Beyond logistics
Beside you

LX Pantos Sustainability Report 2024



LX Pantos

ABOUT THIS REPORT

Overview
LX Pantos fulfills its societal responsibilities through transparent and systematic sustainable management. The Sustainability Report 2024 provides a comprehensive picture of the ESG value we have created for our stakeholders. This year marks the second year of publishing the report. In the years ahead, we will continuously publish sustainability reports annually to account for our efforts and progress on the journey towards ESG management.

Reporting Period and Boundaries
This report encompasses our sustainability activities and performance from January 1, 2023, through December 31, 2023. It also includes key operations from the first half of 2024 to provide readers with a more comprehensive understanding. The scope of this report is limited to the economic, social, and environmental performance of LX Pantos' Headquarters, excluding the performance of its subsidiaries. We have added footnotes and provided explanations for some of the collected data to clarify their scope.

Reporting Principles and Framework
This report aligns with the Global Reporting Initiative (GRI) Standards 2021. In terms of financial performance, it adheres to the Korean version of the International Financial Reporting Standards (K-IFRS). To reflect key issues related to the nature of the industry, we comply with the framework of the Sustainability Accounting Standards Board (SASB). Additionally, the frameworks of the United Nations Sustainable Development Goals (UN SDGs) and the United Nations Global Compact (UNGC) have been applied. This report also meets the four principles of AA1000, an international standard for sustainability reporting, which are inclusivity, materiality, responsiveness, and impact.

Data Assurance
To ensure data accuracy and reliability, this report has been verified by the independent verifier, BSI. Details regarding the verification and statements can be found on page 102.

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

Team in charge : Customer Value Assistance Team LX Pantos
Address : 58 Saemunan-ro, Jongno-gu, Seoul, Republic of Korea
Homepage : https://www.lxpantos.com
Date of issuance : June 2024

INTERACTIVE PDF READER'S GUIDE
This Sustainability Report 2024 is published in the format of interactive PDF with the added functions of directing to relevant pages and associated web pages.

Move to the first page
Move to Contents
Move to the previous page
Move to the associated web page
Move to the relevant page
Search by keywords

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

CONTENTS

OVERVIEW

CEO Message 005
Company Overview 006

VALUE DELIVERER

Business Portfolio 010
Business Solution 017

ESG STORY

2023 ESG Highlights 023
ESG Strategy 024
Double Materiality Assessment 026

ESG FACTBOOK

Environmental 030
Social 049
Governance 085

APPENDIX

Financial Performance 092
GRI Content INDEX 094
SASB INDEX / WEF INDEX 097
UNGC 098
UN SDGs 099
Certificates & Awards 101
Third-party Assurance Statement 102
GHG Assurance Statement 104

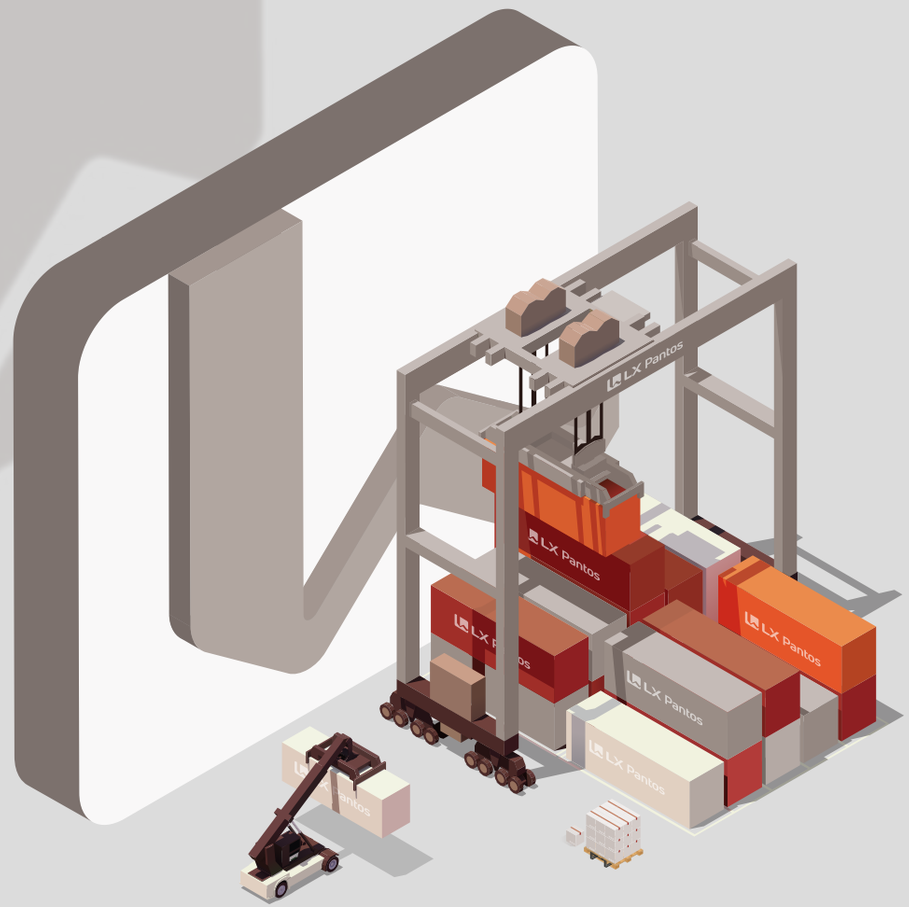
LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com

01

OVERVIEW



005 CEO Message
006 Company Overview

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com

CEO Message



Dear esteemed stakeholders,

I am delighted to greet you. I am CEO Lee Yong-ho of LX Pantos.
I would like to express my sincere gratitude for your unwavering support towards LX Pantos over the past year.

Reflecting on 2023, the global logistics landscape faced a series of challenges, including decreasing freight rates, intensifying competition, and geopolitical disputes. Despite these difficulties, LX Pantos made remarkable progress, ranking 6th in shipping and 1st in air transport in terms of cargo volume handled.

These outstanding results are attributed to our extensive global network of 380 locations and the industry-specific logistics know-how we have accumulated over our long history.

Furthermore, our cutting-edge logistics IT system has enabled us to provide unique services, positioning us as an innovator in logistics that helps customers optimize their supply chains.

Guided by our vision, 'Value Deliverer for People and the Planet,' we have embarked on our journey towards ESG and Jeong-do management, which is evidenced by multifaceted efforts. Specifically, in November 2023, we joined the UN Global Compact and have embedded their ten principles, including human rights, labor, environment, and anti-corruption, into our business strategies. We have fully endorsed the UN Sustainable Development Goals, a universal call to action, and have incorporated them into all levels of our business.
In addition to this, we have carried out the following ESG tasks with the aim of transforming crises derived from the uncertain global business environment into opportunities for growth. Through these combined efforts, we aim to evolve into a top-tier global logistics service provider.

Sharpen our global competitiveness

We have laid the foundation for various industries on the global stage to secure future growth drivers. Concentrating on key global markets like North America, Europe, and Asia, we have accelerated our expansion into foreign markets by identifying and capitalizing on business opportunities. Furthermore, our efforts are in full swing to improve operations as well as to boost digitalization and automation, leveraging AI and robots to secure the fundamental competitiveness of the logistics industry in preparation for the future.

Transition to green logistics

We endeavor to reduce greenhouse gases (GHGs) emitted from all stages of the logistics process and to minimize our environmental footprint. Last year, we set goals to reach Net-Zero by 2050 and to mitigate carbon emissions by 25% compared to the levels of 2022 by 2030. To this end, a climate change risk management system was established with a range of activities conducted to curtail GHG emissions.

These efforts earned us a B- rating from the CDP, which we voluntarily joined. On top of that, we proactively secured supply chains for green fuels, alternatives to fossil fuels, that will be used across vessels, aircraft, and land-based modes of transportation, thereby providing eco-friendly logistics services for customers.

Uphold our societal duties

LX Pantos is committed to bridging the world through partnerships with all stakeholders, encompassing suppliers and local communities. With the objective to encourage all suppliers within our supply chain to participate in ESG management efforts, we offer ESG evaluations and training for them. We also extend both financial and non-financial assistance to pave the way for mutual growth. Moreover, we actively spread social value through well-structured social contribution initiatives, aiming to foster a corporate culture that promotes co-prosperity with local communities.

