fresh and CEIV-Pharma fromIATA, a clear demonstration that it is capable of transporting goods to be handled with care for the first time in the domestic industry. Moreover, we have worked with the Korea International Cooperation Agency over the past 10 years as the dedicated logistics partner, delivering relief goods in urgent need when international disasters occurred. By doing so, we have elevated humanitarian value. In addition, we have operated the largest TAPA FSR**-certified Incheon Airport Logitics Center, and earned the top spot in export volume in Korea, which has laid the foundation for us to secure the stability of our services and play as a pivotal role in domestic air freight transport.

*CEIV: Center of Excellence for Independent Validators. A certification for the quality of air transport and handling of perishable items.
**FSR: Freight Security Requirements. A standard to guarantee the safety of freight security.

## Create Value

As part of the effort to make our air shipment more eco-friendly, we have joined 'SAF Program,' we have signed an MOU with Air France on the promotion of the use of green fuels in the course of air transportation. And we continue to take part in this program to contribute to attaining carbon neutrality in aviation logistics. Capitalizing on our in-depth know-How in global logistics services and aviation IT system, we will specialize in air shipment of bio, chemical, and semi-conduct products so that we can deliver goods required for customers and the world as quickly and safely as possible, thereby serving as an enabler in state-of-the-art industries.

**Became the first to sign an MOU on the facilitation of the use of SAF as a domestic forwarder**

**Served as a partner of the government for external support**

Delivered 100 tons of medical supplies and relief goods to Ukraine via air charter

**Optimized the shipment of fresh foods and pharmaceuticals for the sake of public fitness and wellness**

Delivered 200 tons of personal protective supplies and COVID diagnosis kits to 9 countries including Indonesia, Iraq, and the Philippines (February - July 2020)

*Sustainable Aviation Fuel (SAF): It refers to aviation fuels made from bio resources that can replace petroleum-based fuels

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# Rail Freight

## We Connect Asia and Europe through Railroads

LX Pantos boasts expertise and know-How accumulated through 20 years of experience in rail freight services across the vast regions including Europe, Russia, CIS, and Central Asia. With a variety of rail routes, such as Trans–Siberian Railway (TSR), Trans-Chinese Railway (TCR), Trans-Manchurian Railway (TMR), and Trans–Mongolian Railway (TMGR), as well as our own subsidiaries and branch offices in key transportation hubs, we deliver differentiated services, and our dedicated operational team takes the services up a notch.




## Context

There is a growing demand for rail transportation since rail is the most efficient mode of transport for freight in mitigating greenhouse gas (GHG) emissions. As the expanded share of rail transportation can lead to the reduction in GHG emissions and energy consumption, rail shipment has come to the fore as an eco-friendly means of transportation. And the development of long-distance railway routes in emerging countries drives up the expectations and attracts investments in rail freight transport.

## Our Strength

LX Pantos puts in place a dedicated operational team that consists of railroad experts while being equipped with comprehensive consulting capabilities, based on which it develops and comes up with new routes optimized for cost reduction and carbon mitigation, and presents alternative routes to minimize disruptions in transportation due to external risks, such as war. By doing so, we meet all of our customers' shipping needs to the maximum with tailor-made solutions for rail freight transport. Despite the rapid growth in the electric vehicle (EV) industry worldwide, it has been challenging to transport EV batteries, one of core parts for EVs, since they are considered dangerous goods to carry. Against this backdrop, taking advantage of TSR, we have developed a new logistics network that has enabled us to dramatically reduce lead time. Built on this network, we have created a supply chain for green industries and delivered social value.

## Create Value

LX Pantos strives to curtail its carbon emissions and improve efficiency through modal shift* which means a shift of travel modes in shipping from trucks or ships to freight trains. In the years to come, we will develop a variety of freight rail routes to be more efficient and environmentally friendly while forging supply chains for future-oriented industries, including the EV one, and coming up with solutions for transportation, thereby promoting the transition into an eco-friendly society.

**Actively promoted modal shift for carbon mitigation**

6 tons of air pollutants and 5,129 tons of GHG emissions expected to reduce due to the shift from truck shipping to rail shipping**

**Maximized the efficiency of rail shipping through intermodal transport**

**Elevated customer value through new route development and consulting**

**Promoted win-win growth through the support of multimodal transportation in Europe for SMEs**

Exclusive bottoms for SMEs and fare discount provided in collaboration with KITA

*Modal shift: It means a change from one form of transportation to a more efficient one

**Section for modal shift: Both northbound and southbound lanes of Gyeongbu Line (a double track line connecting Seoul to Busan, 441.7 kilometers)

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# W&D
## (Warehouse & Distribution)

### We provide differentiated logistics solutions

LX Pantos offers a full suite of services for W&D (Warehouse & Distribution) required for a variety of industries. On top of that, the combination of our seamless operational management by our employees and our Know-How / Know-WHERE enables us to present the best logistics solutions putting customer value first.



### Context

Since the COVID-19 pandemic, logistics, one of promising businesses, has been on the constant rise mainly due to a growing demand for transportation. However, the negative impact on the environment that warehouses have, safety issues, and labor-intensive nature can pose ESG-related risks to companies. And many logistics firms are facing a growing demand for diverse solutions for improved loading rate and storage efficiency.

### Our Strength

Our W&D service covers all industries and service areas based on the Know-HOW and professional experts we have. In particular, we specialize in healthcare, equipped with KGSP and ISO 13485essential for pharmaceutical and medical device logistics and quality processes that meet international requirements. Our cold-chain warehouses and package solutions can respond to strict laws and regulations on pharmaceuticals that require cold-chain shipping, such as biological products. Our aim is to focus on eco-friendly industrial logistics through preemptive entry into the fields of the procurement of raw materials for batteries, delivery of finished vehicles, and recycling in consideration of the battery life cycle. To this end, we obtained global security certifications and the EU Seveso III, a directive on controlling major-accident hazards involving dangerous substances so that we appropriately handle hazardous goods in Europe, a leading region in the green logistics field.

On top of that, we strive to prevent occupational accidents in the logistics process in advance by providing safety training for our employees as well as all employees of our partner companies.

### Create Value

LX Pantos presents customized IT solutions that provide real-time inventory control and tracking services via the Warehouse Management System (WMS) and the Transportation Management System (TMS) based on our integrated global warehouse network. We have expanded the application of automatic storage and picking equipment and robots to the highly complex B2C logistics industry so that we can minimize the overall manual logistics process while improving the existing labor-intensive business environment. We expect to eliminate risk factors in the work environment and, at the same time, raise work efficiency.

In addition, we swiftly respond to social changes by establishing green logistics workplaces with the introduction of electric vehicles.

**Obtained certification for healthcare suppliers logistics**

Acquired KGSP and ISO 13485, essential certificates for medical supplies and devices

**Complied with Directive on the control of major-accident hazards involving dangerous substances (SEVESO III) and obtained global security / certification**

**Established Cold-Chain Shipment Network in Korea**

- Set up a center and shipping network for biological products
- Developed real-time temperature monitoring system (RTMS)

**Provided safety training for our employees and suppliers**

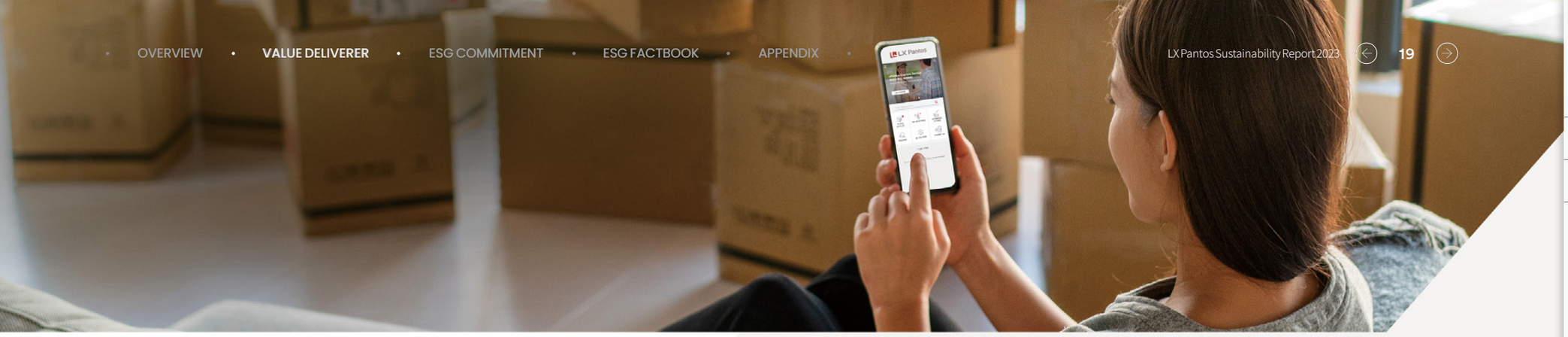
Utilized the safety experience center and simulation to train them on safety

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# e-Commerce

## We connect customers to the world of e-Commerce

**LX Pantos transports various e-Commerce products to customer's destination in the fastest and safest way. Our dedicated team and professionals provide comprehensive logistics services related to e-Commerce in and outside Korea, encompassing cargo storage, pickup, domestic transportation, customs clearance, overseas transportation, fulfillment, and returns. We have an integrated e-Commerce platform that allows customers to easily check reservations, schedules, and cargo information in real time.**



### Context

Due to the rapid growth of the e-Commerce market coupled with digital transformation and fierce competition, there is a growing social demand for sustainable distribution and operation. Against this backdrop, a multifaceted response against ESG risks is required. The ESG risks include fuel consumption in distribution services, power consumption in data centers, and infrastructure operation at warehouses. In addition, as the e-Commerce industry involves customers and multiple supply chains it is required to respond to issues, such as logistics and delivery innovations through the adoption of eco-friendly systems in e-Commerce business, win-win cooperation with communities and suppliers, fair trade within commerce platforms, work environment, and labor human rights issues.

### Our Strength

Our comprehensive logistics service ranges from basic warehouse operations, such as product warehousing and inventory management, to domestic and overseas fulfillment services specialized for e-Commerce by industry. Even under the circumstance of a highly volatile volume caused by sudden unexpected issues or during peak seasons, we still provide competitive services by enabling flexible warehouse operation based on our know-How. Our integrated system linking online shopping malls, a one-stop logistics service, and our international express service allows next-day delivery in Asia. In addition, we operate overseas fulfillment service, providing a variety of services so that customers can select the desired product depending on their characteristics of cargo, business, and customer needs.

### Create Value

We will further broaden the scope of our e-Commerce services on the basis of our forwarding international express delivery, W&D (Warehouse & Distribution) operation, and overseas network capabilities. In the e-Commerce sector, we aim to promote growth with the expansion of service scope and customer base in the existing specialized industries. We will continue to do our best to establish green logistics. For instance, we will promote win-win by strengthening partnerships with small businesses, finding alternative ways to reduce environmental pollution in the transport process, and proposing them to our customers and partners.

**Increased the use of eco-friendly subsidiary materials by making proposals to customers**

Eco-friendly packaging materials account for 80% out of the total materials

**Improved work environment through automated logistics**

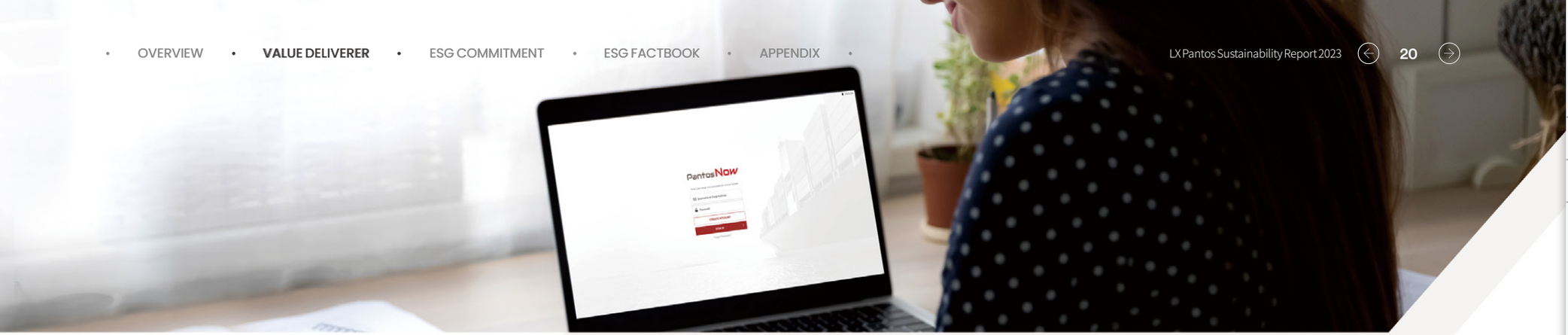
**Maximized customer satisfaction through differentiated services**

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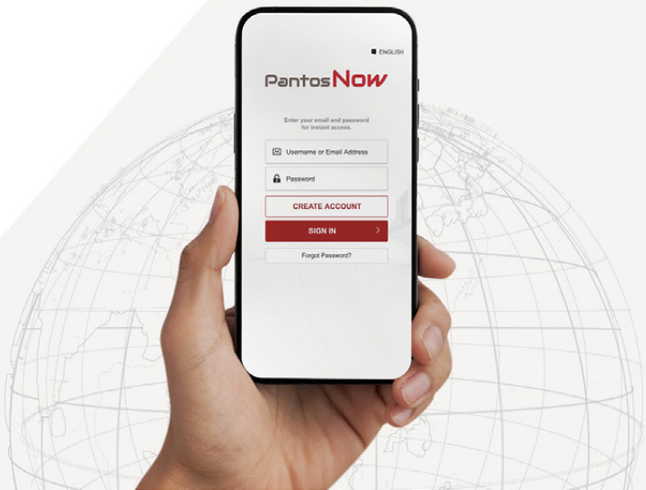
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# Digital Solution

**We offer our customers new logistics services via innovative digital solutions**

We provide our customers with new logistics services through innovative digital solutions. With Pantos Now, our new digital forwarding service, and Pantos View, an optimized logistics solution provider with visibility services, we let our customers utilize top-level digital capabilities in the logistics industry for efficient and management of their global supply chains.




## Context

The prolonged COVID-19 and the protracted Ukraine war brought about logistics disruptions, including supply chain instability and freight rate hikes. In the face of these issues, the demand for digital platforms optimized for logistics is rising to raise the efficiency of logistics.

## Our Strength

We are the first in Korea that provides digital logistics services encompassing sea, air, and rail freight services on a single platform. It provides digital solutions that can preemptively respond to diverse risks arising from the logistics process, which can maximize customer satisfaction. To this end, we are constantly upgrading the quality of these digital services. 'Pantos Now,' a digital forwarding service, allows customers to easily check international freight quotes or schedules and make reservations. After sending the cargo, they can see the location of the cargo and expected arrival information through Pantos View, a logistics visibility service. In addition, various risks, such as typhoons, strikes, and port closures, can be identified in advance. In case of an arrival delay, the information is informed in advance, and actions are taken immediately by securing alternative routes. Our differentiated services help minimize the damage to customers.

## Create Value

Due to the nature of the logistics industry, which requires a long lead time while passing through various countries, global risks may directly damage the business. If the issues persist, daily necessities may not be stably supplied, which in turn can lead to inconvenience in people's lives and become detrimental to the national economy. In order to prevent such challenges in advance, we have secured digital capabilities in relation to logistics through improving and expanding automation so that we can maintain our services stable even under changing external environments and risks. Through these efforts, we strive to secure both logistics stability and customer satisfaction.

**Preemptively responded to logistics risks**

Shortened lead time in shipping and reduced logistics costs

**Advanced quality management through differentiated digital solutions**

**Pantos View**

Survey targeting 130 key companies using Pantos View
Customer satisfaction score: 77.2
(Customer satisfaction score of rival company: 68.7)

**Pantos Now**

Survey targeting 180 key companies using Pantos Now
Customer satisfaction score: 6.8
(out of 10)

**Enhanced customer convenience by providing integrated data**

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# Electronics Logistics

## We provide optimal installation solutions with our quality services

We professionally handle home appliances of LG Electronics based on 24 installation distribution centers nationwide. We have established a thorough inventory management system for distribution and delivery of electronic items, providing an extensive installation logistics service, including new installation or relocation of home appliances.




## Context

In recent years, the growing trend of seeking for convenience has driven up the consumption of living and home appliances that can replace house chores, which in turn, has expanded the installation logistics market. Installation logistics is closely related to consumers' lives. Therefore, giving a positive customer experience with prompt service is critical. As it is heavily dependent on human resources, maintaining a certain level of quality has become a key to raising the competitive edge of the service.

## Our Strength

We provide high-quality logistics for electronics with the delivery of products and service parts based on our long accumulated logistics know-How, and the installation of electronic products by professional and qualified engineers who have installation certificates. Based on our experience in various installation environments, we offer optimal solutions to improve product efficiency, such as home appliance relocation consulting. We also collect and dispose of waste, including the products that are no longer used by customers and garbage generated during the product installation process, striving to maximize customer satisfaction. In addition, we provide loan promotions for installation engineers and material purchase connecting services given the fact this business is built on human resources, thereby promoting the shared growth with partner companies.

## Create Value

As our delivery and installation service closely contact with customers, we particularly try to ensure the services are provided in a friendly and accurate manner. With an aim to minimize customer inconvenience, we have introduced innovative services as pilot projects. For instance, we are trying out a pre-scheduling service that delivers and installs at a customer's desired time, and a premium installation service that dispatches a master craftsman or female installation engineer. On top of that, we are reviewing the expansion of the scope of installation business to include not only electronics buy also other items such as furniture, capitalizing on our know-How we have accumulated on service encounters.

**Operated a win-win program for installation engineers**

Connection to fund capital companies for installation engineers

**Maintained service quality through human resource management**

**Maintained excellent service quality through human resource management**

**Operated delivery and installation services in an eco-friendly way**

100% use of electric forklifts within logistics centers

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# ESG Commitment




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# ESG Strategy

## ESG Management Strategy

LXPantoshassetupitsESGvision,'ValueDelivererforPeopleandthePlanet,'alongwithfourstrategicdirectionstoputESGmanagementintoaction.Weseekforgreenlogistics,sharedgrowthwithpartnercompaniesandlocal communities,respectforstakeholders,pursuitofhappiness,andresponsiblemanagementfortransparentgovernance.

ESG Vision

**Value Deliverer for People and the Planet**

Slogan

**Connecting the World based on the 'ValueofTogether'**

Our Approach to ESG

| Environmental | Social | | Governance |
|---|---|---|---|
| Planet Together<br>Sustainable logistics | Community Together<br>Shared value with supply chain and communities | People Together<br>Stakeholder value and pursue of happiness | Responsible Business Together<br>Responsible business management |

Strategic ESG Goals

| Environmental | | Social | | | | Governance | |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Accomplishing green logistics by combating climate change | Delivering environmental management and embedding it into business | Encouraging partner companies to deliver ESG management and nurturing a culture for cooperation | Creating social value through social contribution activities | Promoting a culture of respect for human rights | Spreading a culture of putting emphasis on stakeholders' happiness | Managing non-financial risks in a systematic manner | Establishing and executing a system to promote ESG management |

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## ESG Governance

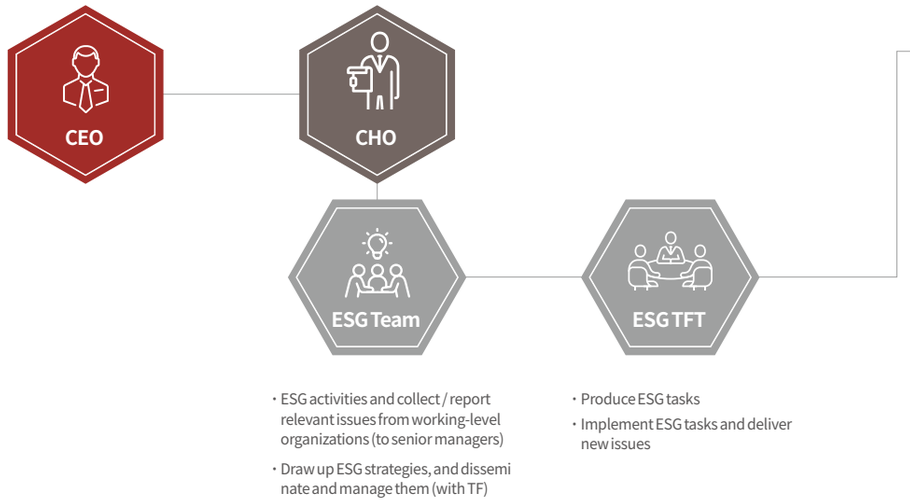
### Dedicated ESG Organization – ESG Team

LX Pantos put the ESG Team in place to enhance its capabilities to deliver ESG management to a degree that meets the global standards. Being comprised of ESG experts, the team assumed a multitude of roles; forecasting and managing domestic and overseas ESG-related risks by business, establishing the preemptive measures to possible projected risks, and carrying out various tasks based on ESG strategies to prevent these risks from having a negative impact on our business operations.