Dear stakeholders,

LX Pantos is committed to 'creating top-notch services that exceed customer expectations' and to achieving full-fledged ESG management, thereby introducing new dimensions to logistics services. At this juncture, I am proud to say that our team of 10,000 logistics professionals, spread across our 380 business locations worldwide, are fervently working towards enhancing services and fostering innovation to cater to the needs of our 13,000 domestic and international customers. During this journey, our commitment to Jeong-do management and ESG management, as required by a diverse array of stakeholders including customers, will never waver, thereby bringing value beyond logistics.

I look forward to your continued interest and support on our journey towards becoming a global top-tier logistics company.

Thank you very much.

CEO **Lee Yong-ho**

OVERVIEW
● CEO Message
Company Overview
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos
BEYOND LOGISTICS,
BESIDE YOU
www.lxpantos.com

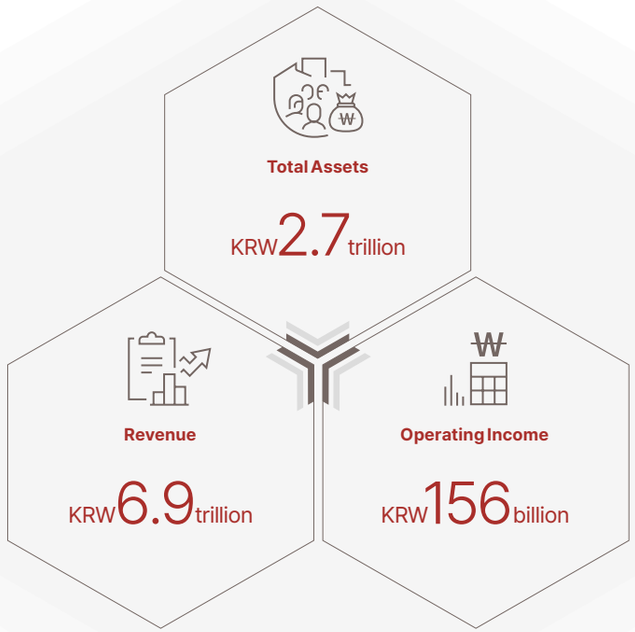
Company Overview

LX Pantos at a Glance

Founded in 1977 as 'Bumhan Huengsan Corporation,' the company underwent several transformations, from 'Pan Korea Express' to 'Pantos,' before finally becoming 'LX Pantos' in July 2021. As a logistics company, LX Pantos provides a full suite of services, constantly breaking down barriers of borders, languages, and cultures to deliver value to customers. With an extensive network of 380 locations worldwide and over 10,000 logistics professionals, we serve more than 13,000 domestic and international clients across a diverse range of sectors, including electronics, construction, and distribution, cementing our position as a global logistics powerhouse. LX Pantos is on a mission to become a premier smart logistics company, harnessing the collective expertise of our domestic and international logistics specialists, who embody the LX philosophy, and state-of-the-art IT solutions. We are committed to driving growth through relentless innovation and delivering exceptional, differentiated comprehensive logistics services to our customers.

(As of December 31, 2023)

Company name	LX Pantos Co., Ltd.	Date of establishment	February 1977
CEO	Lee Yong-ho	No. of employees	2,000
HQ location	58 Saemunan-ro, Jongno-gu, Seoul, Republic of Korea		
Key business	Logistics		



(As of December 31, 2023)

Key Business Areas



OVERVIEW
CEO Message
Company Overview
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com

Company Overview



CIS
Russia
Kazakhstan

Europe
Polland
Spain
Türkiye
Germany
Hungary
UK Corporation
Netherlands
France
Sweden

North America
Mexico
United States

South America
Brazil
Columbia
Chille
Panama
Argentina

China
Beijing / Qingdao / Shanghai / Ningbo / Taiwan / Hong Kong / Shenzhen

Asia
Indonesia
Singapore
Thailand
Malaysia
Vietnam
Australia
Philippines
Japan

India / Central America
India
Dubai
South Africa
Egypt
Saudi Arabia

OVERVIEW
CEO Message
Company Overview
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com

Company Overview

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 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 Recognized as the world's first Outstanding e-Freight (air freight electronic documentation) Company by the 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 Commenced international rail freight business
08 Acquired ISO 14001 certification
11 Received the IATA Korea Excellent Partner Award
12 Certified as a total logistics company by the Ministry of Oceans and Fisheries
2012 01 Established the Incheon Airport Logistics Center 2
04 Became the first among domestic logistics firms to open an Integrated Logistics Control Center
06 Selected by the Ministry of Land, Transport and Maritime Affairs as a global logistics company to be cultivated 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 Sihwa MTV Center
2019 01 Opened West Icheon Center
Acquired AEO Certification as a bonded area operator
Certified as Green-Logistics Company
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 the 23rd Korean Logistics Awards hosted by 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 Achieved certification as a first-class shipper
07 Changed the company name to 'LX Pantos'
2022 06 Incheon Airport distribution center obtained GDP (Goods Distribution Practices) certification for pharmaceuticals
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)
2023 03 Published its inaugural sustainability report
04 Published its climate action report
11 Appointed Lee Yong-ho as CEO
Became a member of the UN Global Compact (UNGC)
12 Received the Prime Minister's award for being an innovative enterprise

OVERVIEW
CEO Message
Company Overview
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com

02

VALUE DELIVERER



010 Business Portfolio
017 Business Solution

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com

Business Portfolio

LX Pantos, Your Global Top-tier Logistics Partner

Capitalizing on routes combined with a diverse array of transportation modes, including maritime, air, and inland transport, we have optimized shipment frequency and freight based on the attributes of our customers' goods. This optimization allows us to provide top-notch, one-stop global services. As a leading partner in the logistics industry, we consistently bring new value to our customers' businesses, leveraging our extensive global logistics networks and the profound expertise we have gained through our long history across various industries.

Business Value Creation

Technology
Semiconductors, electronic materials, electronic devices, display equipment, electronic inspection equipment, and enterprise computing solutions.

Automotive
Automobiles (electric vehicles / internal combustion engine vehicles), parts for vehicle assembly and manufacturing, electronic components, after-sales service components, raw materials for electric and hydrogen-powered vehicles, tires, etc.

Healthcare
Raw materials, active pharmaceutical ingredients, vaccines, plasma, reagents, cosmetic pharmaceuticals, diagnostic kits, in vitro diagnostic devices, and precision medical devices.

Battery
Lithium-ion batteries, lithium metal batteries, cathodes, anodes, and electrolytes.

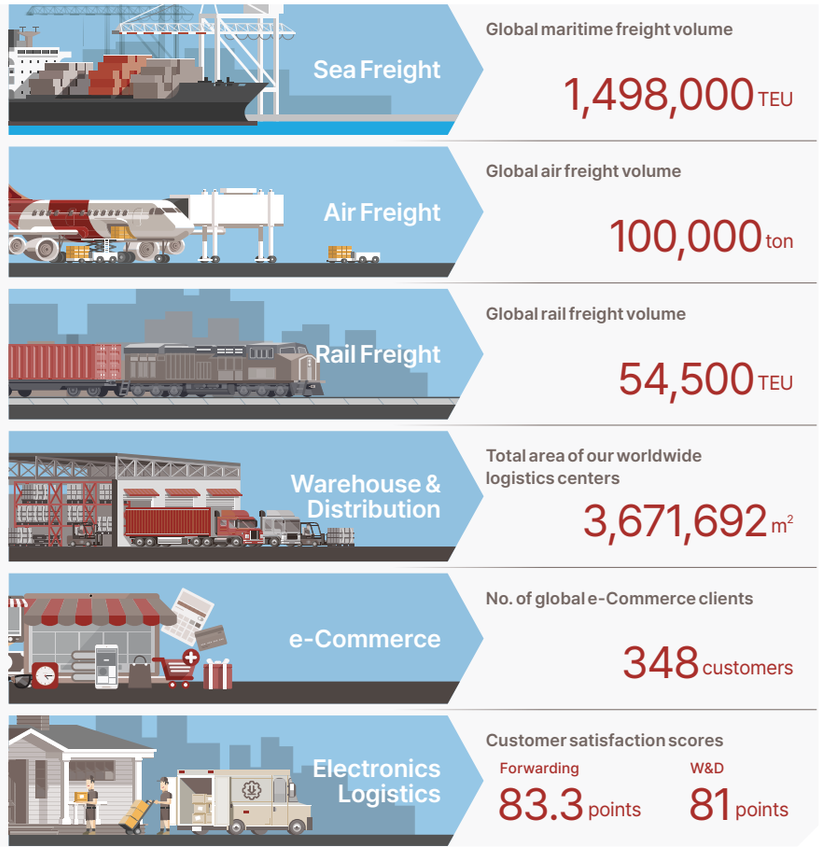
Chemical
Chemical resin, catalysts, precursors, petrochemicals, and other raw materials.