The CHO takes responsibility for ESG-related decisions while the CEO shares massages regarding business management including ESG with employees on a regular basis. The ESG Team and ESG TFT (Task Force Team) carry out ESG-related activities under the direction of the CHO, and the ESG Team reports key ESG issues and these activities to the CEO, and the ESG Team shares them with employees through various channels.

In an effort to embed ESG management into employees at all levels, we post ESG-related educational materials as well as key business operations (videos, reports, etc.) within the in-house Signage or bulletin board to give our employees better ESG insight. All employees including the management have access to these materials, and we also put in place a separate channel to receive inquiries and requests for consulting services.

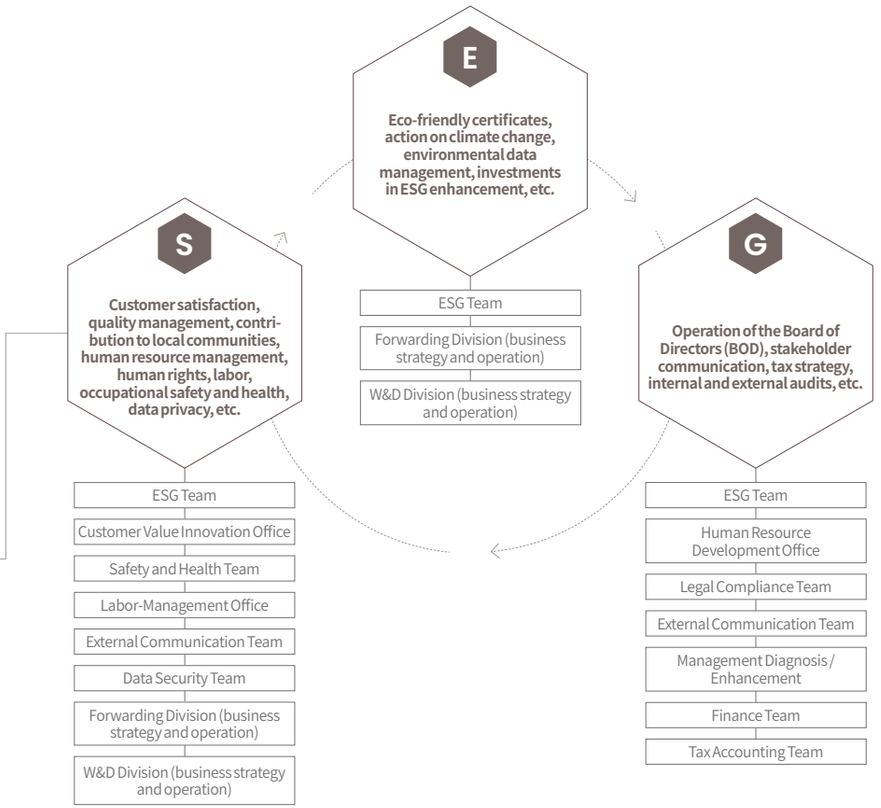
**ESG Management Organizational Chart**




### ESG Task Force Team

What is the most significant requirement for ESG management is connectivity with business. No one dedicated organization can make progress alone. It requires the entire organization to work closely to handle. Accordingly, we have in place a dedicated ESG organization named ESG Team while appointing ESG TFT managers of each department so that ESG activities are closely linked to our business. The ESG TFT cooperates to receive external ESG evaluations, respond to stakeholders as well as fulfill ESG management tasks.

Additionally, we share ESG-related educational materials and key business operations through the in-house portal bulletin board to help employees internalize ESG management. And all employees including executive members and directors have access to these materials.




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# ESG Risk Management

## ESG Risk Management Process

LX Pantos carries out a wide range of risk management activities to proactively respond to risk factors that can occur in the course of doing business. These include the identification, evaluation, and management of ESG risks. In compliance with the international guidelines, we inspect the risks that we are faced with and are associated with our partner companies, such as the areas of human rights/labor, safety and health, the environment, and ethics, while conducting activities companywide to remove risks and monitor the developments by taking measures on the tasks to be improved. In the years to come, we will expand the scope of management to include more overseas business sites and supply chains, thereby constantly advancing our ESG risk management process to minimize damages from risks and respond to internal and external changes in a swift manner.

**ESG Risk Management Process**




**ESG in-depth Self Assessment**

With the aim to identify ESG risks and establish countermeasures, we conduct 'ESG in-depth Self Assessment' once a year. In accordance with the international guidelines (RBA, GRI, ISO 26000, UNDP CSR Self-assessment, Human Rights Impact Assessment Checklist presented by the National Human Rights Commission of Korea, etc.), the risks of each business site and overseas subsidiary are inspected, followed by activities to mitigate and eliminate them at all sites.

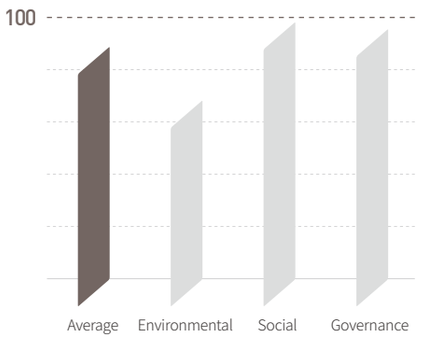
All our domestic business sites where more than one employee of LX Pantos works, and overseas subsidiaries are subject to this in-depth ESG self assessment. With the start with the pilot testing in 2019, we have upgraded the inspection items to make them relevant to the characteristics of each logistics site and region. And the results of the assessments are utilized to formulate related systems, improve the way we do business, provide compliance guidelines, and educate employees to raise their awareness.

In 2022, we put together our own guidelines to draw up a questionnaire consisting of 98 questions, which was followed by inspections on a total of 60 sites. In 2023, we further used the upgraded questionnaire to grasp the status of ESG management and weaknesses by business site and region, based on which risks will be categorized and exemplary standards will be set up for risk management in 2023.

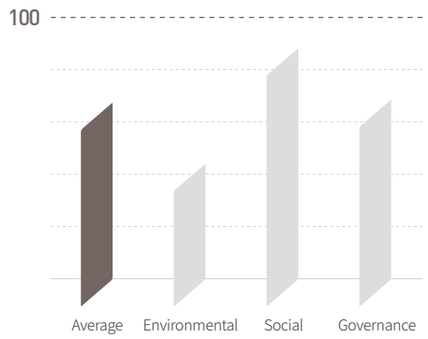
**ESG in-depth Self Assessment Status in 2022**

(100 Points)

Domestic business site




Overseas business site




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# 2022 ESG Highlights

## EcoVadis – Bronze Rating Achieved

EcoVadis is a global rating platform to assess the sustainability of companies and supply chains based on the international standards. More than 100,000 companies across 175 countries evaluate their performance on factors grouped into four categories: environment, labor and human rights, ethics, and sustainable procurement. In 2022, recognizing our efforts in terms of ESG management, EcoVadis gave us a Bronze Rating in the global sustainability assessment. Particularly in the category of environment,we were highly evaluated for our ISO14001-certified environmental management system. When it comes to labor and human rights, and ethics, we earned high scores for our various activities based on the appropriate policies. In order to meet the ESG requirements for global supply chains, we have never relented in our efforts towards sustainable management, which has earned us a good result. Laying the foundation for sustainable growth has resulted in the recognition of the global rating organization. However, we are not complacent about the status quo. Going forward, our efforts will continue to deliver ESG management to make remarkable progress.

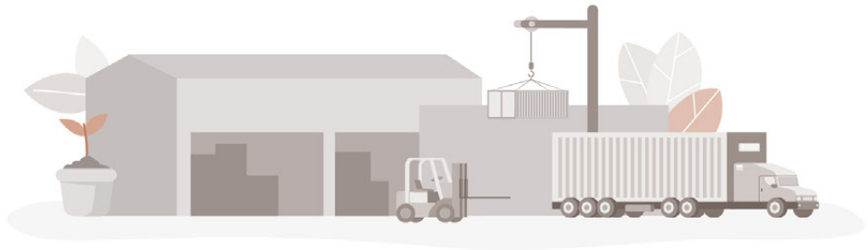
## Designated as Eco-friendly Logistics Best Practice







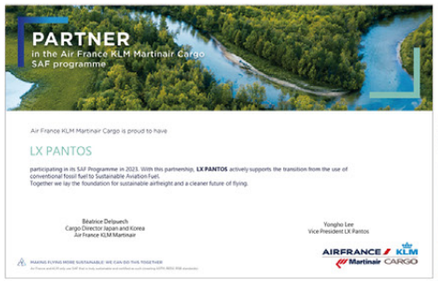
LX Pantos conducts assessments of logistics facilities and modes of transportation in terms of their actual management scope of green logistics operations and the relevant systems. We have contributed to spreading eco-friendly logistics nationwide through sustained management and green activities including the efforts to reduce logistics energy consumption as well as GHG emissions.



## Joined Sustainable Aviation Fuel Program

With the purpose of creating a sustainable logistics environment in the sector of air transportation, we have joined 'Sustainable Aviation Fuel (SAF) Program' driven by Air France-KLM. SAF, made from green resources, such as oils from plants and animals, or renewable waste, is known for its effect of mitigating carbon emissions by up to 85% compared to the existing aviation fuels.

We became the first domestic logistics firm to join SAF Program, supporting SAF procurement used in air freight. Going forward, we will continue to play a contributing role in saving the global environment and decarbonizing the logistics industry through persistent donation and green programs.






| Participation in SAF Program | $CO_2$ Emissions |
|---|---|
| Using sustainable air fuel made of eco-friendly resources | Decrease by 85% expected |




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## Certified as an Excellent Shipper

LX Pantos achieved the first-class rating in the 'excellent shipowner / shipper' category from the Ministry of Oceans and Fisheries in 2021, and since then it has maintained its rating up to date. With the objective to sharpen the competitiveness of import and export shipping, the Ministry of Oceans and Fisheries introduced this certification system in 2020 designed to comprehensively evaluate shipowners and shippers in terms of their efforts for shared growth, compliance with fair transaction, and contribution to the shipping industry. In recognition of high usage rate of national shipping companies, implementation of policies for shared growth, and legal compliance, we received the highest grade in the shipper sector for exporters, importers, and global freight forwarders. And this remarkable achievement was attributed to our persistent endeavor to attain co-prosperity and shared growth through the cooperative relationships with 15 national carriers. Going forward, we will discharge our duty and responsibility for the development of the logistics industry and shared growth with domestic shipowners and shippers.

CESS
우수 선화주기업 인증
Certified Excellent Shipping Company and Shipper

## Internationally Certified as a Center of Excellence for Air Transportation of Perishables




LX Pantos obtained 'CEIV-Fresh,' the Center of Excellence for Independent Validators in Perishable Logistic, and 'CEIV-Pharma,' the Center of Excellence for Independent Validators in Pharmaceutical Logistics, from IATA for the first time in Korea. This global certificate launched by IATA guarantees the safe and stable transport of perishable cargo, ensuring the expertise and reliability for the shipment of goods that require careful handling.

## Our Greatest Asset, Employees - Air Ambulance

In March 2021 our employee went to India for business and became ill due to COVID-19. At that time, medical suppliers were in short supply in India, and the medicine we barely got was not helpful.
With his firm belief that nothing can replace the lives of our employees, our CEO ordered air ambulance service for the transfer without hesitation. And the co-workers in Korea utilized all local networks to ensure the safe transfer of the patient to Korea. After the arrival of the employee, we offered medical assistance to help him recover and return to work.
LX Pantos is a global logistics firm with many branch offices located across the world. The health and safety of all employees will come first when making decisions. And every effort will be made to make sure that no one is left behind on this.

## International Disaster Relief Shipping

LX Pantos has constantly transported emergency relief supplies taking advantage of its business strengths as a freight forwarder in the event of an international disaster. When the recent earthquake hit Türkiye, we delivered the voucher for see transportation of 200,000 tons of relief supplies to the Embassy of the Republic of Türkiye, and also shipped 100 tons of medical and relief suppliers to Ukraine. Even before that, we worked with the Korea International Cooperation Agency (KOICA) to deliver relief suppliers to Sri Lanka (2017), Ecuador (2016), and Nepal (2015). Going forward, we will be an integral part of international relief to help affected countries rebuild themselves.

## Integrated Support for SMEs in Europe Shipment

LX Pantos embarked on the 'Europe Modal Shift Support Project for SMEs' in collaboration with the Korea International Trade Association. This project served as an alternative for SMEs to transportation to Europe, suggesting rail shipment through bottoms exclusive for SMEs and discounted fares. By doing so, we helped them address the disruptions in transport to Europe caused by the COVID-19 pandemic and the war in Ukraine. Modal shift that transports freight by water to Russia or China, and then transfers to rail shipment to Eastern Europe enables us to take less time for transportation as well as to raise punctuality. Accordingly, we secure approximately 30TEU of bottoms for SMEs every week, offering discounts of 10 to 15% on fares. Additionally, Pantos Now, our digital platform for logistics services allows them to quote for shipment and track the current status of their shipments. As a result, we have elevated the participation rate and convenience of the project.

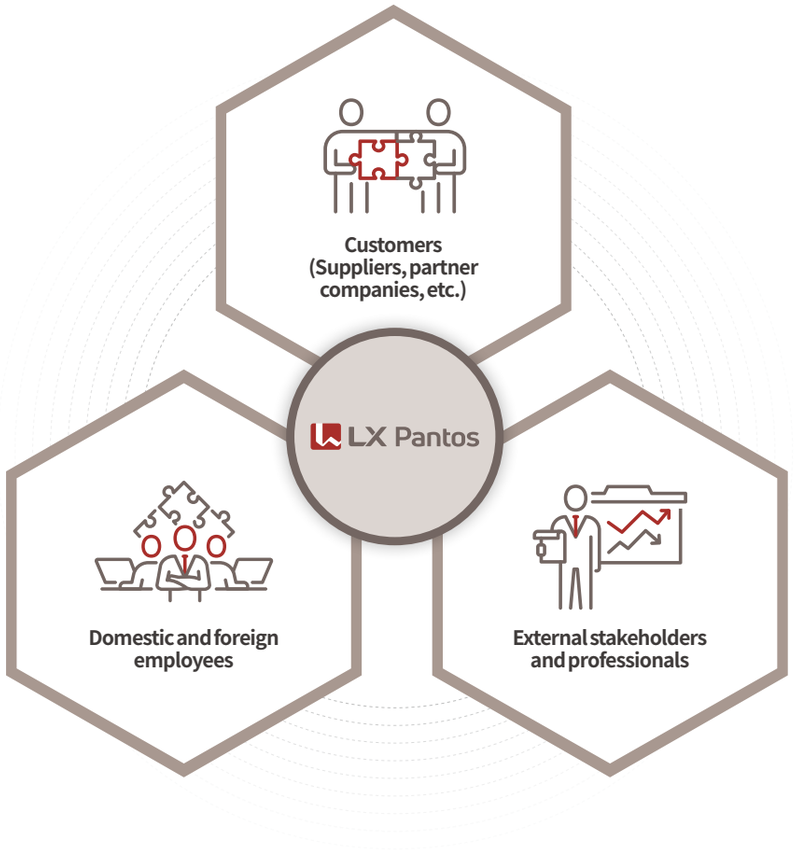
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# Stakeholder Communication

LX Pantos defines its various stakeholder groups and pays attention to their thoughts and opinions, thereby actively communicating with them. Taking all stakeholders involving our business operations into account, we garner their feedback and opinions through a variety of channels suitable for each group.

**Our Stakeholders**




| Stakeholder Group | Key Communication Channel | Our Main Activities |
|---|---|---|
| Domestic and foreign employees | • Labor-Management Council<br>• In-house broadcasting / messenger / intranet<br>• Employee survey<br>• In-house clubs | • Employee welfare packages<br>• Educational programs for employees<br>• Safe business sites and work environments<br>• Performance evaluation system, etc. |
| Customers (Suppliers, partner companies, etc.) | • Homepage & SNS<br>• VOC channel<br>• Customer satisfaction survey<br>• Meetings with partner companies | • Establishment of plans to assist suppliers and partner companies in delivering ESG management<br>• Promotion of shared growth<br>• Creation of a culture of fair transaction |
| External stakeholders and professionals (The central and local governments, associations, etc.) | • Media campaigns including news release<br>• Homepage & SNS<br>• Sustainability report<br>• Meetings, conferences, etc. | • Social contribution activities<br>• Disclosure of financial / non-financial performance |

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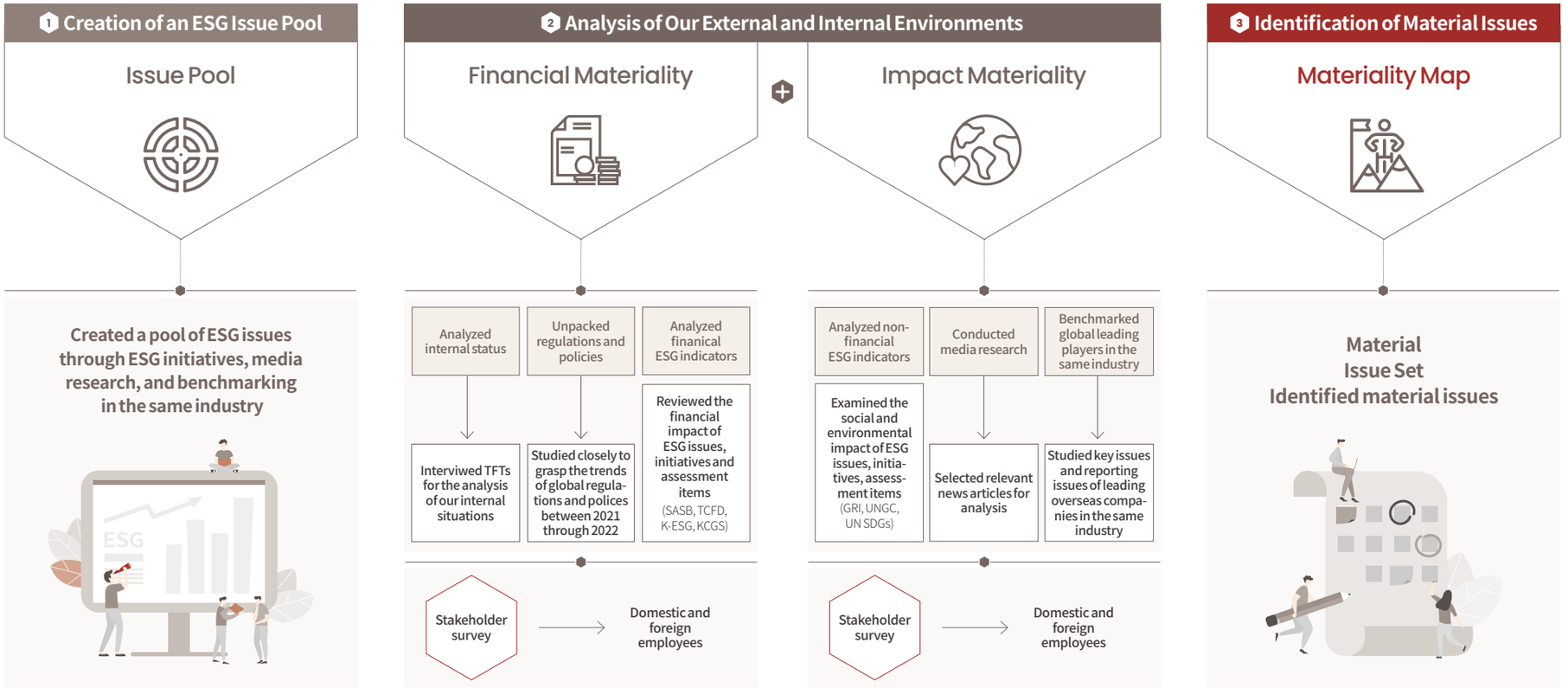
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# Materiality Assessment

## Materiality Assessment Process

With a view to mapping out its ESG management strategies as well as to implementing ESG management in an efficient manner, LX Pantos conducted a materiality assessment. With the adoption of double materiality assessment, we took into consideration the both external elements that affect our financial status and our own impact on the environment and society, based on which ESG issues were selected and assessed. The double materiality assessment enabled us to better understand the expectations from stakeholders and demands from society, and to take a look into ESG-related issues from the integrated perspective, which, in turn, led to the identification and disclosure of salient issues.

Methodology of Double Materiality Assessment

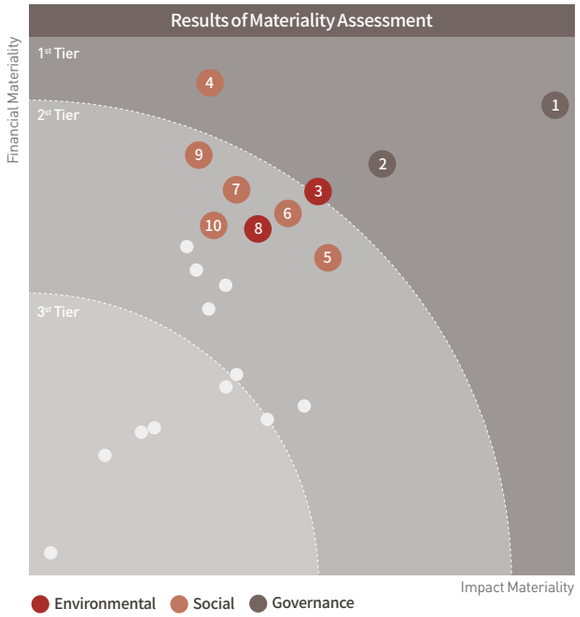


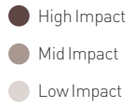

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## Results of Materiality Assessment

The top 10 material issues in 2022 were selected through the materiality assessment. We will take into account the both perspectives; financial materiality and the inside-out impacts of our own operations on the environment and society, so that we can manage and handle the issues in a sustained manner. Being cognizant of the gravity of each issue as well as the need for management, the detailed account of each is provided in this report.




Top 10 Material Issues

| Area | Order of Priority | Material Issue | Financial Impact | Social and Environmental Impact | GRI | Page |
|---|---|---|---|---|---|---|
| Governance | 1 | Integrated ESG risk management | ● | ● | 205-2~3 | 25 |
| | 2 | Establishment of an ESG management system | ● | ● | Non-GRI | 23-24 |
| Environmental | 3 | Action on climate change | ● | ● | 302-1, 305-1~2, 306-3 | 35-37 |
| | 8 | Establishment of an environment management | ● | ● | Non-GRI | 32-34 |
| Social | 4 | Fair transaction and shared growth | ● | ● | 206-1 | 42 |
| | 5 | Social value creation and sharing | ● | ● | 203-1 | 43-44 |
| | 6 | Supply chain ESG management | ● | ● | 308-2, 414-2 | 41-42 |
| | 7 | Protection of human rights and diversity | ● | ● | 405-1~2, 406-1 | 45, 49 |
| | 9 | Human resource management | ● | ● | 202-1, 401-4, 401-3, 404-1, 404-2, 404-3 | 45-47 |
| | 10 | Management of employees' safety and health | ● | ● | 403-1~7, 403-9 | 50-53 |

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# ENVIRONMENT

## Environmental Management

### Environmental Policy and Management System

In line with its sustainable management, LX Pantos has drawn up its policy on safety, health, and environment at workplace along with the course of action for green management to disclose the efforts to minimize its environmental impact, transition to green logistics, and make its business sites safer for all of its employees.

**Environmental, Health and Safety Policy**

LX Pantos is committed to minimizing its environmental impact across all facets of its business, and complying with environmental laws and basic requirements of ISO 14001, an environmental management system, and relevant procedures. We also make every effort to create safe and healthy workplaces for all our employees. In addition, we abide by the safety and health laws of all regions where we operate, and manage relevant data in an organized manner and transparently disclose our related activities.

❶ **Obtain Environmental Licenses and Permits**
We acquire environmental licenses, permits, and registrations required by the government, maintain and renew them, keep up to date with the recent developments, and ensure the compliance with all the requirements in terms of operation and reporting.

❷ **Minimize Our Environmental Impact**
We strive to minimize our environmental footprint in areas including hazardous substances, waste, air pollution emissions, resource consumption, water management, and energy and GHG emission. And we persistently come up with measures to minimize negative impact on the environment and local communities during the course of doing business.

❸ **Ensure Occupational Safety**
We evaluate safety risks, eliminate them, and take preventive measures to ensure occupational safety. And we furnish personal protective equipment, and take necessary action required by the laws such as sustainable safety education and emergency drills.

❹ **Occupational Accidents and Diseases**
We establish a system to prevent, manage, track, report, and improve occupational accidents and diseases, encouraging workers to report. We classify and record cases, provide necessary medical care, investigate issues, take corrective action to eliminate root causes, and promote the return to work.

❺ **Industrial Hygiene**
We manage the workplace so that workers are not exposed to chemical, physical, and biological hazards while removing or controlling risk factors.

❻ **Physically Demanding Work**
We identify, evaluate, and control the harmful factors caused by physically demanding work (repetitive work, excessive motion, long-standing tasks, heavy work, etc.).

❼ **Machine Safety Management**
We conduct inspections on the safety of machinery and equipment, aiming to evaluate risk factors. We provide and maintain physical protective gear, safety devices, and protective barriers when there is a risk of injury to workers.

❽ **Safety and Health Communication**
We offer safety and health information, including risk factors of the workplace, to workers in their native language or a language they can understand and provide related education. Relevant information is posted in an easily accessible and conspicuous place.

**Green Management Policy**

With the aim of putting sustainable management into action as well as discharging our social responsibility, we establish our green management policy which will guide us to make our logistics eco-friendly and greener. In accordance with this policy, we establish an environmentally friendly logistics system and carry out relevant activities.

❶ **Establish Green Management System**
We make our logistics system efficient to save logistics resources and energy and use them efficiently in the course of doing business, thereby minimizing GHG emissions and environmental pollution in the logistics industry and fulfilling our social and ethical responsibility.

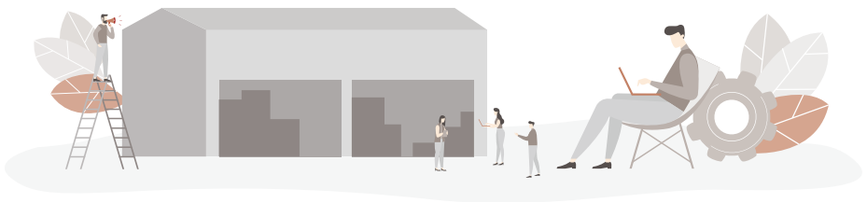
❷ **Join Logistics Energy Target Management System**
We discuss with the government to set up the target of mitigating energy used for logistics services, develop and implement green logistics businesses, and actively participate in the green logistics policies driven by the government.

❸ **Realize Low-Carbon and Green Logistics Services**
We communicate and cooperate with stakeholders throughout the entire business management, make appropriate investments, promote green logistics businesses, and develop and apply green logistics technologies. In addition, we make sure our strict compliance with overseas and domestic environmental laws and regulations.

❹ **Implement Green Transition Business**
We actively foster businesses for green transition through multifaceted efforts including the concentration and rearrangement of logistics hubs, adoption of eco-friendly vehicles, promotion of collaborative logistics, establishment of a green logistics data system, enhancement in truck loading rates, and eco-driving so that we achieve full-fledged green logistics management.

### Organization and Operation of Environmental Management Task Force Team

LX Pantos has organized the Environmental Management TFT comprised of each business division and personnel in charge, aiming to green its logistics companywide under the direction of the ESG Team. The ESG Team is in full charge of the implementation of environmental management as well as the operation of the TFT. And the entire organization works closely together to formulate action plans for green logistics according to the strategies of each business, thereby minimizing our environmental footprint in the course of doing business.



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# Environmental Management System

## Environmental Management Achievements and Goals

### Environmental Management Achievements

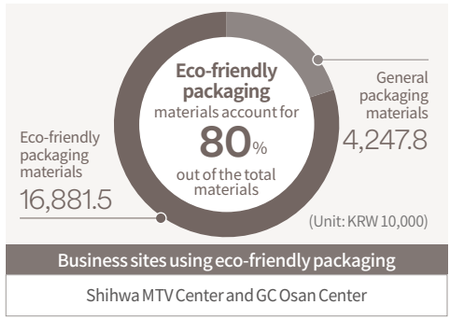
LX Pantos has expanded its scope of activities to deliver environmental management within our business operations. The shift from trucking to rail, an eco-friendly mode of transport, for some shipment is one of the representative examples of ourcontinued efforts to mitigate GHG emissions. In addition, we have increased the portion of eco-friendly cushioning and packaging materials up to 80% for subsidiary materials that used to be vinyl and plastic, thereby shaping green logistics.

### Environmental Management Goals – Roadmap for Climate Change Response

Since 2012, we have implemented our roadmap for green logistics. Entering the stable phase of green logistics in 2021, we brought our activities to realize green logistics into full swing in 2022. In the years to come, our efforts will continue to create a green supply chain and provide eco-friendly transportation services by carrying out the action plans for environmental management.

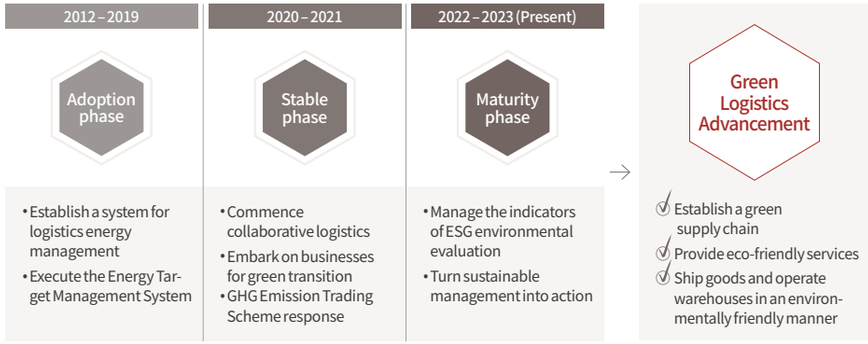
Eco-friendly Packaging Materials*






*Types of eco-friendly packaging materials: Bubble paper, paper cushioning materials, and paper tapes

Roadmap for Climate Action



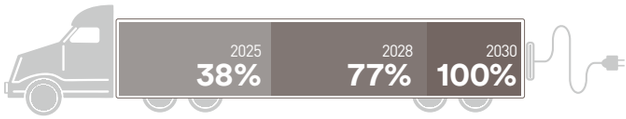

### Certificates in Environmental Management

In order to make our systematic system more robust, we have maintained the certification for environmental management. When it comes to ISO140001, an international standard for designing and implementing an environmental management system, our three business sites, including the HQ, obtained and have maintained it. In addition, all our domestic workplaces have been certified as excellent logistics companies for 11 consecutive years.




### Joined K-EV100

In March 2022, we joined the K-EV100, the Korean transition project towards zero-emission cars driven by the Ministry of Environment. To reach net-zero in the transport sector as well as to improve air quality, we will shift our owned and rented vehicles* to 100% electric or hydrogen fuel cell vehicles.




*Vehicles of third-party freight forwarders excluded




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## Activities to Internalize Environmental Management

### Transformation into Smart Office

Since 2021, we have transformed our workplace into a smart office, implementing working from home. More than 30% of our employees are working from home, which has resulted in the decreases in car usage for commuting and energy consumption at workplace.

### Eco-friendly Lifestyle Campaign

With the aim to embed an eco-friendly culture into every corner of the organization, we have conducted an Eco-friendly Lifestyle Campaign, which encourages all our employees to define their sustainable habits at workplace and put them into practice in their daily lives. And the defined habits include maintaining optimal indoor temperatures, using electronic documents, cutting back on energy consumption by business site, and suggesting ideas in regard of green logistics.

### Automatic System that Turns Off Lights at the HQ

A system has been installed that automatically turns off the lights at the HQ outside of working hours as part of the effort to reduce waste in our daily lives. We also installed energy-saving timers on office equipment, including copy machines and water purifiers for supplying electricity only during office hours with an aim to cut back on our energy consumption.

### Environmental Safety Accident Response System

For the prevention of any possible accident at workplace, all our domestic and overseas business sites, including the HQ, have in place their own protocol for accident response. In detail, we came up with response scenarios according to the types of accidents that can occur in and outside of our business sites. In particular, we established a response flow we have to follow in an event of an accident. The flow encompasses the entire process that includes the rescue of the victims and emergency treatment, the notification of the accident, the review of the countermeasures to prevent the same case, and follow-up measurements for improvement. By doing so, we prevent accidents and minimize the damages.

## Compliance with Environmental Laws and Regulations

We have reached zero violations of environmental laws and regulations over the past three years. Going forward, we will abide by environmental laws and regulations.

**Environmental Law Violations**

| Category | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Breach of legal duties and regulations | Case | 0 | 0 | 0 |
| Fines | KRW | 0 | 0 | 0 |
| Environmental responsibility (unpaid fines, etc.) | KRW | 0 | 0 | 0 |



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# Our Action on Climate Change

## Climate Change Response System

Aiming to achieve low-carbon and green logistics management system, LX Pantos has established a 'climate change response system' aligned with the national energy and climate policies. To mitigate our carbon emissions, a variety of efforts will be made including the shift to eco-friendly vehicles and implementation of GHG reduction projects. And we will never relent in innovating our logistics system to come up with countermeasures to curtail emissions at our business sites, and during the course of transportation.

### Climate Change Response System

| Implementing the Emission Trading System | Promoting GHG mitigation projects | Embedding an eco-friendly culture into every corner of the organization and employees at all levels | Greening the global logistics market |
|---|---|---|---|
| • Organize a response system to deliver the Emission Trading System<br>• Upgrade the monitoring system for energy consumption and GHG emissions | • Introduce high-efficiency equipment<br>• Expand the use of new and renewable energy<br>• Discover mitigation businesses at home and abroad | • Educate employees on climate change<br>• Launch a low-carbon consumption campaign<br>• Use environmentally friendly products | • Develop optimized routes for international transportation<br>• Take advantage of eco-friendly shipping services |

### Climate Change Adaptation Council Activities

In response to climate change, LX Pantos has carried out diverse activities as a member of the 'council for climate change adaptation,' driven by the Ministry of Environment. We have attended various forums to give lectures and presentations on the trends of climate change, understanding and application of physical scenarios, and domestic and overseas adaptation technologies and best practices, thereby boosting the collaboration between the private and public sectors in terms of developing and sharing relevant information. Additionally, we introduced the case of LX Pantos View Center, helping the establishment of an appropriate climate change response manual and inventory system in the logistics industry.

### Response Process for Physical Climate Risks

With the objective of managing the delay of transport, one of the biggest risk factors in the logistics industry, LX Pantos has introduced the Pantos View System that enables us to check dangerous situations caused by climate change in real time.

Taking advantage of a satellite- and IoT-based real-time control system, the Pantos View Center has built a monitoring system of air / ocean / rail freight transportation, based on which we track the current location and estimated arrival time of freight in real time.

Furthermore, it provides information on all forms of risk, such as natural disasters including typhoons, global accidents and incidents, and port congestion, thereby allowing us to grasp the risk situation immediately and respond to it in a proactive manner. On the strength of this technology, we will approach risk factors posed by climate change from multiple angles to enhance our capabilities to deal with physical risks and advance our response system.




### LX Pantos View Process




## GHG Mitigation Target

Living up to our stature as a global logistics firm, LX Pantos has set up its target of attaining green logistics and pushing ahead with businesses for green transition as part of the effort to go green and combat climate change. To this end, we have come up with a bunch of measures by business area that include logistics hub integration, transition to rail transportation that generates lesser emissions, loading rate improvement, and establishment of a green logistics information system. When it comes to vehicles, we plan to shift all our owned and rented vehicles, except for the vehicles of third-party freight forwarders, to EVs by 2030. On top of that, as a leading player in the logistics industry, we will be persistent in responding to climate change by joining the Carbon Disclosure Project (CDP) to disclose our GHG mitigation progress and figure out the measures to cut back on our emissions.

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## GHG Mitigation Efforts

LX Pantos has applied the guidelines on emissions reporting and verification of the Emissions Trading Scheme (the Ministry of Environment Notification No. 2022-279) and the 2006 IPCC Guidelines to calculate our emissions, and made them verified by a third-party agency.

### GHG Emissions*

| Category | Unit | 2020 | 2021 | 2022** |
|---|---|---|---|---|
| Scope1 | $tCO_2eq$ | 35,924 | 35,901 | 25,181 |
| Scope2 | $tCO_2eq$ | 8,066 | 8,388 | 9,450 |
| Total emissions | $tCO_2eq$ | 43,990 | 44,289 | 34,631 |

* Calculation rage is limited to the emission facilities at the HQ and domestic business sites
** 2022 emissions are subject to change after the verification

## Voluntary Joining of the Carbon Disclosure Project (CDP)

We voluntarily became a member of the Carbon Disclosure Project (CDP) in July 2022. The CDP requires companies to disclose their response to climate change and relevant data. And based on which, it publishes annual reports of firms. The reports are recognized for high reliability, which is evidenced by the utilization as guidelines for investment by global financial institutions. In the years to come, we will disclose our GHG emissions, water consumption, and climate change response strategies through the CDP.

## Energy Consumption Management

With a view to raising our energy efficiency, we have managed our energy consumption. To this end, we reduce the frequency of transportation, promoting modal shift which enables us to carry a large amount of cargo at once. In addition, we encourage our employees to control energy consumption in their everyday lives with a variety of energy-saving activities.

### Energy Consumption

| Category | | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Energy Consumption | Electricity | MWh | 17,300 | 18,259 | 20,571 |
| | LNG | Nm3 | 126,504 | 112,066 | 122,842 |
| | Diesel | L | 13,305,144 | 13,353,183 | 9,301,652 |
| | Gasoline | L | 99,978 | 92,916 | 88,823 |
| | Others (indoor kerosene)* | L | 1,392 | 0 | 0 |
| Total energy consumption | | TJ | 677 | 687 | 557 |

* No kerosene usage since 2021 in accordance with the internal regulations that impose a ban on the use of toxic substances within the center

## Water Consumption Management

As not much water regulation applies to the logistics industry, we are not subject to the tightened rules concerning water consumption. However, we strive to minimize our environmental footprint in terms of water usage at some of our business sites, ensuring our abidance by the laws regarding water intake and discharge.