Construction/Machinery
Construction equipment and materials, military supplies, steel coils, and aluminum coils.

Project
Machines, equipment, heavy machinery and large freight, equipment for plant construction and extension, and project freight.

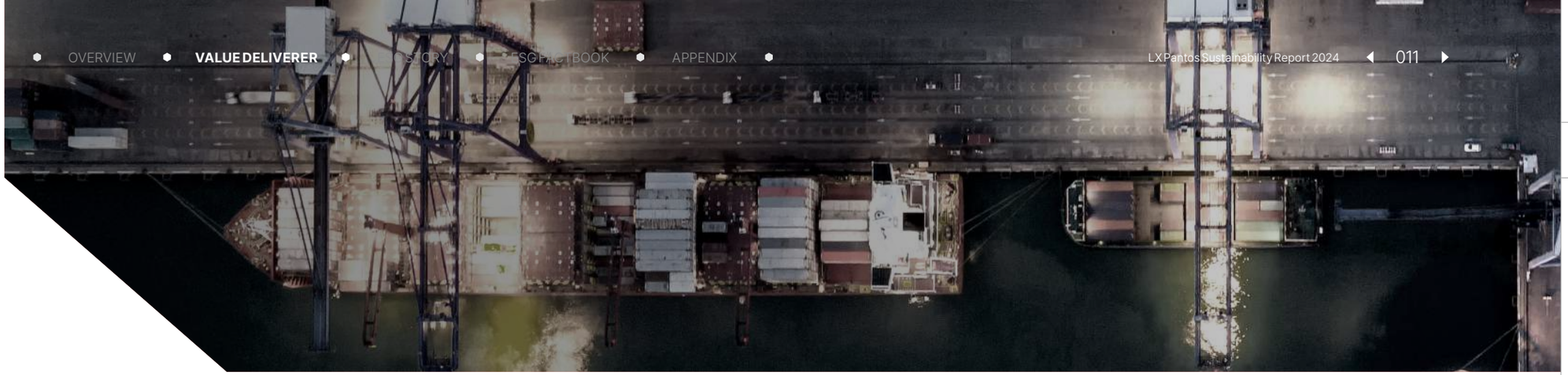
Fast Moving Consumer Goods(FMCG)
Kitchenware, perfumes, cosmetics, food and beverages, clothing, and luxury items.

Fresh
Flowers, seafood, meat products, and seasonal fruits and vegetables.



OVERVIEW
VALUE DELIVERER
● Business Portfolio
Sea Freight
Air Freight
Rail Freight
W&D (Warehouse&Distribution)
Electronics Logistics
e-Commerce
Business Solution
Digital
Automation
Logistics Project & Consulting
ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com



Sea Freight

LX Pantos Connects the World as a Leading Sea Freight Forwarder

LX Pantos boast its large-scale cargo capacity, handling approximately 1.5 million TEUs annually. This capacity ranks us sixth in the world and first in Korea. Leveraging this, we secure competitive freight charges through annual global biddings with 60 domestic and international shipping lines. With the aim to provide safe, agile, and customized services, we have signed service agreements with shipping firms, granting them strategic preferential treatment, based on our extensive experience as a logistics partner for 13,000 customers worldwide. This has enabled us to offer services tailored to each client. In the coming years, LX Pantos plans to transition to eco-friendly fuels for maritime transport, assisting its clients in reducing their carbon emissions and driving green maritime shipping.

Main Services

Container Service

- Provide FCL[1], LCL[2], and special container services tailored to specific needs and volumes of customers' cargo.
- Manage all stages from origin to destination in a comprehensive and strategic manner, including packaging, transportation, stevedoring, storage, customs clearance, and documentation.

Bulk Service

- Suggest optimal transportation options for bulk shipments, taking into account the type of freight (raw materials, such as petrochemicals / gas / coal, steel products, heavy cargo, general cargo, etc.), their format, weight, and volume.
- Propose optimized services that cover all aspects, from devising logistics strategies for customers to supplying necessary resources and managing logistics operations.

1) FCL (Full Container Load): This term refers to a type of shipment where the freight from a single shipper occupies the entire volume of a container
2) LCL (Less than Container Load): This term refers to container loads that are filled with multiple orders of goods

Global sea freight volume handled *As of 2023

Yearly **1,498,000** TEU

Global sea cargo capability

13,000 customers served for maritime shipping

Use of biodiesel for freight transport to Europe
(supply contract with Maersk in place)

Yearly **30,000** tons reduced

No. 1 sea freight forwarder

With **900** in-house professionals

Green Shipping Services for Carbon Mitigation

We are witnessing tightening regulations in the shipping sector with the introduction of the Carbon Border Adjustment Mechanism (CBAM), the inclusion of the shipping sector in the EU-ETS, and the emergence of the Carbon Intensity Indicator (CII) for vessels presented by the IMO. These stringent regulations require an accelerated transition to eco-friendly business practices. In response to this, LX Pantos provides shipping services using green fuels, which are alternatives to fossil fuels, which helps our customers reduce their Scope 3 emissions, while stepping up its cooperation with global shipping companies in terms of service coverage and content. Additionally, we have calculated and managed our customers' carbon emissions using a methodology based on global transportation emissions data recorded in our Pantos View Solution.



OVERVIEW
VALUE DELIVERER
Business Portfolio
Sea Freight
Air Freight
Rail Freight
W&D (Warehouse&Distribution)
Electronics Logistics
e-Commerce
Business Solution
Digital
Automation
Logistics Project & Consulting
ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com



Air Freight

LX Pantos Bridges Time, Space, and Potential

With the capacity to handle volumes equivalent to 1,000 cargo planes per year, LX Pantos offers global air freight shipment services through strategic partnerships with leading global airlines and the operation of our own fleet of aircraft. Our reasonable freight charges, combined with stable cargo shipment spaces, enable us to provide optimized services. Furthermore, we have increased the use of Sustainable Aviation Fuel (SAF) with the aim of reducing GHGs emitted from air transportation, which is a clear demonstration of our commitment to leading decarbonization in air transport.

No. 1 air freight volume handled in Korea *As of 2023

Yearly **100,000** ton

No. 1 air freight forwarder

With **500** in-house professionals

1st Korean air freight forwarder to obtain CEIV-Fresh certification

1st air freight forwarder to obtain CEIV-Li-Batt certification among logistics firms

Ranked 1st in export shipment in Korea

16 years in a row (2008 - 2023)

Main Services

Diverse Array of Air Shipment Services

- Provide optimal solutions tailored to our customers' specific needs, taking into account the characteristics of the cargo, lead time, and freight charges.

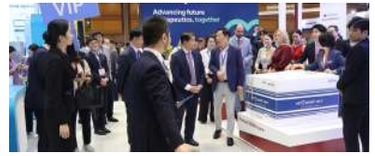
On-time delivery service | Consolidation service | Special cargo handling (live animals, perishable goods, and dangerous items) | Air charter service

Pantos Healthcare

Reagents and plasma require transportation to their final destinations without any degradation in quality, in accordance with international regulations and standards. Our specialized solution for healthcare product shipment, 'Pantos Healthcare,' is an optimized and comprehensive transportation solution specifically for pharmaceuticals. It covers the entire process from cold chain packaging to international shipment, storage, distribution, and consulting. Pantos Healthcare was the first among domestic logistics firms to acquire both the 'CEIV PHARMA' and 'CEIV-Fresh' certifications issued by the International Air Transport Association (IATA), which is a testament to the outstanding quality and stability of our pharmaceutical transportation services.