### Water Consumption

| Category | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Water consumption | ton | 17,426 | 9,541 | 14,216 |



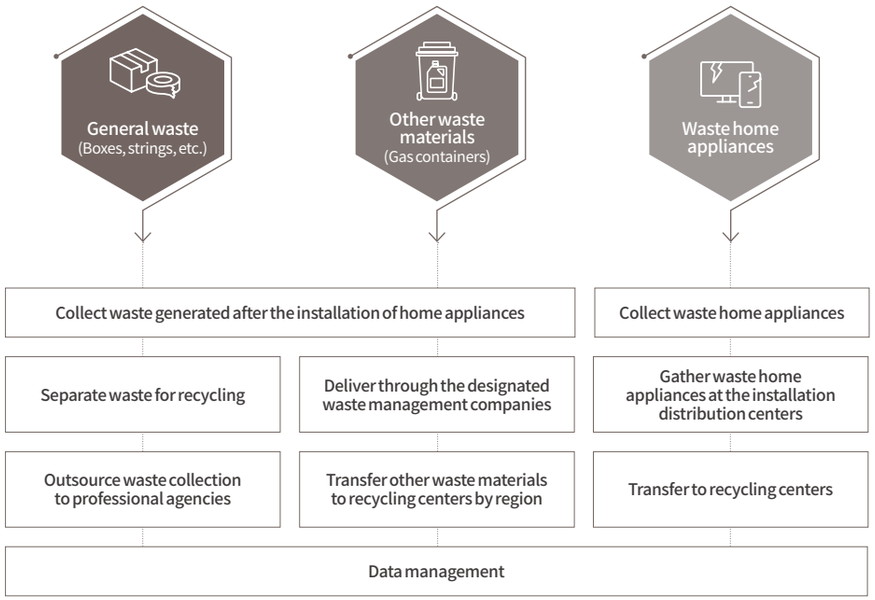
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## Waste Management

We manage waste generated during the course of doing the business of electronics logistics. The waste is classified into general waste, waste home appliances, and other waste materials (containers for refrigerant gas, etc.) to dispose of them according to the appropriate processes.

### Waste Management Process




### Waste Generation*

| Category | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| General waste** | ton | - | 384 | 419 |

*Designated waste (other waste and waste home appliances, etc.) are disposed by LG Electronics and outsourcing companies
**Amount of general waste generated has been calculated since 2021 according to the methodology of environmental data disclosure waste calculation presented by the Ministry of Environment

## Resource Circulation Activities

### Spread of a Culture of Using Multi-Use Cups in the Workplace

In an effort to promote a culture of using multi-use cups in the workplace, we furnish tumblers to all our employees, and place reusable cups at the office to minimize the use of paper cups. The in-house cafe is allowed to only use recyclable cups instead of paper or plastic cups. On top of that, we share good green practices that can be easily followed in our daily lives through the bulletin board to raise environmental awareness among our employees.

### Eco-friendly Umbrella Sharing

With the purpose of disseminate a culture of eco-friendly sharing, we have placed additional 50 eco-friendly umbrellas within the company in addition to the existing umbrella sharing service, which enables our employees to circumvent inconvenience posed by unexpected weather changes, and reduce their umbrella consumption, thereby providing a higher level of convenience. This is part of the Gwanghwamun One Team Activity, a funding project that recycles the scrap of paraglider fabric whose characteristics are water repellency and proofness into eco-friendly umbrellas. This project has allowed us to replace single-use items and also seek for zero waste, thereby contributing to environment protection.

### Eco-friendly Investments

LX Pantos doesn't hesitate to invest in green business in diverse ways including the installation of eco-friendly plant equipment and the procurement of green products and raw materials. The establishment of the Shihwa MTV Center utilizing environmentally friendly materials is in the pipeline, and we expect it to mitigate carbon emissions by 159 tons per year. As part of the effort to improve energy efficiency, we also replaced the lights with LED ones at the West Icheon Warehouse and the warehouse in Sweden, which, in turn, led to a 52% reduction in electric bills compared to the previous year. Additionally, we have managed our entire energy consumption on a monthly basis, including the amount of oils used at all centers, and replaced forklifts with electric ones. Likewise, we have made constant investments in activities and campaigns aimed at improving the environment. In the years to come, we will maintain and scale up our green investments to go green in our logistics and curtail energy consumption.

**LED lights replaced**

52 %

Electricity energy bills reduced compared to the previous one

**Newly built with green materials**

Shihwa MTV Center

159 ton

Carbon reduction effect expected

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# SOCIAL

## Customer Value Management

### Customer Value Management System

LX Pantos is committed to embedding a customer-oriented culture into every corner with a focus on the advancement of quality management system so that we deliver sustainable customer value.




| | |
|---|---|
| Responsible Management | • Settle a customer-oriented culture<br>• Deliver sustainable customer value management |
| System Upgrade | • Advance quality over all stages of customer journey<br>• Secure a control system tailored for customers |
| Competitiveness Reinforcement | • Manage the process based on the map of customer journey<br>• Secure end-to-end visibility |
| Customer Satisfaction Realization | • Aline our work process with international standards<br>• Reduce costs through prevention activities |
| Process Optimization | • Establish a company-wide integrated quality management system<br>• Minimize processes, maximize efficiency |
| Service Quality Improvement | • Manage and improve service quality indicators<br>• Prevent quality issues and minimize relevant accidents |

Under the mission of sustainable customer value realization, LX Pantos has put a lot of efforts into making a customer-oriented culture permeate all facets of the organization as well as responding to customers' pain points in a proactive manner. With the establishment of a dedicated organization for customer value management, we have carried out a variety of activities that encompass the creation of a customer pain point integrated system, collection of pain points and responses to them, collaboration among departments for the improvement, and identification of tasks for the shared growth with customers through data analysis. Through these efforts, we have built our own system for customer value innovation with a focus on service quality and risk management to provide the top-notch logistics services. By doing so, we put customer at the heart of our management across the entire supply chain.

#### Behavioral Principles for Customer Value Management

**Customer Trust**

**Provide differentiated customer value to earn trust from customers**

| Customer value innovation | Proactive implementation | One mind |
|---|---|---|
| Use the provision of differentiated customer value as a benchmark when we act and make a judgement | Always be one step ahead to resolve customers' pain points based on profound understanding of customers and communication with them | Act in unison as 'us' instead of you and me for customer value innovation |

#### Customer Value Management Organizational Structure




| Customer Value Innovation Team | Quality Innovation Team | Global View Team |
|---|---|---|
| • Collect customers' pain points and establish a response system<br>• Work with business divisions to fix customers' pain points | • Earn trust from customers through quality management<br>• Present quality standards and manage the obtainment and maintenance of certificates (acquisition / renewal) | • Provide visibility within the supply chain in real time<br>• Implement digital solution-based risk management, etc. |

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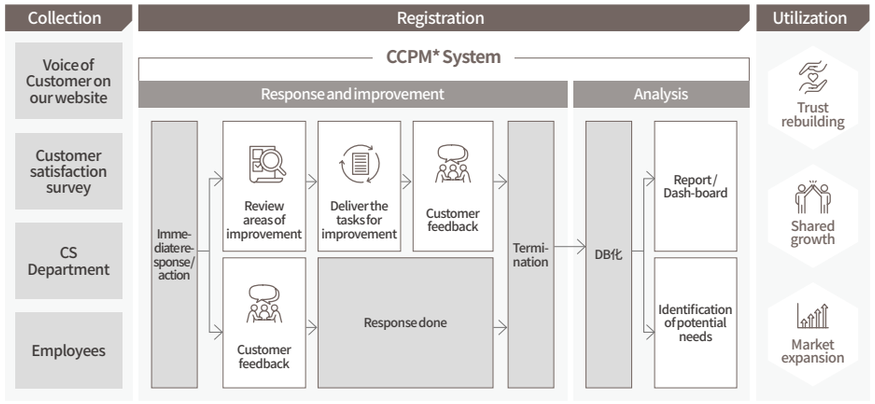
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### Voice of Customer and Feedback Management

LX Pantos receives inquiries, complaints, and suggestions from customers through the section of 'Voice of Customer' on its website. There is a section for 'Frequently Asked Questions' (FAQ) so that customers can find the answers before asking. Moreover, we classify the cases received to handle them in a more systematic manner, and collect the feedback from the customers, thereby improving the matters and preventing the recurrence of the same issue.

In addition, we have diversified the channels to reach out to more customers for paint point collection while operating the CPPM system where all pain points collected through diverse channels are comprehensively managed.

**Voice of Customers & Customers' Pain Point Collection and Management System**




*CPPM(Customer Pain Point Management): It refers to our integrated management system to address customers' pain points

### Customer-oriented Corporate Culture

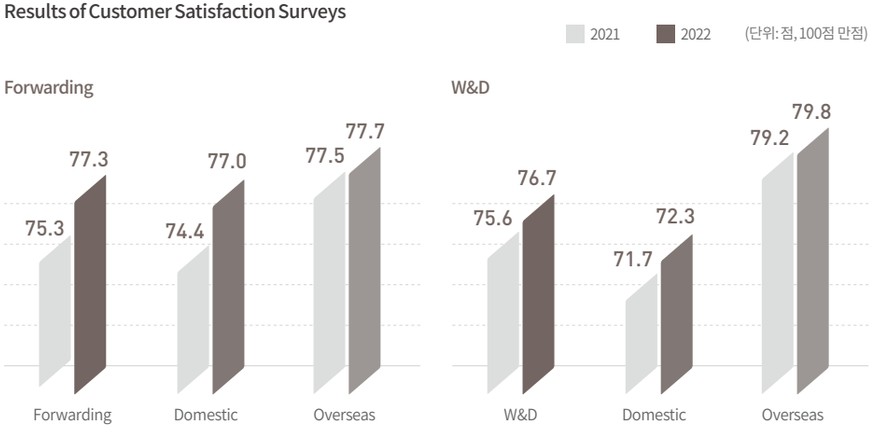
For the sake of customer value realization, LX Pantos has set up various versions of CS manuals tailored for each customer and situation, and provided modular education for employees to standardize how to serve customers. All our employees are subject to CS education that embodies the significance of customer value and core elements. Furthermore, we provide education on business manner for new hires, communication skills by position for all employees, and customer value-based leadership training, thereby raising their awareness of customer value and promoting a customer value-oriented culture.

## Achievements and Goals

### Customer Value Management Achievements

LX Pantos conducted customer satisfaction surveys to figure out the areas of satisfaction and dissatisfaction in our forwarding and W&D services, and based on the results, set up the strategies to raise the satisfaction level. Through the survey, we will better understand what customers put emphasis on when trading, and produce and execute relevant strategic tasks to make progress, thereby serving our customers better.

**Results of Customer Satisfaction Surveys**




*The results of the survey on the Installation Business Division included in W&D

### Customer Value Management Goals

LX Pantos will ensure seamless management of customers' pain points and service quality to secure competitiveness and realize customer value. As part of the effort, we have set up the next-generation quality management system and set what is required for customer value management as monthly KPIs for goal and performance management as well as strategy formulation.

And we register pain points and quality accidents on the system for constant management to ensure immediate response, improvement and better customer satisfaction.

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## Quality Competitiveness Securement

### Our Company-wide Quality Policy

LX Pantos strives to secure quality competitiveness to elevate customer value. To ensure logistics services of high quality, we have formulated our company-wide quality policy, and embedded it into every facet of our services.

**Company-wide Quality Policy**

Based on our customer trust, we are one step ahead to address pain points of our customers, provide customer value, and stick to our stringent quality management, thereby securing the top-notch quality competitiveness and achieving customer satisfaction management.

1. Make it immediate to report and notify customers when a quality-related accident occurs
2. Manage the process of improving nonconformity (registration → notification → root cause analysis → recurrence prevention) through the system
3. Figure out root causes of quality issues, come up with measures to prevent the recurrence, and put them into action according to the procedures
4. Manage quality indicators, conduct regular inspections, and deliver constant change management to ensure quality in a stable manner
6. Make our employes well acquainted with our quality regulations, regularly provide them with quality education, thereby realizing a culture of satisfying customers

We declare that we will strictly comply with this policy and faithfully implement it.

### Quality Accident Prevention Activities

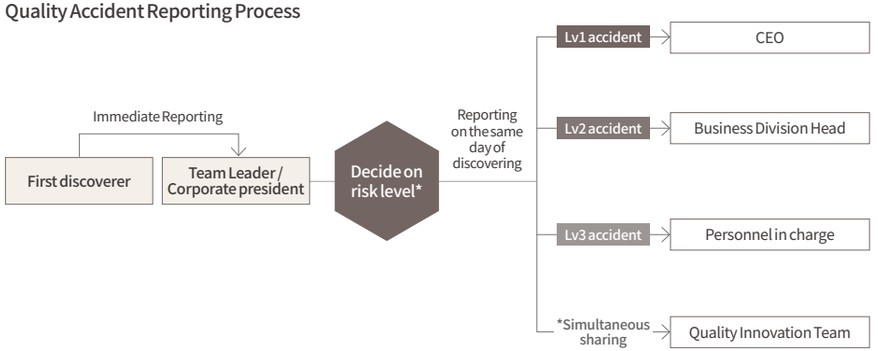
We are committed to maintaining the quality of our logistics services that are upgraded and standardized as well as preventing quality-related accidents to provide outstanding logistics services for customers.
As part of the effort, we look into the records of accidents over the past years to forecast potential accidents by season, come up with and spread measures to prevent those accidents, review the implementation, share the best practices along with standardized procedures regarding how to transport & store freight and how to prevent freight damage, so that we can minimize quality accident and secure business competitiveness.



### Quality Accident Reporting Subjects and Procedures

In accordance with our quality policy, we put in place labeling standards and regulations on reporting procedures by quality accident. Quality accidents are categorized into several types depending on six elements including the amount of damage. And the very first person who discovers the accident is supposed to report to the personnel in charge as soon as the accident occurs, and then register it with the Quality Management System (QMS).
The person in charge makes the initial report on the day according to its risk level and corresponding reporting procedures, followed by interim or final reports according to the developments of addressing the issue. And then, the root causes are analyzed and plans for improvement are established and implemented for prevention.

**Quality Accident Reporting Process**




*Risk Level

- Lv1 accident: Breach of regulations, brand image undermining, etc
- Lv2 accident: Airplane accidents, strikes that last for more than one week, etc.
- Lv3 accident: Natural disasters, strikes, delivery delays, disruptions in transportation, etc.

**Way of reporting**

| Initial reporting (immediate reporting after the discovery) | Interim reporting (reporting of the developments) | Final reporting (reporting of the termination) |
|---|---|---|
| Date and place of the accident, causes, damage level, potential issues posed by the accidents, etc. | Accurate analysis of the causes, and the developments up to date | Measures to prevent the recurrence of accidents incurred by the similar causes, and action plans |

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# Win-Win Management

## Supply Chain ESG

### Management System

LX Pantos discharges its responsibility and duty as a global corporate citizen, and seeks to become a comprehensive logistics firm that goes hand in hand with local communities for shared growth. As part of the efforts, we have laid the foundation for ESG management, and ensured the compliance with the basics and principles in the realms of the respect for human rights of employees, creation of sake workplaces, environmental accountability, and corporate ethics to lay the foundation for ESG management so that a sustainable business environment spreads and settles. In particular, as we are well aware that nonconformity of ESG principles could lead to mid- to long-term profit risks as well as long-term risks that threaten the survival of companies, we encourage our suppliers to join the movement to abide by the ESG principles.

### Management Policy – Supplier ESG Code of Conduct

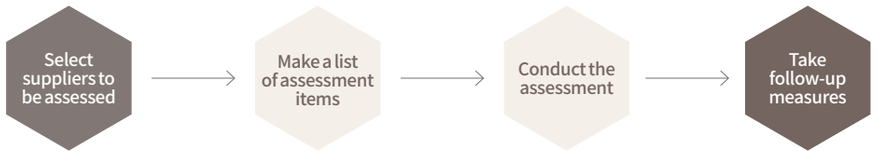
LX Pantos has business relationships with a variety of suppliers within its global supply chain ranging from international shipping and storage & land shipping to general service and material sourcing. Being cognizant that robust partnerships with them and the soundness of our supply chain decide our competitiveness, we put efforts into managing our supply chain, which is evidenced by the establishment of the Supplier ESG Code of Conduct.

### Supplier Assessment

In 2022, we established a supplier assessment system to evaluate them in terms of their management and finance (stability, quality, service, price, etc.) as well as their sustainable aspects (their code of conduct, ethics and Jeong-do management,, safety, legal compliance, etc. Starting from 2023, we have conducted the supplier assessments twice a year.

To make it easy for evaluators to make decisions, we have classified the assessment items into several categories–procedures/quality/cost price/safety/environment, and converted qualitative assessment items into numbers to ensure accuracy and objectivity. We also plan to provide incentives for the suppliers ranking among top 5% of evaluated companies when they bid for new contracts.

**Supplier Performance Assessment Process**




**Supplier ESG Code of Conduct**

**Respect for Human Rights**

❶ The Company shall respect all of our employees' human rights and is committed to uphold and secure the working environment without any kind of human rights violation or inhumane treatment.

**Non-Discrimination**

❷ The Company shall not tolerate any discrimination with respect to gender, race, color, age, sexual orientation, national origin, religion, disability, pregnancy and/or marital status, ethnic or social origin, political affiliation or any other characteristic protected under law in hiring and employment practices.

**Labor**

❸ The Company shall prohibit hiring of children under the minimum age of employment in any national or local jurisdiction. Employees under the age of 18("young workers") must not perform hazardous work that is likely to jeopardize their health or safety, and shall be provided with appropriate support and training.

❹ The Company shall prohibit the use of all forms of forced labor–slave, prison, indentured, bonded labor, human trafficking or any other means–as well as mental and/or physical coercion. The Company ensures that the employment contract is written and provided in a language that workers understand.

❺ The Company shall respect the employees' right to have association and collective bargaining in accordance with local laws and regulations. Employees can communicate with the management regarding their working conditions without any risk of discrimination, retaliation, threats or harassment.

❻ The Company shall abide by all legal requirements related to maximum working hours, days of work, minimum wage, welfare and remuneration, etc.

**Health and Safety**

❼ The Company shall comply with legally mandated precautionary measures including evaluating and eliminating hazardous matters, providing regular education and emergency training, providing personal protective equipment, etc. to ensure that employees can work and live (if accommodation is provided) in a safe and healthy environment.

**Environment**

❽ The Company shall acquire and maintain all environmental permits as required by law and fulfill the obligation to report if applicable. The Company makes its best effort to minimize any negative environmental effect and footprint, including but not limited to any waste, air emissions, resource management, etc.

**Ethics**

❾ The Company shall maintain the highest level of integrity in all transactions and relations, and strictly prohibits any types of corruptions including undue acquisitions of improper advantages or bribery, while fully complying with all legal requirements related to anti-corruption. The Company ensures confidentiality and protection of whistle-blowers. The Company complies with the applicable legal requirements and standards regarding fair trade, advertising and competition.

❿ The Company shall systematically protect the personal information of all interested parties (including clients, consumers, and employees), while complying with personal information protection / information security laws when collecting, storing, processing, transmitting and sharing personal information.

**Supplier Management**

⓫ The Company shall put its best effort in communicating and requesting the principles and standards provided in the Code, to its employees as well as its own suppliers.

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## Shared Growth

### Assisting Suppliers in Promoting Their ESG Management

With the aim to help our suppliers elevate their ESG management, we will lend support to their self-ESG assessment and activities to improve their weaknesses. In addition, we will encourage them to intensify their ESG management in various aspects – complementing their policies and procedures that they usually lack, such as their human rights policy and the regulations on occupational safety and health, and the environment, and raising the awareness of data privacy among their employees, thereby supporting them in embedding ESG management into their business operations.