Participated in CPHI Worldwide 2023, a showcase for the pharmaceutical and biotech industry



Participated in the Bioplus Interphex (BIX) Korea 2023, an exhibition for the healthcare industry

OVERVIEW
VALUE DELIVERER
- Business Portfolio
  - Sea Freight
  - Air Freight
  - Rail Freight
  - W&D (Warehouse&Distribution)
  - Electronics Logistics
  - e-Commerce
- Business Solution
  - Digital
  - Automation
  - Logistics Project & Consulting

ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com



Rail Freight

LX Pantos Bridges Asia and Europe by Rail

LX Pantos has secured various routes for rail transport that span the vast areas of Europe and the CIS (Russia and Central Asia), including the Trans–Siberian Railway (TSR), Trans-Chinese Railway (TCR), Trans-Manchurian Railway (TMR), and Trans–Mongolian Railway (TMGR). Rail shipment is capable of delivering goods in large quantities, thereby reducing travel time compared to sea shipping. Moreover, it emits far less carbon compared to road transportation and relieves traffic congestion, making it a greener mode of transportation. Taking advantage of the expertise we have gained over the past 20 years and our global infrastructure, LX Pantos will develop diverse routes for rail shipment, thereby achieving a more efficient and environmentally friendly logistics network.

Main Services

Rail

- TSR/TCR: These are quick and convenient services that cover the entire region of the CIS, including Central Asia and Russia, via Siberia and China.
- TMR/TMGR: These are sub-routes of TSR and TCR, serving as efficient alternatives in response to issues such as congestion and other challenges.
- Block Train: This is a premium rail freight forwarding service that guarantees on-time delivery through non-stop transportation to final destinations, leveraging our owned logistics infrastructure.

Terminal

- Our rail transport terminal near Budapest, Hungary, can accommodate up to 1,500 TEUs of cargo, with an area size of 36km².
- Russia Terminal Complex: This complex provides rail terminal services in the Far East, including Moscow, Russia, which is the departure point for the TSR.
- Kazakhstan Terminal Complex: Located near Almaty, Kazakhstan, this logistics complex offers comprehensive services from rail export and import to customs clearance and final destination shipment.

No. 1 rail freight volume handled in Korea

Yearly **54,500** TEU

Top in-house SOC in Korea

10,092 TEU owned

Largest global networks in Korea
(380 networks worldwide)

13 rail networks across **6** countries

No. 1 rail freight forwarder

With **90** in-house professionals

Rail Route via Caspian Sea

The diversification of import and export supply chains between Asia and Europe, coupled with the intensification of geopolitical issues between Russia and Ukraine, have increased potential risks associated with transportation delays. In response, LX Pantos has developed and implemented a new alternative route, the Trans-Caspian International Transport Route (TITR), which traverses the Caspian Sea to proactively mitigate delay risks. Compared to maritime shipping, the TITR offers reduced lead times and greater efficiency in terms of carbon mitigation. In 2023, we shipped approximately 600 TEUs via the TITR from Europe to Central Asia on a trial basis. We plan to increase the volume transported using the TITR.



OVERVIEW
VALUE DELIVERER
Business Portfolio
Sea Freight
Air Freight
Rail Freight
W&D (Warehouse&Distribution)
Electronics Logistics
e-Commerce
Business Solution
Digital
Automation
Logistics Project & Consulting
ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com



W&D (Warehouse&Distribution)

LX Pantos Provides Diverse and Unique Logistics Solutions

LX Pantos ensures meticulous operational management through its team of logistics experts, and provides a comprehensive Warehouse & Distribution (W&D) service that spans a diverse range of industries on the basis of a combination of Know-How and Know-Where. We have established smart logistics centers that integrate automation, AI technologies, and robotics, resulting in maximized efficiency. Additionally, we have installed solar power generation facilities on the roofs of our logistics centers as part of our efforts to introduce renewable energy sources. Other initiatives are also underway, such as the expansion of eco-friendly packaging and the transition to electric forklifts. In the coming years, LX Pantos will strive to transform into a green logistics provider through various efforts, including the continuous application of cutting-edge technologies, improvements in energy efficiency during business operations, and consideration of a switch to electric delivery vehicles. Through these combined endeavors, we aim to provide optimized logistics services with unique value.

Total area of logistics centers worldwide

3,671,692 m²

South Cheongna Center

Certified for smart logistics

Shihwa MTV Center

Agreement on solar power generation facility installation signed

Anticipated reduction of 500 **tons annually**

Main Services

Network-based business

- Integrated service that merges warehousing, transportation, and delivery.

Business associated with import and export

- A business model that integrates freight forwarding with inland W&D business. (full file service system)

Logistics transportation

- Point-to-Point single route transportation.
- Cost reduction achieved through the operation of our own trucks.

Consulting

- Design and implement optimal solutions tailored to global clients, covering procurement, sales, and logistics, and application of them.

W&D Visibility

As we are witnessing an increase in logistics-related challenges, such as the growing complexity of inventory management and subsequent sales losses, there is a rising demand for real-time tracking of customers' goods status particularly from burgeoning industries such as auto parts, beauty, and healthcare. In response, LX Pantos operates the Shihwa MTV Center, a smart logistics center equipped with robots and AI technologies. This center provides a visibility service from a customer perspective. Based on analysis, it offers real-time data on predictive information and risk occurrences, as well as data on abnormalities such as delays, ensuring no additional costs are incurred. Our South Cheongna Center, equipped with state-of-the-art logistics processes supported by Smart Shuttle and Autonomous Mobile Robots, has been recognized for its efficiency, stability, and eco-friendliness, receiving the Smart Logistics Center certification from the Ministry of Land, Infrastructure, and Transport.



Analysis-based Visibility Service

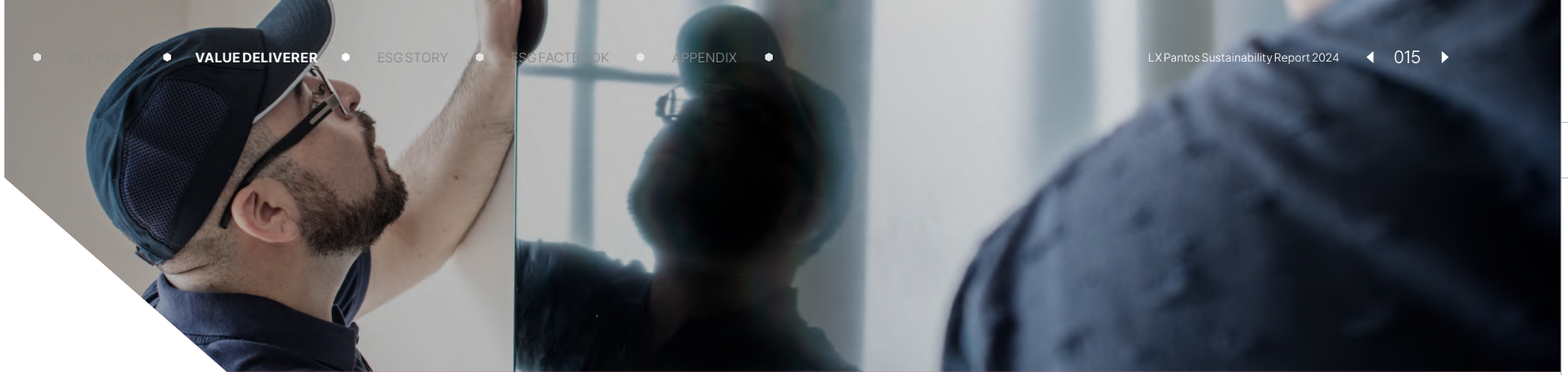
OVERVIEW
VALUE DELIVERER
- Business Portfolio
  - Sea Freight
  - Air Freight
  - Rail Freight
  - W&D (Warehouse&Distribution)
  - Electronics Logistics
  - e-Commerce
- Business Solution
  - Digital
  - Automation
  - Logistics Project & Consulting

ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com



Electronics Logistics

LX Pantos Guarantees Top-notch Installation Solutions through High-quality Services

With a seamless inventory management system in place, LX Pantos delivers electronics at LG Best Shops and discount stores to customers, ensuring safe and swift installation. As electronics installation is a service delivered closest to customers, we ensure that professional and qualified engineers, who hold installation certificates, deliver the service based on their long experience and know-how. This approach culminates in consistent and high-quality services. Furthermore, our service also includes the collection and disposal of customers' waste home appliances during the installation process. In addition, in keeping pace with market trends of rising interest in home appliances and interiors, we have broadened the scope of our services to include premium services, such as TV link (no-drilling) installation service, thereby elevating customer satisfaction to another level.