### Win-Win Programs with Shipowners

LX Pantos carries out a variety of activities aimed at promoting the cooperation with domestic shipowners as well as achieving the growth of the logistics industries. With a view to leading the digital transformation in the shipping / logistics industry, we have joined a global marine logistics digital consortium with key local national carriers.

Moreover, we have connected key shipping data systems, which has, in turn, led to better utilization of national carriers' services, just-in-time responses to changes, such as demand forecast, blank sailing, or schedule delays, and their strengthened reliability. We are seeing our national carriers' freight rate on the rise, and making every effort to achieve a 38% of freight rate in 2023.

In addition, we have established strategic partnerships to expand the scope of businesses with national carriers while having produced the best cases of reducing costs and increasing shipping efficiency. In the years to come, we will spare no effort to reinforce the competitiveness of the services provided by national carriers through diverse activities to sharpen the competitiveness of companies in terms of export.

Strategic Partnerships with National Carriers




## Fair Trade

### Supply Chain ESG Management Principles

LX Pantos recognizes that solid partnerships with suppliers and a healthy supply chain are important parts of corporate competitiveness and strictly complies with supply chain ESG management principles when conducting procurement activities with an aim to establish a transparent and healthy fair trade culture.

**Supply Chain ESG Management Principles**

**❶ Environment**

**Establishing an eco-friendly supply chain**

By identifying and working with eco-friendly partners, we establish an eco-friendly supply chain that complies with environmental regulations and minimizes environmental impact.

**❷ Social**

**Establishing a supply chain that places importance on labor and human rights protection, safe working environment, and social value creation**

We ensure that the human rights of stakeholders in the supply chain are respected and a safe work environment is being provided. In addition, we strive to contribute to local community development by seeking ways to include/maximize cooperation with SMEs, vulnerable groups, and local procurement in our supply chain, in order to encourage social value creation and promote coexistence with the local community.

**❸ Governance**

**Building cooperative relations and promoting transparent and fair competition**

establish win-win relationships with our partners to pursue mutual growth and coexistence, building a continuous virtuous cycle in the supply market by providing transparent and fair competition opportunities based on compliance throughout the entire procurement process.

### Fair Trade Activity

For the purpose of forming a fair trade relationship between employees and partner comp nies and raising ethical awareness, we promote fair trade activities. We provide education on fair trade on a regular basis and distribute action guides for subcontract work, collusion prevention, and unfair trade prevention in order to encourage personnel in charge to comply with fair trade in business operations and transactions with partner companies. In addition, we share fair trade policies and the latest cases with our employees striving to familiarize ourselves with the action guides for each case and preemptively prevent illegal acts. On top of that, we frequently inspect trade-related activities, such as reviewing documents related to contracts every week and monitoring payments to subcontractors every quarter with an aim to avoid any risks in advance.

| Offline training on cartel and subcontract | Distribution of company-wide action guides | Weekly policy briefing on fair trade | Frequent inspection of fair trade risks |
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# Social Contribution Activities

## Activities to Disseminate Social Value

### VR Learning Playground

Our representative social contribution activity is VR Learning Playground. We created a space for children's welfare where children can freely play and experience a variety of sports activities along with basic elementary education subjects, such as Korean, English, and mathematics, capitalizing on VR devices. We targeted the places where the underprivileged are mostly populated, giving opportunities for children to use VR devices and content without any financial burden, aiming to narrow the information divide. It is Korea's first public VR facility open to all children for free. We opened the first one at Yeongdeungpo Social Welfare Center in 2021, followed by the second one in Busan. Furthermore, we plan to expand it to the local communities in which LX Pantos business sites are located.



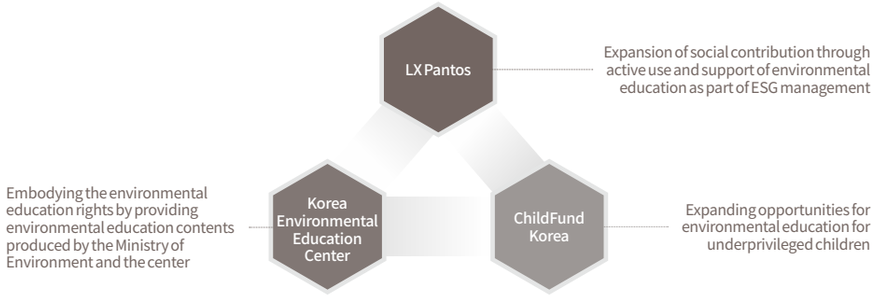
VR Learning Playground 1 – Yeongdeungpo Social Welfare Center (opened in November 2021)




VR Learning Playground 2 – Busan Social Welfare Center (opened in January 2023)

### Providing Environmental Education for Children

We signed a three-way business agreement with the Korea Environmental Education Center designated by the Ministry of Environment and ChildFund Korea to guarantee children's right to learn about the environment. By placing VR contents (carbon neutrality, fine dust, environmental health) in regard to environmental education at the VR Learning Playgrounds, we make efforts to give opportunities for future generations to receive education on the environment and climate change.




### Self-reliance Support for Children after Termination of Institutional Care

We support children in need of protection with their subscription bank account support and self-reliance settlement fund so as to help their independence. When children in need reach the end of official protection and become self-reliant from shelters, we assist them in establishing a living foundation. In addition to financial support, we carry out emotional support activities, such as the 'home (protection facility) visit program', so that the children who have come out from shelters do not fall into social isolation.

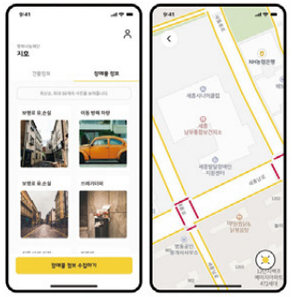



### Participation in 'One Team'

LX Pantos joined One Team to carry out a joint social contribution project so as to voluntarily address community issues and pursue a collective impact in realizing ESG values.
One Team is composed of 20 companies, government agencies, and non-profit organizations, which are located in the Gwanghwamun area. The group was organized to collaborate on joint projects utilizing the unique strengths of each participant party, including workforce, material resources, and business power. As a member of One Team, we also joined the efforts in ESG activities for the local community around the head office.

### Contribution to Seesee-gakgak Project

As part of the One Team activity, we took part in the 'See-see-gakgak project' to provide walking navigation for the transportation vulnerable (the visually impaired). For the project, employees of LX Pantos collected information on buildings and obstacles and provided pedestrian safety maps, contributing to building a barrier-free city.
On top of that, our employees have joined various activities, such as a reusable cup use campaign, 'Love Meal Kit,' a win-win project with local small businesses, and a step counter project.



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# Contribution to Local Communities

## Win-win with Communities

### Support for Children in the Vulnerable Class Suffering from Incurable Diseases

We have assisted children from economically disadvantaged groups with medical expenses since 2017. We have supported treatment expenses for children suffering from incurable diseases at the Seoul National University Children's Hospital, and this social contribution activity has continued for a long time.

### Summer and Winter Support for the Elderly Living Alone

We carried out the 'Cool Summer & Warm Winter' activity with an aim to help the vulnerable elderly living alone in Jongno-gu, where our head office is located. In the summer, we provided air conditioners and dehumidifiers to cope with heat waves. In the winter, we gave Kimchi and heating devices to the elderly so that they could maintain a healthy diet and live in a warm environment at home.




### Excellent Business for Employing the Disabled

LX Pantos has operated Hanultari, a workplace for the disabled, since it was founded in 2018. In particular, our focus is to develop diverse jobs for the severely handicapped & the female disabled as well as to improve their working conditions and treatment, which has resulted in us being selected as 'excellent employer for hiring the disabled' by the Ministry of Employment and Labor in 2022. LX Pantos and Hanultari are making all-out efforts to discharge their social responsibility by hiring the disabled, sharpening their competitiveness, and unlocking the value of ESG management.

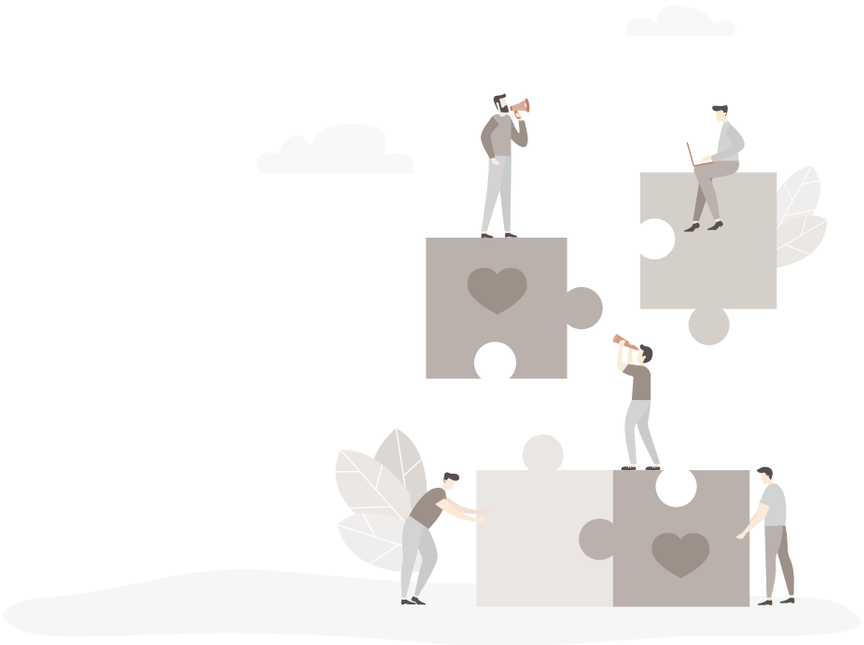






## Investment in Social Contribution Activities

LX Pantos has implemented social contribution activities for coexistence with the local community. For instance, LX Group donated goods worth KRW 500 million to the National Disaster Relief Association to support wildfire damage on the eastern coast of Korea. Besides, LX Pantos promotes a variety of activities for all walks of life, including 'Together Value,' the subscription bank account support as well as the welfare promotion support for the army base having sisterhood ties. As we advance, we plan to actively expand our social contribution activities to further various areas. Our endeavors will be continuously made to fulfill our social responsibilities from a long-term perspective by fostering future talents, promoting diversity, and creating social value.



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# Human Resource Management

## Employee Status

LX Pantos has defined the ideal image of 'No. 1' it pursues based on both the nature of the logistics business and the thoughts of its members. At LX Pantos, employees work and grow in a pleasant corporate culture that anyone desires to join on the foundation of the core value, 'No. 1 Pantos.'
As of 2022, the total number of employees was 2,012, and we have spared no support and encouragement to the working environment and the growth of our employees.

### Employee Composition

| Classification | | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Total no. of employees | | Person | 1,779 | 1,907 | 2,012 |
| Gender | Male | Person | 1,327 | 1,388 | 1,442 |
| | Female | Person | 452 | 519 | 570 |
| Age | Under 30 | Person | 262 | 294 | 283 |
| | 30-49 | Person | 1,392 | 1,466 | 1,572 |
| | 50 or above | Person | 125 | 147 | 157 |
| Employment type | Regular position | Person | 1,720 | 1,855 | 1,965 |
| | Non-regular position | Person | 59 | 52 | 47 |
| Indirect employment (dispatched)* | | Person | 20 | 9 | 9 |

* Dispatched manpower for office assistant work. Not included in the total number of employees

### Employee Diversity

| Classification | | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Female | Female managers | Person | 10 | 20 | 28 |
| | Newly hired female employees | Person | 51 | 99 | 84 |
| Disabled | | Person | 15 | 13 | 13 |
| Patriots and veterans | | Person | 25 | 25 | 28 |
| Foreigner | | Person | 7 | 9 | 10 |

## Fair Recruitment for Employee Diversity

We implement fair recruitment aiming to identify the ideal talent with conviction and strong execution skills. We do not discriminate in the recruitment and promotion process to ensure employee diversity. In addition, we maintain a higher number of employees with disabilities than the average of other companies.

### Recruitment Status

| Classification | | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Total recruitment | Total no. of newly hired employees | Person | 130 | 278 | 287 |
| | Entry-level employees | Person | 33 | 75 | 46 |
| | Experienced employees | Person | 97 | 203 | 241 |
| Gender | Male | Person | 79 | 179 | 203 |
| | Female | Person | 51 | 99 | 84 |
| Age | 20s | Person | 60 | 125 | 96 |
| | 30s | Person | 42 | 114 | 154 |
| | 40s | Person | 22 | 35 | 31 |
| | 50s or above | Person | 6 | 4 | 6 |

### Employee Service Status

| Classification | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Turnover rate* | % | 3.7 | 5.8 | 7.3 |
| Voluntary retirement rate** | % | 3.1 | 5.5 | 5.8 |
| Average years of service | Year | 9.1 | 9.0 | 8.8 |

*Total retirement rate including involuntary retirement (regular retirement, transfer to affiliates, etc.)
**Rate of retirement made by individual's voluntary will

### Remuneration and Compensation System

| Classification | | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Wage of new employees* | Legal minimum wage | KRW | 23,296,080 | 23,648,640 | 24,841,920 |
| | Starting salary of new employees compared to the legal minimum wage(male) | % | 163 | 178 | 173 |
| | Starting salary of new employees compared to the legal minimum wage(female) | % | 163 | 178 | 173 |
| Average wage** | Executives | KRW | 254,164,730 | 317,843,820 | 311,313,400 |
| | Staff(male) | KRW | 52,592,640 | 55,355,330 | 59,413,830 |
| | Staff(female) | KRW | 42,594,480 | 45,776,560 | 51,038,980 |

* Based on base salary of new employees with bachelor's degrees (contracted annual salary)
** Based on base salary (contracted annual salary), average wage of all employees

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## Education for Employees

We provide a variety of training courses tailored to our unique education frame so that our employees can be equipped with their expertise in line with their business field and position. We have five main areas for education. Through the systematic classification, there are detailed training processes under each area. We have prepared an intensive course for fostering leaders and job experts while having a step-by-step leadership development system to nurture leadership and support related issues. On top of that, we offer a separate education program for candidates and confirmed employees who will be dispatched to overseas corporations, helping them build their capabilities.

### Employee Education Status

| Classification | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Total number of employees receiving education* | Person | 1,779 | 1,907 | 2,012 |
| Total education hours | Hour | 57,685 | 48,397 | 56,276 |
| Education hours per person | Hour | 32.41 | 25.38 | 27.97 |
| Total education cost | KRW | 813,029,073 | 590,337,330 | 1,044,694,227 |
| Education cost per person | KRW | 456,758 | 309,563 | 519,232 |

*Education target: Employees of all positions in domestic business sites. The number of target employees is calculated each year in accordance with our internal standards.

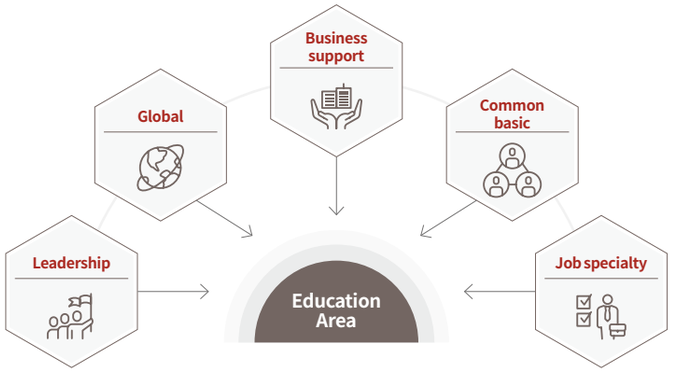
### Onboarding Support for New Employees

For the growth and successful adaptation into the organization of all new hires, we operate various onboarding programs. All new employees of LX Pantos are provided with introductory training for effective company understanding and a two-year mentoring program for reinforced internal networking. When they reach 3 to 4 years of service, we provide retention training for individual career management.

### Fostering Job Experts

After setting up personalized career development plans, employees can select and attend job training programs tailored to their own goals. Our education system encompasses from a basic understanding of business to in-depth training for each job so that we can foster job experts equipped with professional expertise.
Any employees can receive training on other duties through the job crossover program. This allows them to raise their understanding of the overall business of the company and develop their career competencies.

### Education Areas Provided for Employees




### Employee Development System

**All employees**

| Domestic | | | | Overseas |
|---|---|---|---|---|
| Leadership | Job specialty | Common basic | Business support | Global |
| Leadership improvement training and nurturing aspiring leaders | Fostering job experts for high performance | Training for work skills and communication | Tailored education support for organizational development | Onboarding support for internationally recruited staff and nurturing local managers |

### Nurturing Global Experts

LX Pantos provides training courses so that outstanding talents in the company can fully demonstrate their capabilities when they are dispatched to overseas corporations. The training course for employees living overseas before taking the position includes education on local language and culture. We also provide education for the families of the employees to help them settle well in the area. In addition, our training courses while in the office focus on sharpening the managerial capabilities as well as listening and handling local grievances. When they return to Korea, we also offer education, supporting quick adaptation and change management.

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## Fair Evaluation and Compensation

Our policy is the performance-based one that rewards individuals based on their performance. The profits derived from the business performance are also distributed differentially depending on the performances of individuals or organizations. We have an evaluation process centering on the long-term development of individuals, building a healthy personnel culture where both individuals and organizations can grow hand in hand.

### Employee Evaluation Process




### Regular Performance Evaluation of Employees

| Classification | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Employees subject to regular performance evaluation and career development review* | Person | 1,701 | 1,773 | 1,900 |

*Performance evaluation criteria: targeting employees at the head office in Seoul, which is calculated each year in accordance with our internal standards.

## Welfare Benefits

LX Pantos makes strenuous efforts to offer its employees the highest level of welfare benefits. We have a separate internal welfare policy that stipulates the welfare benefits of the company. Currently, there are various types of welfare benefit policies related to medical expenses, congratulatory and condolence expenses, school expenses, communication expenses, and housing funds.

## Labor-Management Relations

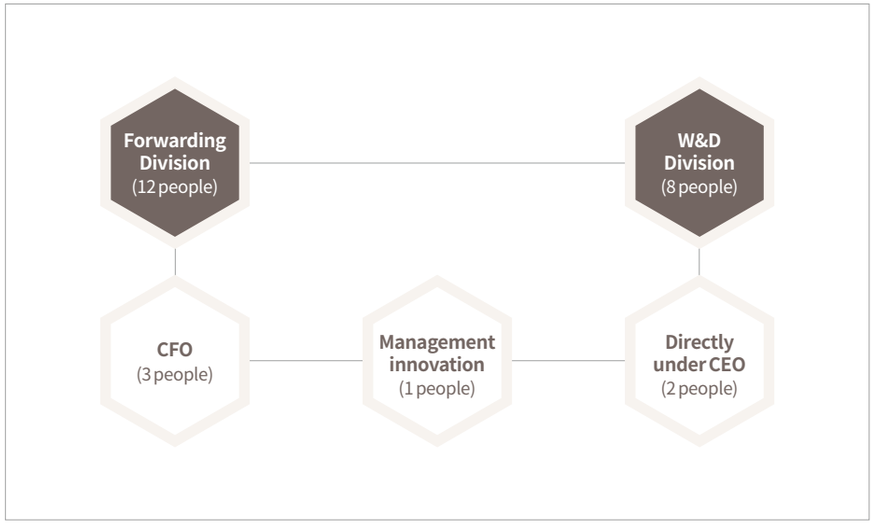
### Labor-Management Council

LX Pantos holds regular labor-management council meetings every three months with the aim to establish sound labor-management relations. Various agenda items are discussed at the meeting, addressing productivity improvement, profit distribution, employees' grievance handling, safety, health, and other work environment improvement, employees' health promotion, personnel and labor management system improvement, and many more. As a non-union workplace, there is no collective agreement. However, we boost free suggestions and active communication through this council so as to promote labor-management cooperation and upgrade employee welfare and work environment.

### Junior Board

We operate the Junior Board as a representative body for office workers aiming to vitalize communication within the company. One person from each business division is selected to participate as a member of the Junior Board, and they serve a bridging role in communication between managers and employees. As of 2022, a total of 26 employees joined as members of the Junior Board, helping to form a trust based on smooth communication between managers and working-level staff.

### Organizational Chart of the 7th Junior Board



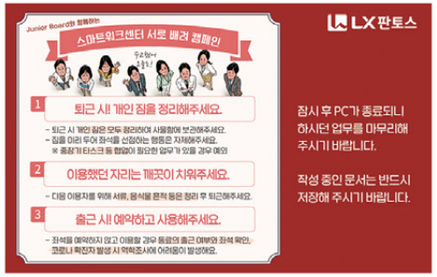


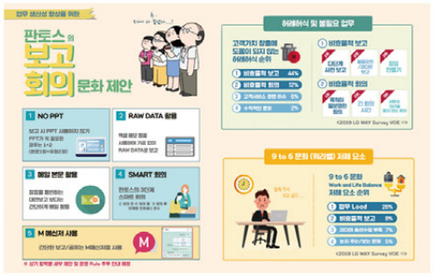

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## Work and Life Balance

### Improving the Way We Work

As part of an effort to create a pleasant organizational culture that everyone wants to join, we have prepared a variety of systems that improve the way of work. One of them is a flexible work system that allows employees to choose their working hours on a monthly basis freely. We also have a PC shutdown system so that appropriate working hours can be observed. In addition, we strive to create a pleasant corporation culture by having systems such as a free dress code, Family Day, and Officer-free Day. We promoted the 'Improving the Way We Work Campaign' to change our members' perceptions while building a healthy organizational culture where employees can fully immerse themselves in their work and strike a balance between work and life.




### Systematic Support for Work-Family Balance

We encourage our employees to actively utilize our various work-life balance support systems, such as leaves for family care, pregnancy, childbirth, and childcare. For those who need to take care of their family due to pregnancy, childcare, disease, or others, we support them by cutting down their working hours for a certain period.

### Childcare Leave Usage Status

| Classification | | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Childcare leave users* | Male | Person | 4 | 10 | 11 |
| | Female | Person | 28 | 30 | 35 |
| | Total | Person | 32 | 40 | 46 |
| Persons (scheduled) to be returned from childcare leave** | | Person | 32 | 38 | 45 |
| Rate of return to work after childcare leave*** | | % | 100 | 95 | 98 |
| Rate of work for one year or more after returning from childcare leave**** | | % | 84.4 | 81.6 | 100 |

*When the start of work is within this year
** The number of people returning or expected to return among those who took parental leave for the year
*** Rate calculation : returning (scheduled) parental leave/users of parental leave
**** Rate calculation: (No. of returners - No. of leavers within one year) / No. of childcare leave users

## Creation of a Communication Culture in the Workplace

We have placed in place a number of communication channels and promoted various program activities so that our employees can freely share their opinions in a more horizontal organizational culture, away from the vertical culture.

### Communication with CEO and the Management

The 'CEO Brown Bag Meeting' is a program in which the CEO and five or fewer members gather to have lunch together and discuss topics of their choice. As a venue to discuss freely regardless of position, it served as a platform where employees can talk with the CEO about various issues. On top of that, management messages with specific topics, such as management performance and organizational culture, are shared on the CEO Message Board once a month.

We also have a 'Reverse Mentoring' program. Young employees become mentors while executives become mentees so that they share the trends and new values of the Millennial generation. When we hold the 'Division Head Meeting' by division through online live streaming, members convey their opinions in real-time through live chat or questions collected in advance.







### Team-level Communication Program – 'Our Precious Team'

With an aim to facilitate communication and improve the relationship within a team, we operate a program called 'Our Precious Team.' Team members take Enneagram personality tests and have time to understand each other. Based on the results of the tests, team leaders can assign tasks according to the characteristics of each team member. It is conducted on a weekly basis, and we take voluntary applications so that all teams are able to take the opportunities.

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# Human Rights Management

## Human Rights Management Policy and System

### Human Rights and Labor Policy

LX Pantos respects the dignity of all employees and partner workers at all business sites and guarantees the right to pursue happiness. We comply with international standards and guidelines in regard to human rights and labor and have established our human rights and labor policies based on them. On the foundation of the policy, we regularly monitor and manage critical issues related to human rights, including the prohibition of discrimination, child labor, and forced labor.

Human Rights and Labor Policy

### Human Rights Risks Management

Aiming to minimize potential human rights risks in the entire process of our business activities, we set up a code of conduct, including that of partner companies, so that we can respect the personality of all workers. Based on it, we ensure that there is no inhumane treatment or threat, such as sexual harassment, abuse, physical punishment, mental or physical coercion, and abusive language in the work environment. In accordance with the with the local laws at business sites, we manage our human rights risks.

## Internalization of Human Rights Management

### Education on Human Rights

We provide various human rights education for employees so as to embed a culture of upholding human rights. As part of it, we implement education programs to raise awareness of the disabled and prevent sexual harassment in the workplace for all employees. In addition, a workplace harassment prevention program is included in the new team leader training course, and sexual harassment prevention program is frequently conducted for overseas business travelers on top of the legally mandatory training. Besides, gender sensitivity improvement training has been provided for all employees via YouTube live.
From 2023, we plan to expand human rights education by providing a workplace harassment prevention program targeting all employees.

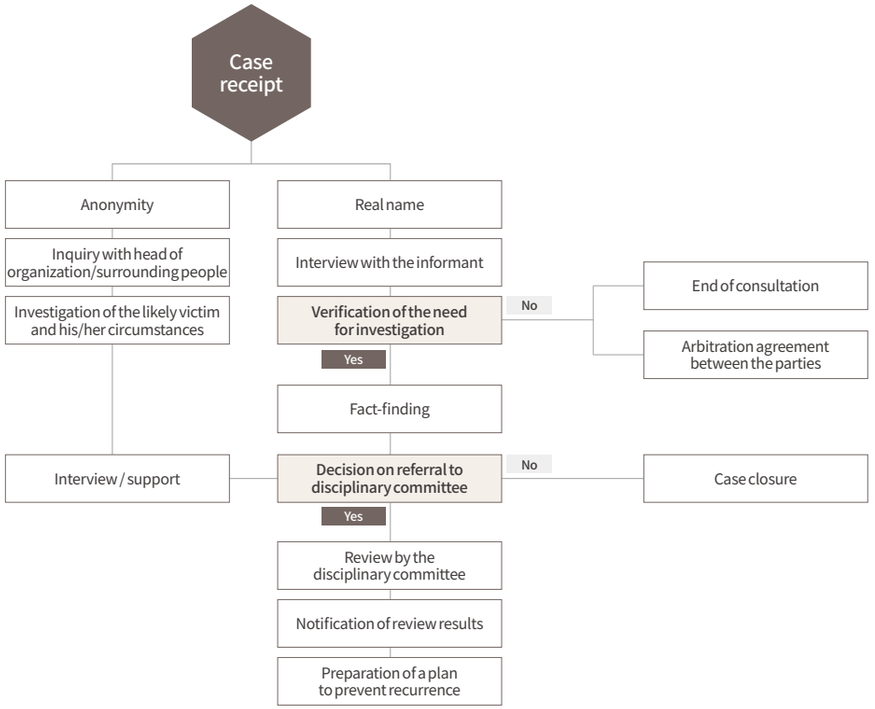
**Human Rights Education for Employees**

| Classification | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| No. of employees taking a regular sexual harassment prevention program | Person | 1,864 | 1,972 | 1,961 |
| Program completion rate | % | 98 | 100 | 100 |

### Operation of Grievance Handling Center

We operate an independent grievance-handling process in order to ensure the human rights of our employees and create a healthy working environment. When human rights issues, such as sexual harassment, bullying, and discrimination at work occur, employees can report the case to the Grievance Handling Center.
Reports can be made anonymously. When the reports are received, investigations are conducted on the person in charge of the organization and those around them, as well as the situation of the expected victim. In the entire process of handling grievances, investigators strictly comply with confidentiality obligations. If necessary, we request the person subject to the investigation to sign a non-disclosure agreement, making every effort to prevent any secondary damage. We establish measures to prevent recurrence for cases that have occurred and been handled.

**Grievance Handling Process**




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# Safety and Health

## Policy and System for Safety and Health Management

### Operational Policy for Safety and Health Management

LX Pantos has established a safety and health management policy that puts environment, safety, and health first and operated a safety and health management system (ISO45001) with an aim to build a safe and healthy workplace where all employees can work without concerns. By improving the environment handling hazardous chemicals and creating a safe working environment, we maximize the safety and health of our employees and customer value based on higher safety awareness and health promotion.



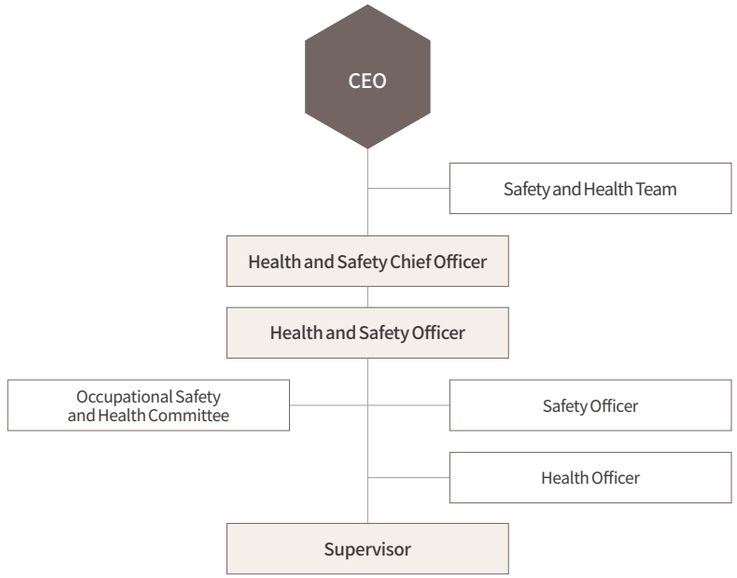

### Hazardous Chemicals and Safety Gear Management

We have a chemical substance and safety equipment management system in place used in all business sites to prevent occupational accidents that may arise. We systematically regulate and comply with the safe handling, storage, and management of hazardous substances that may be present in unloaded or received cargoes, as well as government agency duties. We are creating a safe and healthy workplace controlled by systematic management, such as regular safety inspections of equipment located in the workplace.

## Organization Dedicated to Safety Management

To maintain the workplace safe, we organized an organization dedicated to safety management that takes charge of managing safety and health throughout the workplace. The Occupational Safety and Health Committee oversees and improves safety and health on a regular basis. And in the event of a critical issue related to safety and health at the workplace, it is reported to the CEO so that prompt measures are taken and improvement is made.

### Safety Management Organizational Chart




### Occupational Safety and Health Committee

We have operated a separate Occupational Safety and Health Committee under the Industrial Safety and Health Act with the objective of discussing and making decisions on significant issues concerning the safety and health of our employees and workers at all business sites. The committee is comprised of a total of 10 members, including employer members and worker members. It holds quarterly meetings to share details on major accidents, workplaces requiring corrective action, and the safety status of each site. At the meeting, agenda items for improvement are proposed and discussed.

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## Achievements and Goals

### Zero Occupational Accidents – Industrial Accident Management

LX Pantos is committed to minimizing occupational accidents. We manage and monitor industrial disasters and accidents yearly and strive to improve based on the results of monitoring. As a result, we have maintained the level of occupational accidents to lower than the industry average. In 2022, we achieved zero occupational and severe accidents As part of our efforts, we separately manage the industrial accident rate for partner resident companies at our domestic business sites, including warehousing and inventory management partners at our domestic business sites, including warehousing and inventory partners and security/cleaning partners, as well as home installation engneers, special-type workers (one-person installation engineer for water purifiers, air conditioners, and small electronic products), and contract transportation drivers. We will reinforce our management to prevent labor losses at partner companies. Going forward, we will continue to monitor and control occupational accidents to minimize them at the current level.

**Occupational Accident Status**

| Classification | | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Industrial accident rate* | Workers | % | 0.00 | 0.06 | 0.00 |
| | Partner companies | % | 0.15 | 0.04 | 0.09 |
| Lost workdays** | Workers | Case | 0 | 4 | 0 |
| | Partner companies | Case | 10 | 3 | 7 |
| Occupational mortality | Workers | Case | 0 | 0 | 0 |
| | Partner companies | Case | 0 | 0 | 0 |

*Industrial accident rate calculation: [No. of injured people / No. of workers] x 100
Industrial accident rate period: January-December 2020, January-December 2021, January-December 2022
**Lost workdays: The number of workdays lost due to the death or injury of victims from accidents



### Risk Assessment of Business Sites

We conduct regular risk assessments targeting domestic distribution centers. Through this, we identify, improve, and manage harmful risk factors in our business sites to prevent severe accidents and legal risks. Improvement measures are taken according to the risk assessment results, and the improvement results are also reported separately. As a result of the risk assessment in 2022, a total of 192 risks were found in the 89 processes of all business sites. Currently, we are responding to the risks preemptively through improvement measures.

**Risk Assessment Process and Results**

**1 Training for risk assessment officers**

Online training for 109 risk assessment officers

**2 Self-assessment of risks**

Risk assessment by each center
(LX Pantos center manager + partner company manager for each process)

**3 Reporting on risk assessment results and receiving feedback**

A total of 192 risks identified by process in 89 business sites

**4 Improvement measures taken toward risks and the confirmation on improvement results**

| First half of the year | Second half of the year |
|---|---|
| 23 deficiencies found<br>→ Improvement completed in August | 12 deficiencies found<br>→ Improvement completed in December |

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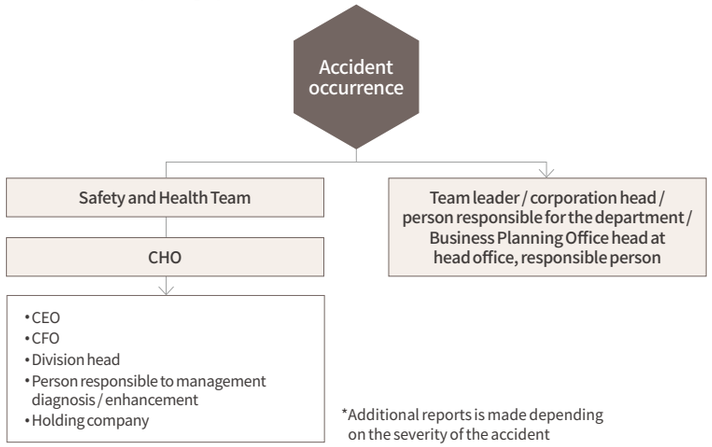
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## Internalization of Safety and Health

### Response to Occupational Accidents

We operate a crisis response organization to swiftly take action and respond to occupational accidents. In the event of an occupational accident, the person or an employee who recognizes the accident first report the accident in accordance with the accident reporting system. When an initial report is made by the accident type, the emergency response organization is activated to systematically respond to the accident. The same safety and health standards appliy to our partner companies. The process of responding to occupational and industrial accidents is also put in place and managed.

**Occupational Accident Reporting System**




### Emergency Response Drill

We have prepared a manual in response to occupational accidents based on Article 4 of the Enforcement Decree of the Serious Accidents Punishment Act, and we are currently in the process of checking if we can take action according to the manual. We also established an emergency response training plan semiannually and conduct emergency drills and inspections with the scenario the same as the actual situation. The emergency response training scenarios include accidents involving falling objects, falling accidents, fire, and collisions that may occur in the workplace. The Safety and Health Team at the head office manages the adequacy of emergency manuals and training records of each business site.

### Response to COVID-19

We have maintained a company-wide response system against COVID-19 through guidelines that are stricter than government quarantine standards since the early days of the COVID-19 pandemic in Korea. We have put in place an emergency situation room operated 24 /7 that serves as a control tower, and distributed related company-wide guidelines for our employees. On top of that, we monitored the infection status of the employees with a focus on infected people as well as people who have closely contacted them. We continuously made efforts to curtail the spread of the pandemic by sending relief items to infected people. Until the official declaration of the end of COVID-19, we will maintain the current system so that we can make a safe workplace in which our employees' health is ensured as a top priority.

**Support with COVID-19 Prevention and Hygiene Products**

| Mask | Self-diagnosis kit | Anti-inflammatory product | Goods for overseas business trips |
|---|---|---|---|
| 2,080,000ea | Kits for 75,000 tests | 2,240ea | 130ea |
| KRW 1.15 billion | KRW 160 million | KRW 5 million | KRW 6 million |

*Period: January 2019 - December 2022

### Fire Drill

Fire drills are conducted separately in each distribution center to respond to risks and industrial accidents that may occur in the event of a fire. All employees in the business sites attended and checked whether they were adequately familiarized with everything from reporting a fire to initial response. On the basis of legal standards, we reviewed the systems that must be operated in the event of a fire, such as fire extinguishers, fire hydrants, receivers and transmitters, and guidance lights.





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### Education on Safety and Health

Education on safety and health is provided monthly to employees on Safety Environment Day, and we provide separate safety and health training tailored to each work characteristic. For instance, we offer adequate training related to safety and health customized for new hires, special-type workers, the person responsible for the safety and health management, and supervisors in order to preemptively prevent any occupational accidents. In addition, we provide quarterly joint inspections and regular diagnoses in regard of regular safety training, new hires training, and special safety training for about 90 partner companies in order to check their completion rate and supervise their safety and health education.

**Occupational Safety and Health Education***

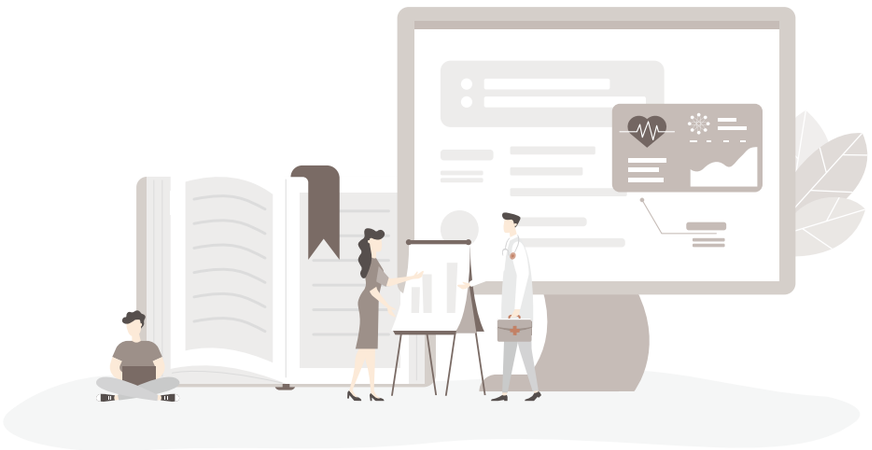
| Classification | | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Regular safety training | Head office | Person | 1,062 | -** | 1,381 |
| | Business sites | Person | 633 | 604 | 599 |
| Supervisor training | | Person | 71 | 75 | 106 |

*No. of target trainees are calculated every year in line with internal standards
** Not implemented in 2021 in accordance with the laws and internal standards regarding the occupational safety and health of office workers

### Health Management Support for Employees

LX Pantos supports regular comprehensive health check-ups for employees and their spouses every year to promote employees' health. We also operate medical offices within the company where health professionals work full-time within the office building. We placed defibrillators on each floor to cope with possible emergencies, striving to create our workplace safe for employees.

Even in special situations, such as the COVID-19 pandemic, we provided domestic and overseas employees with quarantine kits, including self-testing kits, to curb the spread of contagious diseases, and granted a total of 10 days of annual leave to confirmed patients in addition to the nationally mandated holidays.



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# Information Security

## Information Security Management System

### Information Security Policy

We have separate information security policies to thoroughly manage the personal data of our customers and information that is a critical asset of our business. In line with the policies, we also established detailed security guidelines. In addition, we prepared separate manuals for risk analysis and password management related to personal data, development security, failure response, and personal data leakage accidents so that those accidents can be handled according to procedures.