Main Services

Electronics Installation

- LG Electronics' home appliance delivery and installation by qualified installation engineers who hold the relevant certificates.

Electronics Re-installation

- Dismantlement of LG Electronics' home appliances for re-installation at locations designated by customers.

Delivery

- Shipment of products and service parts. stored in logistics centers to LG Electronics' stores and service centers.

Logistics Centers

- Real-time inventory management at 23 logistics centers.
- Safe storage through systematic management process.

Best practices for resolving customers' pain points shared monthly

Win-win program for installation engineers up and running

Connection to fund capital companies for installation engineers

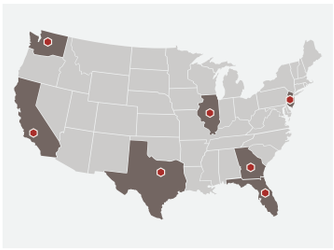
Rate of electric forklifts used within logistics centers

100 % (forklifts for heavy cargo excluded)

Provide group accident insurance in full amount for installation engineers Financial / non-financial assistance (Benefits from company partnerships and assistance for family events) provided

Making Inroads into the Electronics Logistics Sector of the United States

Leveraging the service know-how we have earned as a domestic one-stop installation service provider, which covers the installation and delivery of home appliances, we have been expanding our presence in the installation logistics sector in the United States. In 2022, we made our entry into New Jersey and California, followed by Philadelphia, San Diego, Washington, and Texas in 2023. In the years to come, we plan to continuously expand the reach of our service. To ensure the installation service meets the level of service delivered in Korea, we dispatch trainers and master installation engineers to help American engineers sharpen their skills.



OVERVIEW
VALUE DELIVERER
Business Portfolio
Sea Freight
Air Freight
Rail Freight
W&D (Warehouse&Distribution)
Electronics Logistics
e-Commerce
Business Solution
Digital
Automation
Logistics Project & Consulting
ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com



e-Commerce

Connecting the world of e-Commerce with customers

Utilizing ePantos, an integrated e-Commerce platform, we offer a full suite of logistics services, including order, warehousing, storage, pick-up, domestic and international transport, customs clearance, as well as fulfillment and return. We ensure the safe and prompt delivery of a diverse range of e-Commerce goods through alliances with top-tier partners, such as major global online retailers, both direct and reverse shipment providers, and procurement service agencies. Our customers can effortlessly check on their real time reservation details, schedules, and transport status via ePantos.

Main Services

International Express

- e-Commerce-specialized service that provides international transportation and import / export customs clearance services.

International Express IT System

- Providing real-time end-to-end visibility through ePantos, a system for international express.

Fulfillment & Last-Mile Service

- Operating fulfillments tailored to industries and items and providing various last-mile partner linkage services.

Intermodal Transport in Connection with China GDC

- Door-to-door service exclusively for e-Commerce cargo between Europe / America and Asia or within China using China GDC. (global distribution center)

No. 1 in export / import volume in Korea

Yearly **8,970,053** cases

Global e-Commerce clients

348 e-Commerce clients' orders handled

Global fulfillments

3 overseas, **13** domestic FCs

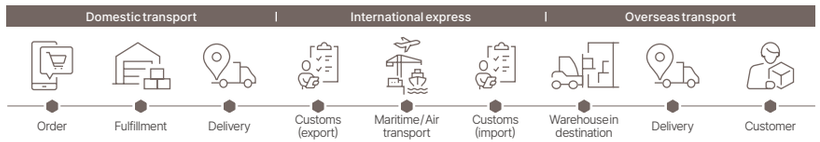
Annual handling amount

2,100 million boxes

(* 9.1 million cases for global EC forwarding volume)

End-to-End Logistics Service

We seamlessly manage the journey from customer order to product receipt, offering secure and swift services that cater to every need from fulfillment[1], domestic transportation, international express delivery for cross border trading (CBT), customs clearance, to overseas shipping. On the foundation of our industry-specific warehouses, flexible services tailored to the ebb and flow of demand from periodic or event-driven volume changes, and our large-scale transport capabilities, we provide efficient services, such as export, import, and cross-country[2] operations.



1) Managing the entire customer delivery and return process post-ordering, encompassing product warehousing, storage, order-specific picking, sorting, packaging, and ensuring timely delivery
2) A tripartite form of trade, where Korean traders play a role in the intervention and transportation as a third party in the trade between import country and export country

OVERVIEW
VALUE DELIVERER
- Business Portfolio
  - Sea Freight
  - Air Freight
  - Rail Freight
  - W&D (Warehouse&Distribution)
  - Electronics Logistics
  - e-Commerce
- Business Solution
  - Digital
  - Automation
  - Logistics Project & Consulting

ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

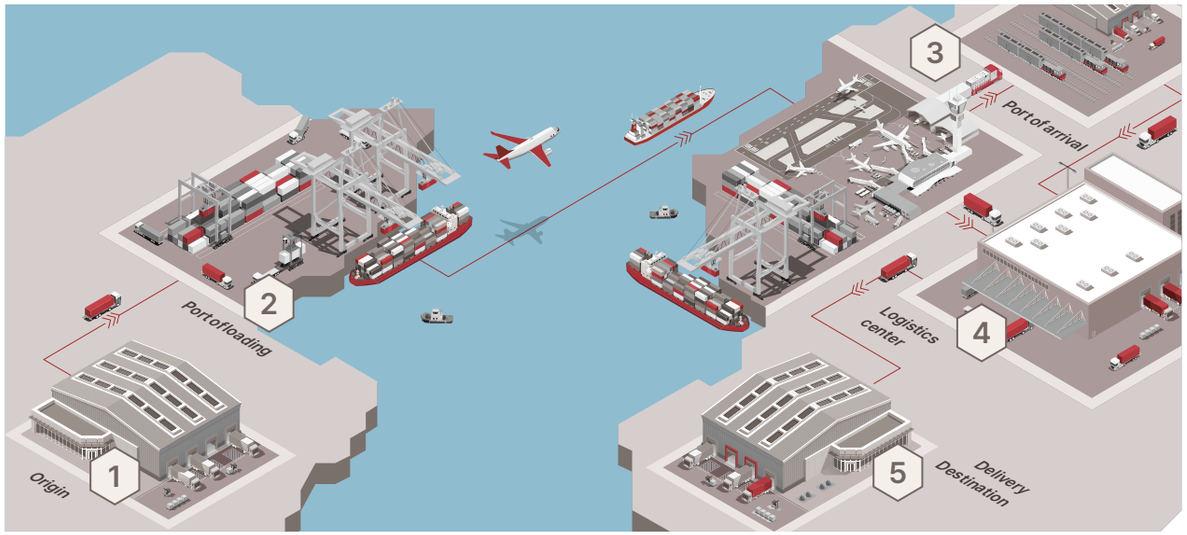
www.lxpantos.com

Business Solution

LX Pantos, Taking the Lead in Future Logistics

Leveraging automation technology connecting various solutions, an IT-based real-time end-to-end solution control system, and logistics across about 380 global networks, we oversee the entire flow of logistics from the initial shipment to the final delivery and provide real-time data to our customers. The integration of the autonomous transport robot CLOi within our AI-based automated logistics warehouse exemplifies our commitment to efficient and secure logistics handling, offering state-of-the-art logistics solutions. Furthermore, our extensive experience in the logistics field, coupled with a unique consulting methodology, allows us to deliver SCM and logistics solutions that are finely tuned to the distinct needs of our customers through analyzing logistics processes, costs, and systems.

End-to-End Solution



Real-time information provided to customers

End-to-End Solution

1 Origin

- Weather, risk news, port terminal information, etc.
- Information on vessels, routes, and bases where danger is detected, etc.

- Timely registration rate of nonconformities
- Timely notification rate for customers
- Timely establishment rate for improvement plans
- Long-term delay rate

2 Port of loading

- Real-time vehicle tracking
- Estimated time of arrival and alerts for abnormal conditions
- Estimated carbon emissions

- Carrier on-time pickup rate
- Timely arrival rate
- IOD (Information of Delivery) same-day acquisition rate
- Estimated shipment volume for the same day

3 Port of arrival

- Real-time cargo tracking
- Transit / arrival information

- Initial POD ETA accuracy
- Updated POD ETA accuracy
- Prompt delivery of arrival information at the port or final destination (POD/F.DEST ATA)
- Rate of providing information on full container exports and subsequent empty returns (CY ATD, Empty Return)

4 Logistics center

- Incoming / outgoing status
- Warehouse operation rate
- Work progress, etc.

- Receiving processing rate • Shipping compliance rate • Delivery time compliance rate
- IOD (Information of Delivery) precision
- Inventory accuracy
- Inventory aging management
- Product damage / loss rate
- Energy consumption at a logistics center

5 Delivery Destination

- Actual carbon emissions
- Real-time delivery status

- Delivery schedule
- Customer satisfaction level

OVERVIEW
VALUE DELIVERER
Business Portfolio
Sea Freight
Air Freight
Rail Freight
W&D (Warehouse&Distribution)
Electronics Logistics
e-Commerce
Business Solution
Digital
Automation
Logistics Project & Consulting
ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com

Business Solution

Digital PantosNow

LX Pantos has unveiled 'PantosNow2.0,' a new digital forwarding platform that facilitates effortless management of international transportation tasks for customers. It provides a one-stop service encompassing transportation status inquiries and logistics cost settlement management, in addition to the existing quotation confirmation and booking functions. The platform caters to various customer needs, including those seeking initial quotes, customized quotes, and those with existing contracts. Its integrated notification center allows users to track booking progress and tasks, while a unified communication channel facilitates one-on-one inquiries with designated personnel. We will continuously update PantosNow, ensuring this platform remains an accessible and efficient service for all forwarding needs.

Convenient Digital Forwarding Platform

1 STEP — Instant quote and custom quote

- Immediately display quotation details
  - Estimations for shipping, air, and rail freight
  - Detailed unit price and total cost calculations for each freight category
  - Estimated carbon emissions associated with shipments
- Provide customized quotation for customers
  - Comprehensive solutions for special cargo and door-to-door transport needs

2 STEP — Easy booking with one-click

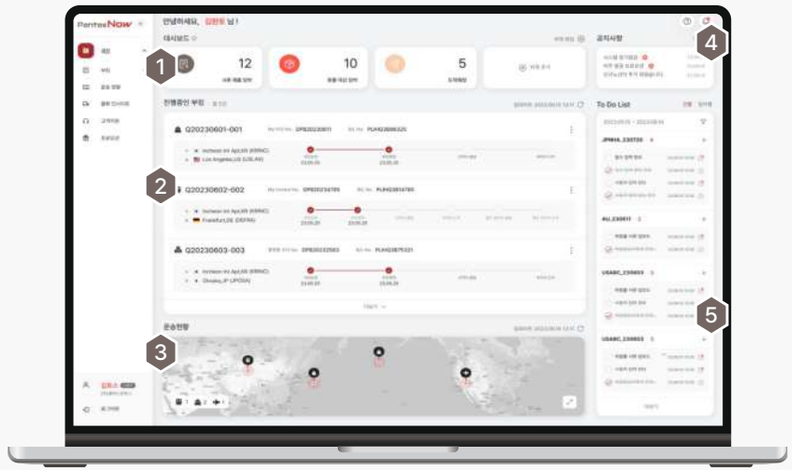
- Minimize repetitive information input
  - Streamlined booking tasks based on automatic synchronization with existing progress records
- Allow easy booking management
  - Continuous tracking of booking status
  - Functions for document uploads and booking duplication

3 STEP — Real-time check on cargo transportation process

- Monitor transport progress
  - Current location of cargo and any potential delays
- Allow the adjustment of display settings to suit individual preferences
- Allow downloads of transportation status lists

4 STEP — Easy logistics cost settlement

- Instantly notify when an invoice is issued
- Allow downloads of invoice lists
- Display the overview of completed settlements and pending amounts



1 Widget
Customized dashboard composed of only the information that a user needs

2 Booking in progress
Direct shortcuts to the list of ongoing shipments, booking duplication, and shipping document registration, etc.

3 Delivery status
Display on real-time location of major cargo

4 Integrated notification center
Overview of real-time booking, transportation status, and other notifications

5 To-do List
Task Reminder to assist users in managing their schedule and subsequent steps following a booking

OVERVIEW
VALUE DELIVERER
Business Portfolio
Sea Freight
Air Freight
Rail Freight
W&D (Warehouse&Distribution)
Electronics Logistics
e-Commerce
Business Solution
Digital
Automation
Logistics Project & Consulting
ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

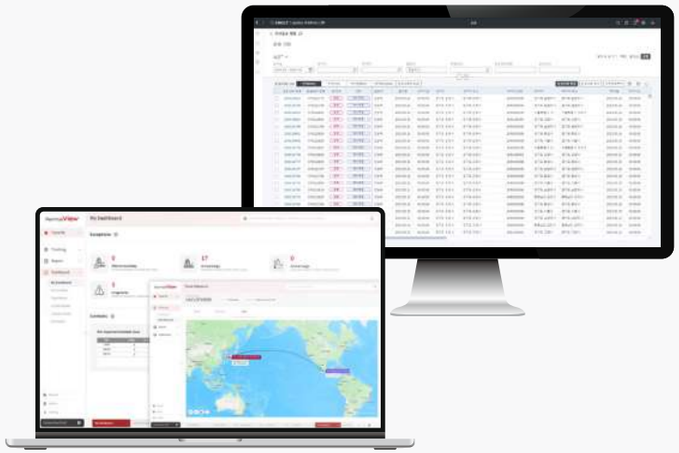
Business Solution

Digital PantosView

Pantos View, our transportation and warehouse visibility service, offers real-time tracking of cargo movement and arrival details from the point of shipment to storage and final delivery. It proactively mitigates potential risks and delays, such as weather disruptions or logistical incidents, by identifying them early, allowing for alternative planning and swift response to minimize customer impact. Additionally, Pantos View delivers tailored carbon emissions data to customers, leveraging the managed transportation information within the system.

Freight Forwarding Visibility

- Monitor shipment locations and transportation timelines
- Access shipping documents (B/L[1], C/I[2], P/L[3], POD[4])
- Stay informed about transportation risks
- Personalized widgets functions
- Access dashboard (real-time shipping and incident radar)
- Information on carbon emissions
  - Carbon emissions data for each container and B/L
  - Tailored widget functions with calculators for different transportation modes and sections
- Mailing service
  - Tracing report
  - Delay notice
  - Pre-arrival notice
  - Arrival notice



Warehouse and Inland Transportation (Warehouse Visibility)

- Make orders and monitor their statuses
- Access dashboard (control of logistics center operations and abnormal situations)
- IoT-based monitoring (shock, temperature, and humidity)
- Alert for logistics and transportation anomalies
- Real-time location tracking for inland transportation
- Access and download e-POD documents
- Connect interfaces seamlessly with customer systems (warehouse and inland transit)

1) B/L: Bill of Lading
2) C/I: Commercial Invoice
3) P/L: Packing List
4) POD: Proof Of Delivery



Risk management for transportation - Typhoon radar



Order and dispatch status tracking



Carbon emissions calculator



Warehouse oversight for irregularity management



Vehicle operation control

OVERVIEW
VALUE DELIVERER
Business Portfolio
Sea Freight
Air Freight
Rail Freight
W&D (Warehouse&Distribution)
Electronics Logistics
e-Commerce
Business Solution
Digital
Automation
Logistics Project & Consulting
ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com

Business Solution

Automation

Digital Transformation

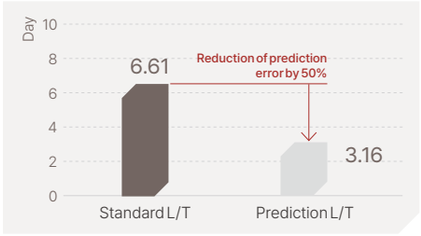
We streamline logistics center operations through the integration of AI and big data analytics, proactively monitoring and addressing potential delays in delivery routes. We will mountainously check the areas for digital transformation and the adopt advanced technologies to drive innovation in our operational processes.