Policies on Information Security

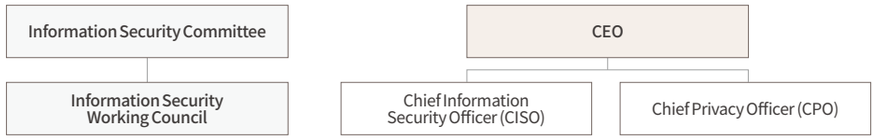
Information Security Policies

| 지침 | 메뉴얼 |
|---|---|
| Security Guidelines for Employees | Manual on Risk Analysis |
| Security Guidelines for the Staff of Partner Companies | Response Manual on Infringement Accident |
| Guidelines for Information Protection Relevant Departments | Manual on Development Security Standard |
| Guidelines for Information Protection Responsible Department | Response Manual on Failure |
| Security Compliance Guidelines | Response Manual on Personal Data Leakage Accident |
| Internal Management Plan on Personal Data | |

### Information Security Governance

LX Pantos has established the Information Security Committee as a body to oversee the management of information security, taking the role of establishing key policies and measures concerning the information protection of the company. In addition, we operate the Information Security Working Council, an organization composed of working-level responsible employees so as to effectively carry out information protection activities. The council members regularly exchange opinions and review them among responsible people of departments, address concerning issues, and report responses to infringement incidents.

Organizational Chart of Information Security




## Information Security Management Status

### Information Security Certification – ISO27001, ISMS / ISMS-P, TAPA FSR

LX Pantos laid the foundation for safeguarding information assets by obtaining ISO27001 certification established by the International Organization for Standardization for the information security management system. On top of that, we acquired ISMS certification for information security management system, which reviews and certifies the company's security systems as well as TAPA FSR certification, which guarantees continuous improvement of the effectiveness and efficiency of the security management system, aiming to further enhance our information security system. We constantly monitor the requirements in the area of information protection while continuously managing and investing in information security systems so that we can maintain the certifications and secure a competitive edge through an advanced information protection system.


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개인정보보호 관리체계 인증서
ISMS-P 한국인터넷진흥원장


BUREAU VERITAS Certification
Certificate of Approval
LX Pantos Co., Ltd.
Incheon International Airport Logistics Center
STANDARD
TAPA FSR 2020
TAPA

### Information Security Training

In accordance with the Personal Information Protection Act, we annually provide information security training for all our employees on a regular basis. The same training is given not only to employees of the head office but also to the ones in subsidiaries to raise awareness of the significance of information security. The training is provided via online platform. We introduce specific cases so that the trainees can fully immerse in the training and see the effect. As we advance, we will keep internalizing the importance of information security through continued training and management.

### Compliance with Information Security Laws

As of 2022, LX Pantos saw zero violations of the laws related to information security and the Personal Information Protection Act. In addition, there were no complaints or reports in regard to personal data leakage.

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# GOVERNANCE

## Governance

### BOD Status

The Board of Directors (BOD) of LX Pantos consists of a total of five directors, two inside directors, and three non-executive directors. The board members are appointed through comprehensive reviews with the standards of independence, diversity, and expertise. There is no discrimination in the appointment on the ground of gender, race, religion, politics, and other cultural backgrounds. As a representative of various stakeholders, including shareholders, the BOD oversees and decides on major management issues for the sustainable growth of LX Pantos.

The BOD decides on matters stipulated in laws or the articles of incorporation, matters entrusted from the shareholders' meeting, and critical matters related to the basic policy of corporate management and business execution. However, if an agenda item on the transaction for oneself is submitted, the director involved cannot exercise his or her voting rights in accordance with relevant laws.

**BOD Composition***

| Name | Gender | Role | Main career | Tenure |
|---|---|---|---|---|
| Choi Won-hyok | Male | CEO / Chairman | CEO of LX Pantos | ~Mar. 2024 |
| Bae Su-han | Male | Inside director | CFO of LX Pantos | ~ Mar. 2024 |
| Choi-Sung-gwan | Male | Non-executive director | CFO of LX Holdings | ~ Mar. 2026 |
| Min Byeong-il | Male | Non-executive director | CFO of LX International | ~ Mar. 2024 |
| Kim Mi-jeong | Female | Non-executive director | Head of Investment Banking, Mirae Asset Securities | ~ Mar. 2026 |

*As of March 22, 2023

### BOD Operation

The BOD handles key agendas in connection to the company's management and business through regular board meetings. We operate the BOD at the level of a listed company, reinforcing the board's capabilities for task execution and supervision. Agenda items are shared 2 or 3 days before the board meetings for directors and auditors. We prepare meetings or gatherings for directors to improve their understanding of business and form a good relationship with them besides the board meeting to discuss agenda items. Legal and Compliance Support Team actively assists the BOD, striving to ensure that the BOD operates legally. In 2022, a total of 10 board meetings were held, and the attendance rate of directors was 100%.

**BOD Activity & Remuneration**

| Classification | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| No. of board meetings | Case | 8 | 10 | 10 |
| No. of reviews of ESG-related agenda items* | Case | 2 | 2 | 2 |
| No. of reports on critical matters** | Case | 1 | 1 | 1 |
| Remuneration of | KRW | 0 | 0 | 0 |

*ESG-related agenda: agenda items regularly reported to the BOD as possible ESG risks or for preemptive response
**Reporting of critical matters: agenda items reported as significant risks that may cause grave damage to business



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## BOD Activities

### Discussion on ESG Agenda Items

LX Pantos regularly reports ESG-related agenda items to the BOD with an aim to preemptively respond to business-related risks that are highly likely to occur or expected in terms of ESG management. In a regular board meeting every January, the 'industrial safety and health plan' is submitted for discussion, and a board meeting every November deals with internal transactions or transactions for oneself with subsidiaries. Additionally, when we are highly likely to face significant financial or non-financial risks in business management or material ESG management issues, they are presented as agenda items for the BOD meetings.

### Subcommittee within the BOD - Internal Transaction Review Committee

LX Pantos established the Internal Transaction Review Committee to enhance the transparency and appropriateness of internal transactions. It is a committee under the division heads and the CFO, and it decides to whether it reviews or not the transactions with LG and LX customer companies based on the expected sales.The internal transaction review is divided into two; order review and investment review. If necessary, transactions are monitored in real-time through the pipeline and investment management system. A deliberation process is added according to the size and characteristics of the business. Accordingly, more extensive scale and higher-risk transactions require more in-depth reviews. In the case of insider transaction review, a total of 4 subcommittees are created to appropriately review each business by the total sales of each business opportunity.

We will elevate management transparency by facilitating the Internal Transaction Review Committee's function to autonomously comply with fair trade and reduce insider transactions.

### Operation Policy of the Internal Transaction Review Committee

1. Operate the Internal Transaction Review Committee under the division heads and the CFO
2. Implement company-wide review of new transactions with expected sales of over KRW 2 billion targeting LG or LX customers
3. Form the Internal Transaction Review Committee capitalizing on the existing regulations on the review of investment and order as well as its meeting body
4. Operate and manage internal transaction reviews using the existing investment management system and pipeline system

### LX Holdings Being Independent from Family Company

LX Holdings, which includes LX Pantos, was recognized for its independence from LG Group by the Fair Trade Commission (FTC) in June 2022. The FTC announced that it would closely review whether LX Holdings meets the requirements for independent management accreditation over the next three years. LX Holdings subsidiaries, including LX Pantos, will promote transparent management activities with an objective to reduce internal transactions and reinforce supervision so that they can step up their competitive edge through independent management.



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# LX Jeong-Do Management

## Jeong-Do Management Policy and System

LX Pantos has established the Department for Enhancement, an organization dedicated to Jeong-Do management, in order to practice systematic and unified Jeong-Do management activities. We have also formed and organically operated a coordinating organization for Jeong-Do management in each overseas business site. In addition, we are running a management diagnosis organization that conducts regular diagnoses for eliminating factors against market leading and impediments and for supporting the internal organization's higher performance and competitiveness.

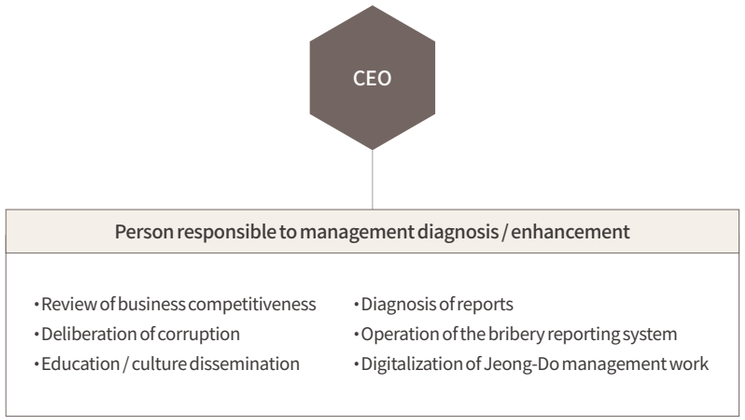
### Code of Ethics

LX Pantos established the Code of Ethics as the basic rule for ethical management. We make decisions and take action on the foundation of it. Our Code of Ethics is disclosed on the website, and all employees are responsible for abiding by it. It includes not only the guiding rules for behaviors that become the standard of making decisions but also anti-corruption provisions related to fair trade and fair competition.

LX Code of Ethics

## Organization for Execution

Aiming to practice systematic and unified Jeong-Do management, we have placed an organization dedicated to Jeong-Do management that performs related tasks. We also have Management Diagnosis / Enhancement that fulfills management diagnosis and improvement functions so that we can remove market impediments and make higher performance while raising competitiveness.




## Achievements and Goals

### Operation of the Reporting System

We run the reporting system through the Jeong-Do management portal so as to receive reports regarding workplace harassment, including sexual harassment and discrimination, information leakage, and unfair trade as well as grievances of partner companies. In 2022, a total of 35 cases were registered; 15 reports from employees, 17 grievances from partner companies, and 3 complaints from customers. We completed investigations on all the reported items. The cases confirmed to be true are handled per internal regulations, and we do our best to prevent recurrences.

**Reporting System Operation Status**

| Classification | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| No. of registered cases | Case | 52 | 40 | 35 |
| No. of valid cases handled | Case | 52 | 40 | 35 |

### Ethics Hotline

We operate the Ethics Hotline that allows our employees to report violations of Jeong-Do management or corruption. Reports can be made by employees as well as other related parties via online, mail, fax, or other methods. By operating this system, we strive to improve corrupt behaviors, unreasonable systems, and work processes.

- E-mail : business_audit_enhancement@lxpantos.com
- Tel : 82-2-3771-2012
- Address : LX Pantos Management Diagnosis / Enhancement Team 1, 58 Saemunan-ro, Jongno-gu, Seoul
- Ethics Hotline : http://ethics.lxholdings.co.kr/index.do

It is strictly prohibited to accept money, valuables, or graft from stakeholders. We forbid employees from receiving any money or gifts in the event of congratulations and condolences as well as personal gifts. We established the bribery reporting system in the case of unavoidable receipts so that we can return the grafts. If the return cannot be made, we donate them to social welfare organizations. In any case, we thoroughly manage to make sure that individual employees are prohibited from accepting grafts, including money, gifts, and congratulatory or condolatory money.

### LX Jeong-Do Management Monitoring System

We have operated a monitoring system for Jeong-do management put in place to detect and prevent anomalies in overall management. We developed anomaly indicators necessary for the review of sales and profitability indicators and the diagnosis of businesses and shared them with the head office and overseas subsidiaries for the application. The indicators are used in the dashboard that can detect business risks, prevent adverse issues from occurring, and raise profitability, growth potential, and operational efficiency.

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## Internalization of Jeong-Do Management

### Education on Jeong-Do Management

We operate a variety of educational programs in regard to Jeong-Do management for employees, allowing them to participate in the programs on a regular basis. Currently, we are expanding the scope and types of education so that Jeong-Do management education is provided to all employees at all business sites in and outside Korea. To maximize the educational effect, we have developed various types of educational content, such as quizzes and web drama production.

The programs cover topics such as abuse of power in the workplace, information security, the pursuit of private interests, unfair behavior, and poor attendance, which are examples of violations of Jeong-Do management. We provide customized training by the position and situation of the trainee. For those in the sales area, the program covers the selection of partner companies and expenses for serving clients. On the other hand, those who work in overseas sites learn about the business operation and organizational issues of the corporation to which they are dispatched.

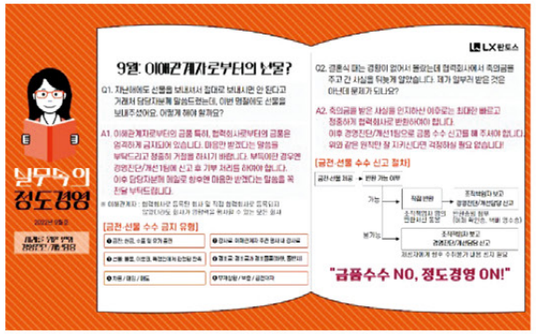



Jeong-Do Management Educational Program

| Classification | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| No. of people taking the program | Person | 1,717 | 1,845 | 1,924 |
| Program completion rate | % | 100 | 100 | 100 |

### Promotion to Embed Jeong-Do Management in the Company

In addition to Jeong-Do management education, we strive to establish a corporate culture of Jeong-Do management through promotional activities. We are distributing a newsletter that includes webtoons on the topics of Jeong-Do management in the actual work and violation cases that can be relatable to employees. In addition, a monthly publication of 'words that gives me strength, quotes of the month' is distributed and posted to encourage natural and positive changes among employees. We make efforts to internalize Jeong-Do management within the company through these various contents and activities.







Jeong-Do Management Activities

| Education target | Main topic | Method | Frequency | Number |
|---|---|---|---|---|
| All employees in Korea | Jeong-Do management in practice | Online post, company-wide e-mail | Monthly | 12 times |
| | Words that gives me strength, 'Quotes of the Month' | Online post, company-wide e-mail | Monthly | 12 times |
| Organization managers in and outside Korea | Response process when Jeong-Do management issues occur | Company-wide e-mail | When an issue occurs | Once |

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### Pledge to Practice Jeong-Do Management

We receive the Pledge to Practice Jeong-Do Management every year online to ensure that they abide by the LX Code of Ethics and practice Jeong-Do management. Our partner companies also participate in the pledge.

**Pledge to Practice Jeong-Do Management**

I pledge to abide by the following in the course of performing my duties.

1. I will respect our members, develop mutually with partner companies through fair trade, honestly provide the best value to the customers through fair competition with competitors, and fulfill my responsibilities and obligations to the shareholders and society.
2. As a member of LX, I will fulfill my responsibilities and obligations to establish and practice Jeong-Do management culture within the organization.
3. Understanding that I will be exempted from liability for ignorance of the regulations while performing my duties, I will be fully familiarized with company regulations, comply with compliance-related obligations, such as the Monopoly Regulation and Fair Trade Act, and not engage in any unjust acts that violate them.
4. When I am aware of unfair trade, unjust behavior, or corruption of an employee of the company, or when I am proposed to involve unjust behavior or corruption from partners in the course of doing business, I will immediately notify the company.
5. In the case of conducting regular or non-regular investigations on the violations of the LX Code of Ethics or compliance, I will submit relevant data (including electronic records such as documents, e-mails, and files stored on company PCs and VDIs) requested by the company, and I agree that the company review and use the submitted data. I am committed to complying with all cooperation obligations.
6. If I violate this pledge, I will take all responsibility for it.

## Compliance

We carry out company-wide compliance activities every year in compliance with related laws and compliance control standards. While making various efforts to reinforce our integrity and compliance management, we review compliance risks in advance by monitoring and managing violations against laws and regulations. For the past three years, LX Pantos has seen zero violations of laws. Through such consistent management and control, we will always do our business in a transparent manner, abiding by laws and regulations.

### Law Violation Status

| Classification | | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Unfair trade practices such as anti-competitive behavior and monopoly | No. of violations | Case | 0 | 0 | 0 |
| | Amount of fines | KRW | 0 | 0 | 0 |
| Other social or economic offenses | No. of violations | Case | 0 | 0 | 0 |
| | Amount of fines | KRW | 0 | 0 | 0 |



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# Financial Performance

## Consolidated Financial Statements

For the year ended December 31, 2022
For the year ended December 31, 2021

(Unit: KRW)

| Description | As of December. 31, 2022 | As of December. 31, 2021 |
|---|---|---|
| **I. Assets** | | |
| (1) Current Assets | 1,748,009,514,078 | 1,806,998,692,259 |
| Cash and cash equivalents | 465,704,442,685 | 232,957,933,961 |
| Short-term financial instruments | 9,653,885,494 | 686,252,860 |
| Accounts receivable | 1,080,807,872,924 | 1,268,330,959,700 |
| Contract assets | 21,476,471,060 | 56,512,948,880 |
| Note receivables | 27,059,961,398 | 5,585,356,964 |
| Unrealized gain | 515,067,731 | 217,829,763 |
| Advance payments | 5,787,758,114 | 14,773,048,123 |
| Prepaid expenses | 99,025,674,101 | 203,972,659,690 |
| Other current assets | 36,837,219,307 | 19,975,315,300 |
| Inventory | 1,141,161,264 | 2,870,017,318 |
| Non-current assets held for sale | - | 1,116,369,700 |
| (2) Non-current assets | 978,879,738,714 | 600,319,284,846 |
| Investment assets | 104,247,382,066 | 9,141,384,912 |
| Investments in subsidiaries and associates | 35,776,970,342 | 36,747,309 |
| Premises and equipment | 288,021,264,622 | 247,537,991,120 |
| Intangible assets | 247,806,706,356 | 125,762,957,115 |
| Differed tax assets | 8,393,170,778 | 7,325,294,763 |
| Other non-current assets | 25,089,757,702 | 26,923,719,268 |
| Right-of-use assets | 232,127,783,444 | 183,591,190,359 |
| Retirement payment assets | 37,416,703,404 | - |
| Total assets | 2,726,889,252,792 | 2,407,317,977,105 |
| **II. Liabilities** | | |
| (1) Current liabilities | 1,123,125,319,212 | 1,342,754,038,368 |
| Short-term borrowings | 51,684,317,837 | 43,824,016,757 |
| Accounts payable | 644,534,375,602 | 827,496,403,545 |
| Non-trade payables | 81,911,553,366 | 39,512,617,717 |
| Advance received | 2,423,640,743 | 5,371,918,046 |
| Withholdings | 11,675,923,732 | 13,636,118,515 |
| Current tax liabilities | 37,131,040,575 | 63,300,271,715 |
| Accrued expenses | 73,840,664,285 | 80,937,177,234 |
| Current portion of long-term debt | 24,866,189,600 | 16,666,640,000 |
| Contract liabilities | 84,697,166,755 | 173,104,048,213 |
| Deposits received | 5,074,987,086 | 8,402,647,946 |
| Other current financial liabilities | 3,363,984,609 | 4,185,641,153 |
| Current lease liabilities | 87,499,445,151 | 66,316,537,527 |
| Current provisions | 14,422,029,871 | - |
| (2) Non-current liabilities | 541,431,877,718 | 172,237,482,917 |
| Bond | 69,881,059,083 | - |
| Long-term borrowings | 292,081,413,400 | 23,381,381,618 |
| Retirement payment liabilities | 5,437,236,677 | 5,303,210,957 |
| Deferred tax liabilities | 10,124,634,906 | 4,467,557,131 |
| Provision | 9,696,268,990 | 11,349,324,668 |
| Long-term deposit | - | 161,443,350 |
| Other non-current liabilities | 4,726,821,812 | 5,603,261,963 |
| Lease liabilities | 149,484,442,850 | 121,971,303,230 |
| Total liabilities | 1,664,557,196,930 | 1,514,991,521,285 |
| **III. Equity** | | |
| Capital stock | 10,000,000,000 | 10,000,000,000 |
| Capital surplus | 5,389,954,952 | 4,573,104,191 |
| Other equity | (12,928,449,873) | (12,928,449,873) |
| Accumulated other comprehensive income | (71,153,640,484) | (20,118,681,819) |
| Retained earnings | 1,127,777,583,324 | 907,935,445,097 |
| Controlling interest | 1,059,085,447,919 | 889,461,417,596 |
| Non-controlling interest | 3,246,607,943 | 2,865,038,224 |
| Total equity | 1,062,332,055,862 | 892,326,455,820 |
| Total liabilities and equity | 2,726,889,252,792 | 2,407,317,977,105 |

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# Financial Performance

## Consolidated Statement of Comprehensive Income

For the year ended December 31, 2022
For the year ended December 31, 2021

(Unit: KRW)

| Description | As of December. 31, 2022 | As of December. 31, 2021 |
|---|---|---|
| I. Sales | 10,672,172,829,783 | 7,817,729,253,666 |
| II. Cost of sales | (9,844,361,515,124) | (7,062,979,022,844) |
| III.Gross profit | 827,811,314,659 | 754,750,230,822 |
| IV. Selling, general, and administrative expenses | (453,347,045,589) | (394,368,497,949) |
| V. Operating income | 374,464,269,070 | 360,381,732,873 |
| VI. Non-operating income | 23,371,562,499 | 2,597,123,564 |
| Finance income | 282,739,106,257 | 95,537,296,314 |
| Finance costs | (273,669,136,106) | (95,557,513,506) |
| Income related to associates and subsidiaries | 10,595,996,115 | (634,674,910) |
| Other non-operating income | 3,705,596,233 | 3,252,015,666 |
| VII. Continuing operations income before income tax | 397,835,831,569 | 362,978,856,437 |
| VIII. Income tax expense | (108,780,217,022) | (95,438,359,836) |
| IX. Net income | 289,055,614,547 | 267,540,496,601 |
| Net income attributable to: | | |
| Equity attributable to owners of parent | 287,690,574,042 | 266,935,302,257 |
| Non-controlling interest | 1,365,040,505 | 605,194,344 |
| Earnings per share of owners of parent | | |
| Basic and diluted EPS | 143,845 | 133,468 |

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# Independent Assurance Statement

## To: The Stakeholders of LX Pantos Co., Ltd.

### Introduction and Objectives of Work

BSI Group Korea (hereinafter "the Assurer") was requested to verify LX Pantos 2023 Sustainability Report (hereinafter "the Report"). This assurance statement applies only to the relevant information included in the scope of the assurance. LX Pantos is solely responsible for all information and assertion contained in the Report. The responsibility of the Assurer is to provide LX Pantos Management with independent assurance statement based on its expert opinions by applying the verification methodology for the specified assurance scope. It is also to provide the information to all stakeholders of LX Pantos.