Daily delivery volume forecasting at logistics centers



- Build an AI model that analyzes historical order patterns to forecast the day's shipment volumes from morning till evening
- Achieve over a 40% reduction in forecast error rate compared to manual methods, enabling proactive risk management for non-delivery and bolstering operational competitiveness

Railway ETA forecast improvement



- Develop a refined model that enhances ETA (estimated time of arrival) accuracy by examining the correlation between railway transportation delays and Kazakhstan transshipment cargo
- Cut the ETA prediction error to half, offering customers more reliable forecast information integrated with the visibility system

AI-assisted review for home appliance installation

- Utilize AI for thorough analysis of post-installation images of home appliance and validate the accuracy of associated billing charges
- Elevate installation quality and prevent unjustified non-compliance claims

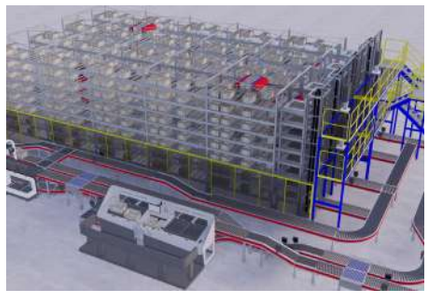
AI-assisted prevention efforts against fire

- Develop an AI model to assess the completion of air conditioner wiring (verifying the secure attachment of compression sleeves)
- Implement AI-based image analysis for safety assurance to mitigate the risk of fire, safeguarding lives and property

Automated Transportation

We enhance workforce efficiency and ease labor demands through the deployment of smart shuttles and CLOi, an autonomous robot, within our logistics centers.

Goods to Person (GTP)



Picking efficiency and precision are improved through GTP process introduction and made synergy with existing automated systems.

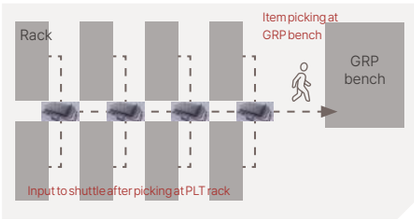
- Goods To Person (GTP): An approach where items are delivered directly to personnel, eliminating the need for workers to travel to the products
- Productivity boosted by enabling the simultaneous picking of 16 orders, minimizing the worker movement
- Optimized operation of CLOi and forklifts due to the reduced reliance on picking cart

Optimized picking route and automated transport are realized through smart ordering based on autonomous driving.

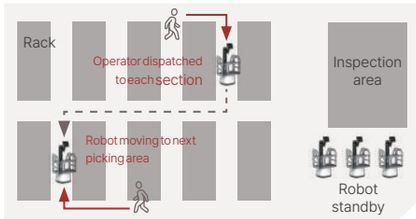
- Smart ordering: Streamlining the picking process by grouping orders for optimal routing and assigning them to CLOi robots based on shipment locations
- Reduced worker movement and labor through the automation of transport systems
- Enhanced standardization of tasks and bolstered assistance for novice workers



GTP operation process



CLOi operation process



OVERVIEW
VALUE DELIVERER
Business Portfolio
Sea Freight
Air Freight
Rail Freight
W&D (Warehouse&Distribution)
Electronics Logistics
e-Commerce
Business Solution
Digital
Automation
Logistics Project & Consulting
ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com

Business Solution

Logistics Project & Consulting

Logistics Projects

LX Pantos possesses unparalleled competitive advantages in logistics based on our robust heavy cargo transport, expert consulting services, and expansive global network. Our project logistics expert team, with extensive experience across the Middle East, Southeast Asia, North America, and Africa, delivers comprehensive supply chain strategy and execution consulting. Through our specialized solution, 'Dynamic Simulation,' we offer consulting on overall supply chain strategy and execution plans (design, production, logistics, assembly, construction) for various projects in the construction industry.

Success Cases

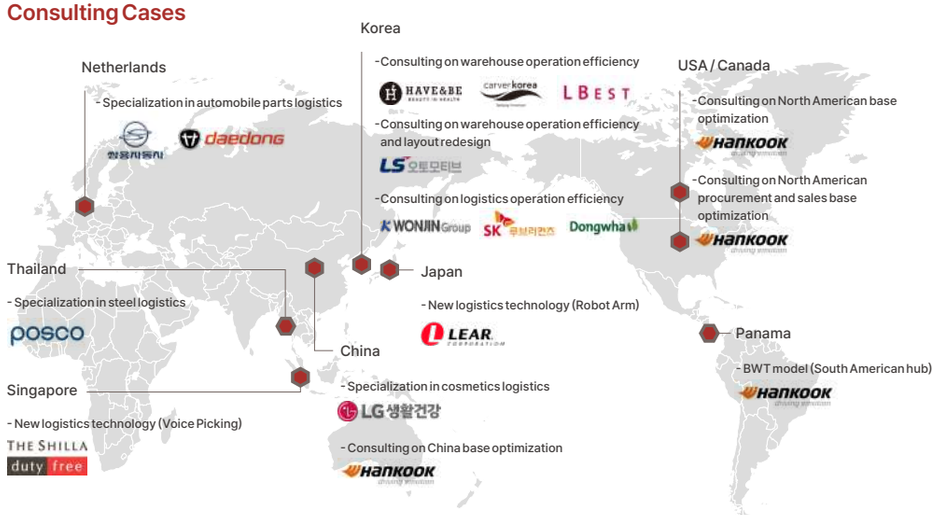


*CCPP: Combined Cycle Power Plants

Logistics SCM Consulting

Capitalizing on extensive experience in the logistics field and our unique Pantos Logistics Consulting Methodology (PLCM), we deliver tailored SCM and logistics solutions. These are finely tuned to each client's unique profile by analyzing their business processes, costs, and systems across all logistics sectors. With an aim to raise the efficiency of these solutions, we have established a specialized 'solution consulting' division committed to significant consulting projects both at home and abroad.

Consulting Cases



Consulting on the equipment for secure unloading and transportation of large cable drums within the UK

- Ensured safe transport by manufacturing a custom tray ❶ for the cable drum's skid, which was not securely positioned on the trailer deck, resulting in accident-free delivery
- Improved unloading safety by locally procuring and adopting special equipment ❷ for handling cable drums





OVERVIEW
VALUE DELIVERER
Business Portfolio
Sea Freight
Air Freight
Rail Freight
W&D (Warehouse&Distribution)
Electronics Logistics
e-Commerce
Business Solution
Digital
Automation
Logistics Project & Consulting
ESG STORY
ESG FACTBOOK
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com

03

ESG STORY



023 2023 ESG Highlights
024 ESG Strategy
026 Double Materiality Assessment

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com

2023 ESG Highlights

We are active in pushing forward ESG management and Jeong-Do Management, guided by our vision to be a 'Value Deliverer for People and the Planet.' Our dedication has been recognized in and outside Korea with the EcoVadis Committed Badge, a CDP B- rating, and the Prime Minister's Prize at the 30th Corporate Innovation Awards honored by Korea Chamber of Commerce and Industry and Ministry of Trade, Industry and Energy. We joined the UN Global Compact in November 2023, solidifying our embrace of its 10 core principles, encompassing human rights, labor standards, environmental stewardship, and anti-corruption. This alignment underscores our pledge to advance the UN Sustainable Development Goals, reflecting our unwavering support and integration of these values into our overall operations.

Set the carbon reduction goal
2050 Net-Zero

Set a goal for achieving carbon neutrality by 2050, targeting a 25% reduction in BAU emissions by 2030 relative to 2022 levels

Established carbon reduction goals regarding
Sustainable aviation fuel (SAF)

Signed partnership with Air France-KLM in 2022 and signed business agreement with Korean Air in 2023

Replacement to eco-friendly fuel in the maritime sector

Expecting the reduction of carbon dioxide emissions by 30,000 tons with Maersk's Eco Delivery Ocean service

Switched to 100% eco-friendly stretch films
at all domestic sites

Converted all plastic stretch films used in logistics centers to eco-friendly ones manufactured by SMEs

Built a 2.5MW solar power plant
at Shihwa MTV Center

Installing a solar power plant on the idle site of the roof of the distribution center, supplying eco-friendly renewable energy (to be operated in 2024 in cooperation with Korea East-West Power Co., Ltd.)