### Standards and Levels

This assurance was based on the AA1000AS (Assurance Standard) v3 (2020) Assurance Standard and confirmed that the Report was prepared in accordance with the GRI Standards, the international standards guidelines of sustainability reports. In accordance with the AA1000 AS, the assurance level was Moderate Level, and conducted against Type 1 to confirm compliance with the four principles of the AA1000 AP (AccountAbility Principles) 2018. Therefore, this assurance statement does not confirm the reliability and quality of the key achievements and assertion contained in the Report.

### Scope

The scope of assurance applied to the Report is as follows;

- Report contents during the period from January 1st to December 31st 2022 included in the report, some data included 2023.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review

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

- Financial information in Appendix
- Index items related to other international standards and initiatives other than the GRI
- Other related additional information such as the website, business annual report.

### Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible department
- Verification of data generation, collection and reporting for each performance index

### Limitation

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

### Assurance Opinion

On the basis of our methodology and the activities described above, it is our opinion that The information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards) The assurance opinions on the four principles presented in the AA1000 AP (2018) are as follows.

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**AA1000 AP (2018)**

**❶ Inclusivity: Stakeholder Engagement and Opinion**

LX Pantos defined Domestic and foreign employees, Customer (Suppliers, partner companies, etc.) and External stakeholders and professionals (The central and local governments, associations, etc.) as key stakeholder groups, and operated communication channels for each stakeholder group for engagement. LX Pantos reflected key issues derived from stakeholder channels to sustainability management decisions and disclosed the process in the Report.

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

LX Pantos established the strategy related to sustainability management and established the process to derive reporting issues. LX Pantos identified financial and social/environmental impacts and derived 10 major issues based on the analysis of media research, benchmarking global advanced companies in its field, and analysis of major global initiatives related to sustainability.

**❸ Responsiveness: Responding to material sustainability topics and related impacts**

LX Pantos established the management process for key reporting issues determined by the materiality assessment, and implemented a response plan for each issue to appropriately respond to the derived core issues that reflects the expectations of stakeholders. LX Pantos disclosed the relevant process including establishing policy and indicators, activity and response performance on key reporting issues in the Report.

**❹ Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders**

LX Pantos established the process to identify and evaluate the impact on organizations and stakeholders related to key reporting issues. LX Pantos used impacts, risk and opportunity factor analysis results for key reporting issues to make decisions to develop response strategies for each issue, and disclosed the process in the Report.

**Key areas for ongoing development**

검증인은 검증결과에 영향을 미치지 않는 범위에서 다음 의견을 제시합니다.

- As an unlisted company, LX Pantos embodied its commitment to sustainability management to internal and external stakeholders by publishing the first sustainability report. LX Pantos has no mandatory under related Korean laws, however it may be helpful to advance sustainability management system through disclosing governance structure and specifying related processes.
- It may be helpful to advance sustainability management system by disclosing mid- to long-term ESG plan reflected the key industry and business characteristics of LX Pantos as well as disclosing the key roles and responsibilities of ESG dedicated organizations dedicated to sustainability issues.

**Statement of independence and competence**

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

**Evaluation against GRI 'In Accordance' Criteria**

The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the following Universal Standards and Topic Standards Indicators based on the data provided by LX Pantos, the sector standard was not applied.

**[Universal Standards]**

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

**[Topic Standards]**

201-1, 202-1, 203-1, 205-2~3, 206-1, 302-1, 305-1~2, 306-3, 308-2, 401-1, 401-3, 403-1~7, 403-9, 404-1~3, 405-1~2, 406-1, 414-2, 418-1

7 Mar 2023

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

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# GRI Content Index

| | |
|---|---|
| Statement of use | LX Pantos follows the GRI standards to disclose its information regarding sustainable management from January 1, 2022 through December 31, 2022. |
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standard(s) | Not available as of now (the standards applicable to the logistics industry where we belong are not published as of the date of issuance in March 2023) |

| GRI Standard 2021 | | Indicators | Page | Note |
|---|---|---|---|---|
| **General Disclosures** | | | | |
| GRI 2: General Disclosures 2021 | 2-1 | Organizational details | 2, 7 | |
| | 2-2 | Entities included in the organization's sustainability reporting | 2 | |
| | 2-3 | Reporting period, frequency and contact point | 2 | |
| | 2-4 | Restatements of information | - | Not applicable since it is the first report published |
| | 2-5 | External assurance | 63-64 | |
| | 2-6 | Activities, value chain, and other business relationships | 7-21 | |
| | 2-7 | Employees | 45 | |
| | 2-8 | Workers who are not employees | 45 | |
| | 2-9 | Governance structure and composition | 55 | |
| | 2-10 | Nomination and selection of the highest governance body | N/A | Not subject to data disclosure under the commercial law since we are unlisted |
| | 2-11 | Chair of the highest governance body | 55 | |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | 24, 55 | |
| | 2-13 | Delegation of responsibility for managing impacts | 24, 55 | |
| | 2-14 | Role of the highest governance body in sustainability reporting | 24 | |
| | 2-15 | Conflicts of interest | N/A | Not subject to data disclosure under the commercial law since we are unlisted |
| | 2-16 | Communication of critical concerns | 24, 55 | |
| | 2-17 | Collective knowledge of the highest governance body | 24, 55 | |
| | 2-18 | Evaluation of the performance of the highest governance body | N/A | Not subject to data disclosure under the commercial law since we are unlisted |
| | 2-19 | Remuneration policies | Information Unavailable | Not subject to data disclosure under the commercial law since we are unlisted |
| | 2-20 | Process to determine remuneration | Information Unavailable | Not subject to data disclosure under the commercial law since we are unlisted |
| | 2-21 | Annual total compensation ratio | Confidential | Disclosure is not possible due to internal confidentiality |
| | 2-22 | Statement on sustainable development strategy | 5 | |
| | 2-23 | Policy commitments | 32, 41-42, 49, 56-57, 59 | |
| | 2-24 | Embedding policy commitments | 34, 42, 49 | |
| | 2-25 | Processes to remediate negative impacts | 57-59 | |
| | 2-26 | Mechanisms for seeking advice and raising concerns | 49, 57-59 | |
| | 2-27 | Compliance with laws and regulations | 59 | |
| | 2-28 | Membership associations | 69 | |
| | 2-29 | Approach to stakeholder engagement | 28 | |
| | 2-30 | Collective bargaining agreements | 47 | |
| **Material Topics** | | | | |
| GRI 3:Material Topics 2021 | 3-1 | Process to determine material topics | 29 | |
| | 3-2 | List of material topics | 30 | |
| **Establishment of an environment management** | | | | |
| GRI 3:Material Topics 2021 | 3-2 | List of material topics | 30 | |
| | 3-3 | Management of material topics | 33-34 | |
| NON-GRI | | No standards related to topics | | |

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| GRI Standard 2021 | | Indicators | Page | Note |
|---|---|---|---|---|
| **Action on climate change** | | | | |
| GRI 3:Material Topics 2021 | 3-3 | Management of material topics | 35 | |
| GRI 302: Energy 2016 | 302-1 | Energy consumption within the organization | 36 | |
| GRI 305: Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | 36 | |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | 36 | |
| GRI 306: Waste 2020 | 306-3 | Waste generated | 37 | |
| **Fair transaction and shared growth** | | | | |
| GRI 3:Material Topics 2021 | 3-3 | Management of material topics | 42 | |
| GRI 206: Anti-competitive Behavior 2016 | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 59 | |
| **Social value creation and sharing** | | | | |
| GRI 3:Material Topics 2021 | 3-3 | Management of material topics | 43-44 | |
| GRI 203: Indirect economic impacts 2016 | 203-1 | Infrastructure investments and services supported | 44 | |
| **Supply chain ESG management** | | | | |
| GRI 3:Material Topics 2021 | 3-3 | Management of material topics | 41 | |
| GRI 308: Supplier Environmental assessment 2016 | 308-2 | Negative environmental impacts in the supply chain and actions taken | 41 | |
| GRI 414: Supplier Social Assessment 2016 | 414-2 | Negative social impacts in the supply chain and actions taken | 41 | |

| GRI Standard 2021 | | Indicators | Page | Note |
|---|---|---|---|---|
| **Protection of human rights and diversity** | | | | |
| GRI 3:Material Topics 2021 | 3-3 | Management of material topics | 49 | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | 45 | |
| GRI 406: Non-discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | 57 | |
| **Human resource management** | | | | |
| GRI 3:Material Topics 2021 | 3-3 | Management of material topics | 45-48 | |
| GRI 202: Market Presence 2016 | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | 45 | |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | 45 | |
| | 401-3 | Parental leave | 48 | |
| GRI 404: Training and Education 2016 | 404-1 | Average hours of training per year per employee | 46 | |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | 46 | |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | 47 | |
| **Management of employees' safety and health** | | | | |
| GRI 3:Material Topics 2021 | 3-3 | Management of material topics | 50 | |

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| GRI Standard 2021 | | Indicators | Page | Note |
|---|---|---|---|---|
| GRI 403: Occupational Health & Safety 2018 | 403-1 | Occupational health and safety management system | 50 | |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | 51 | |
| | 403-3 | Occupational health services | 53 | |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | 50, 53 | |
| | 403-5 | Worker training on occupational health and safety | 53 | |
| | 403-6 | Promotion of worker health | 53 | |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 52 | |
| | 403-9 | Work-related injuries | 51 | |
| **Integrated ESG risk management** | | | | |
| GRI 3:Material Topics 2021 | 3-3 | Management of material topics | 25 | |
| GRI 205: Anti-corruption 2016 | 205-2 | Communication and training about anti-corruption policies and procedures | 57-59 | |
| | 205-3 | Confirmed incidents of corruption and actions taken | 57 | |
| **Establishment of an ESG management system** | | | | |
| GRI 3:Material Topics 2021 | 3-2 | List of material topics | 30 | |
| | 3-3 | Management of material topics | 23-24 | |
| NON-GRI | | No standards related to topics | | |

| GRI Standard 2016 | | Indicators | Page |
|---|---|---|---|
| **GRI 200 Economic Performance** | | | |
| GRI 201: Economic performance 2016 | 201-1 | Direct economic value generated and distributed | 61-62 |
| **GRI 400 Social Performance** | | | |
| GRI 418: Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 54 |

# SASB Index

This report embodies the data regarding air freight and logistics industry that falls into the transportation sector pursuant to the SASB Industry Standards.

| Topic | Code | Metrics | Disclosures | | Page | Note |
|---|---|---|---|---|---|---|
| Green-house Gas Emission | TR-AF-110a.1 | Gross global Scope 1 emissions | Quantitative | $tCO_2$-eq | 36 | |
| | TR-AF-110a.2 | 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 | Qualitative | - | 36 | |
| Air Quality | TR-AF-120a.1 | Air emissions of the following pollutants: (1) NOx (2) SOx, and (3) particulate matter (PM10) | Quantitative | ton | - | |
| Labor Practices | TR-AF-310a.1 | Percentage of drivers classified as independent contractors | Quantitative | % | 46 | |
| | TR-AF-310a.2 | Total amount of monetary losses as a result of legal proceedings associated with labor law violations | Quantitative | KRW million | - | No labor law violations |
| Employee Health & Safety | TR-AF-320a.1 | Employee industrial accident rate | Quantitative | % | 51 | |
| Supply Chain Manage-men | TR-AF-430a.2 | Total greenhouse gas (GHG) footprint across transport modes | Quantitative | $tCO_2$-eq | - | |
| Accident & Safety Manage-ment | TR-AF-540a.1 | Description of implementation and outcomes of a Safety Management System | Qualitative | - | 51-52 | |
| | TR-AF-540a.2 | Number of aviation accidents | Quantitative | case | N/A | |
| | TR-AF-540a.3 | Number of road accidents and incidents | Quantitative | case | N/A | |

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# WEF Stakeholder Capitalism Metrics

We disclose the key agenda items in accordance with a set of Stakeholder Capitalism Metrics presented by the World Economic Forum (WEF) through this report to communicate with stakeholders.

| Table | Theme | Metrics | Page |
|---|---|---|---|
| Principles of Governance | Governing purpose | Setting purpose | 23-24 |
| | Quality of governing body | Governance body composition | 55-56 |
| | | Progress against strategic milestones | 23, 29 |
| | Stakeholder engagement | Material issues impacting stakeholders | 29 |
| | | Relations between remuneration system and impacts on economy, environment, and society | - |
| | Ethical behavior | Anti-corruption | 57-59 |
| | | Protected ethics advice and reporting mechanisms | 57 |
| | Risk and opportunity over-sight | Integrating risk and opportunity into business process | 25 |
| Planet | Climate change | Greenhouse gas (GHG) emissions | 36 |
| | | TCFD implementation | - |
| | | Paris-aligned GHG emissions targets and impacts of GHG emissions | 36 |
| | Nature loss | Land use and ecological sensitivity | - |
| | Freshwater availability | Water consumption and withdrawal in water-stressed areas | 36 |
| | Air pollution | Impact of air pollution | - |
| | Water pollution | Nutrients, Impact of water pollution | - |
| | Solid waste | Single-use plastics, Impact of solid waste disposal | 37 |
| | Resource availability | Resource circularity | 37 |

| Table | Theme | Metrics | Page |
|---|---|---|---|
| People | Dignity and equality | Diversity and inclusion | 45 |
| | | Pay equality | 45 |
| | | Discrimination and harassment incidents and the total amount of monetary losses | 59 |
| | | Human rights review, grievance impact and modern slavery | 49 |
| | Health and well-being | Health and safety | 51-52 |
| | | Monetized impacts of work-related icidents on organization | 51 |
| | Skills for the future | Training provided | 46 |
| Prosperity | Employment and wealth generation | Absolute number and rate of employment | 45 |
| | | Economic contribution | 7-10 |
| | | Financial investment contribution | - |
| | | Infrastructure investments and services supported | 37 |
| | | Significant indirect economic impacts | 45, 62 |
| | Innovation of better products and services | Total R&D expenses, Social value generated | 15-21 |
| | Community and social vitality | Total tax paid | - |
| | | Total Social Investment(seven categories defined by CECP Valuation Guidance)* | - |

* Local community, human rights, diversity, tolerance, training, safety&health, and labor-management relations

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# Awards & Certificates

## Key Certificates and Awards

| Certificate | Verifier | Expiry Date |
|---|---|---|
| AEO (in the freight forwarder category) | Korea Customs Service | ~ May 14, 2023 |
| AEO (in the bonded area operator category) | Korea Customs Service | ~ Dec. 31, 2023 |
| ISO9001 (quality management system) | Korean Register of Shipping | ~ Jul. 01, 2023 |
| ISO13485 (medical device quality management system) | SGS | ~ May 14, 2023 |
| ISO14001 (environmental management system) | Korean Register of Shipping | ~ Jul. 01, 2023 |
| ISO45001 (management systems of occupational health and safety) | Korean Register of Shipping | ~ Aug. 02, 2024 |
| ISO28000 (logistics security management system) | Korean Register of Shipping | ~ Sep. 28, 2025 |
| ISO/IEC27001 (information security management system) | British Standards Institution | ~ Aug. 02, 2025 |
| Excellent green logistics practice company | Ministry of Land, Infrastructure and Transport | ~ Dec. 11, 2024 |
| Excellent logistics company | Ministry of Land, Infrastructure and Transport | - |
| TAPA (supply chain security and safety certification) | Transported Asset Protection Association | ~ Dec. 05, 2024 |
| Information security management system | Korea Association for ICT Promotion | ~ Sep. 24, 2025 |
| Information security and personal data management system | Korea Association for ICT Promotion | ~ Sep. 24, 2025 |
| CEIV Pharma (air transport of pharmaceuticals) | International Air Transport Association | ~ May. 31, 2023 |
| GDP(Good Distribution Practices) | SGS | ~ Jun. 23, 2025 |
| CEIV Fresh (air transport of perishables) | International Air Transport Association | ~ Dec. 12, 2025 |
| first grade excellent shipowner / shipper | Ministry of Oceans and Fisheries | ~ Jul. 27, 2024 |

## Key Membership Status

| No. | Association | Note |
|---|---|---|
| 1 | Korea Integrated Logistics Association | President |
| 2 | Korea International Trade Association | Member |
| 3 | Korea International Freight Forwarders Association | Member |
| 4 | Korea Chamber of Commerce and Industry (Seoul) | Permanent member |
| 5 | Korea Enterprises Federation | Vice President |
| 6 | Korea Customs Logistics Association | Member |
| 7 | Korea AEO Association | Member |
| 8 | International Air Transport Association | Member |
| 9 | Korea Electric Engineers Association | Member |
| 10 | Korea Electrical Contractors Association | Member |
| 11 | Korea Fire Safety Association | Member |
| 12 | Korea Chemicals Management Association | Member |
| 13 | Korea Industrial Safety Association | Member |
| 14 | Korea Industrial Health Association | Member |
| 15 | Korea Freight Forwarders Association | Member |
| 16 | Korea Trucking Association | Member |
| 17 | Korea Trucking Association Cooperatives | Member |
| 18 | Korea Individual Small-sized Trucking Association | Member |

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