Received Prime Minister's Commendation
for promoting employment of the disabled

Being recognized for contributions such as expansion and stabilization of employment for the disabled and facilities convenient for the disabled

Received Seoul Mayor's Commendation
for social contribution for underprivileged children

Operated an economic and emotional support program for children in shelters nearby the headquarters

Introduced supplier ESG assessment system

Required consent form to comply with our Code of Conduct from partner companies and provided ESG training for suppliers and had them conduct self-inspections

Established a Subcontracting Dispute Resolution Committee
for the mediation of subcontract payment disputes

Built trust and promoted win-win cooperation with partner companies with transparent disclosure

Elevated customer satisfaction level and overall satisfaction level
compared with 2022 scores

Forwarding 77.3→83.3 points
W&D 76.7→81.0 points

Awarded Prime Minister's Prize
at the 30th Corporate Innovation Awards hosted by KCCI and Ministry of Trade, Industry and Energy

Being recognized for the performance in management innovation and ESG management practice

Participation in the Logistics Industry ESG Council
organized by Korea Integrated Logistics Association

Identified common ESG agenda items in the logistics industry and created mutual synergy

Published monthly ESG Trend Report
with content that raises ESG awareness

Shared ESG trends of major customers encompassing global, domestic, and logistics ESG

Acquired global air transport certifications

Obtained CEIV-Li-Batt, a quality certification for lithium battery air transportation for the first time in the logistics industry and CEIV-Fresh, a quality certification for fresh cargo air transport for the first time in Korea

Secured Smart Logistics Center certification
at GC South Cheongna Center

Established advanced logistics processes using smart shuttles and autonomous mobile robots and provided comprehensive global fulfillment services

Established or revised policies and guidelines on information security

Complete reassessment or revision of policies and guidelines, coupled with the creation of distinct security protocols for sectors demanding heightened security measures

ESG Assessment and Initiative Response

Global ESG rating
Acquired EcoVadis Committed Badge

Global ESG rating
CDP
(Carbon Disclosure Project)

Obtained **B-**

Joined UNGC,
a UN's voluntary corporate sustainability initiative

Human rights, labor standards, environmental stewardship, anti-corruption, etc.

OVERVIEW
VALUE DELIVERER
ESG STORY
- 2023 ESG Highlights
- ESG Strategy
- Double Materiality Assessment

ESG FACTBOOK
APPENDIX

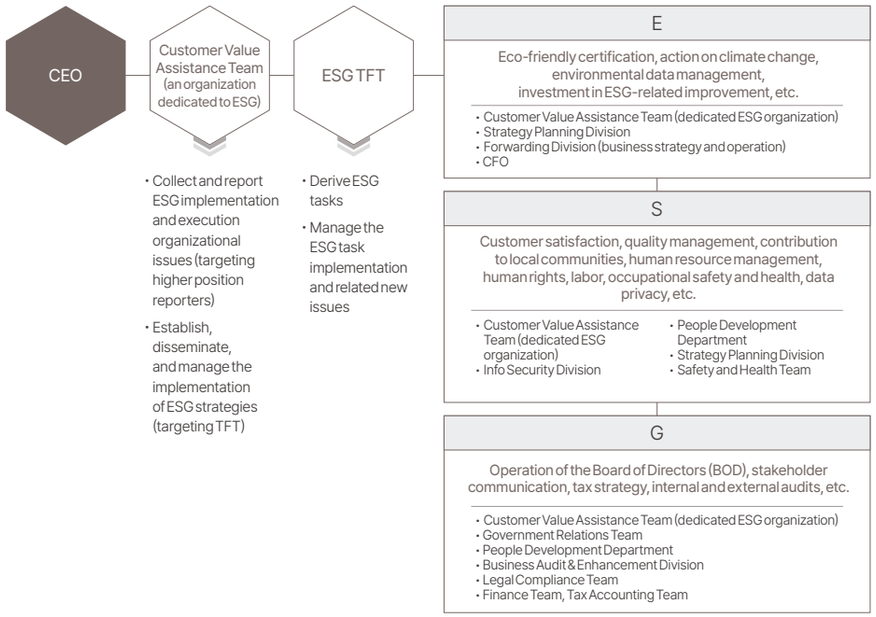
LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

ESG Strategy

ESG Governance

With an aim to enhance our ESG management's execution capabilities in line with global standards, we have restructured ESG Team into a Customer Value Assistance Team. This team, equipped with customer satisfaction and quality management expertise, consists of ESG experts who actively monitor and address ESG risks across our domestic and international operations, devising proactive strategies for anticipated risks. Furthermore, we implement granular tasks aligned with our ESG strategy in order to mitigate the potential adverse effects of these risks on our business. The CEO regularly reviews reports on ESG activities and key issues from dedicated ESG organizations and the ESG task force team (ESG TFT), disseminating crucial decision-making insights to employees via multiple platforms. To embed ESG management among our employees, we strive to reinforce the ESG insights of our workforce by distributing educational ESG content, such as videos and reports, and showcasing management initiatives on our internal portal and signage. This information is accessible to all employees, including the management, and we maintain a separate communication channel for inquiries and consultations regarding ESG matters.

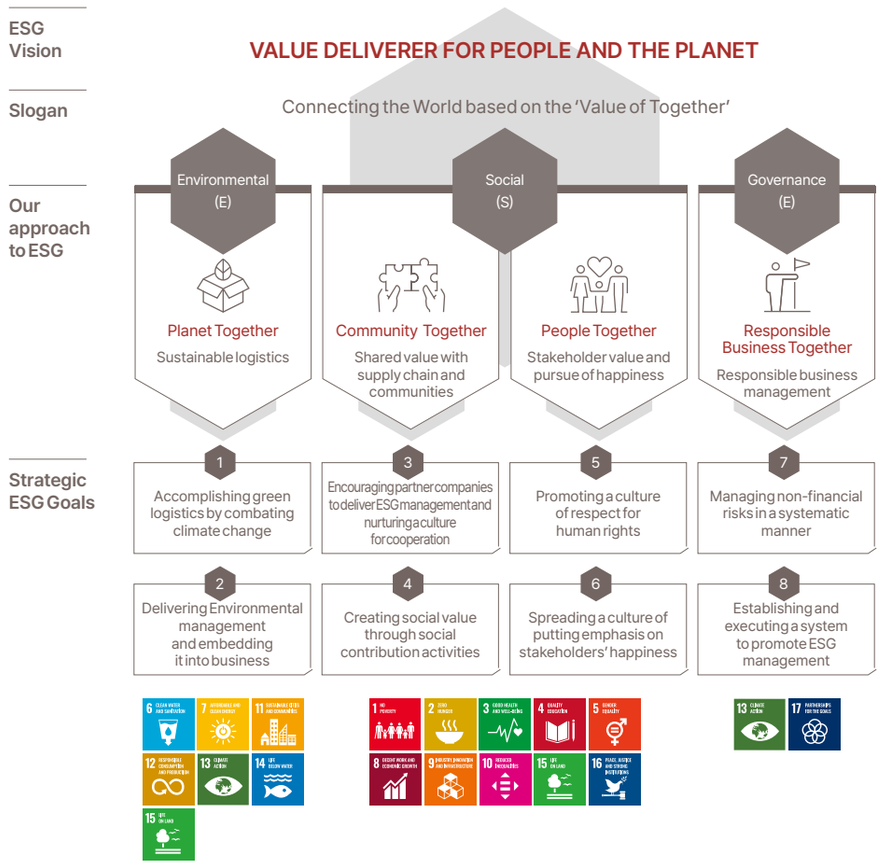
ESG Management System Structure



ESG Strategy System

Our ESG vision, 'Value Deliverer for People and the Planet,' steers us towards four strategic directions for ESG management. We are committed to realizing green logistics that are mindful of environmental sustainability, fostering shared growth with partner companies and communities, respecting our stakeholders' interests in pursuit of happiness, and upholding responsible management practices for transparent governance.

ESG Strategy System Diagram



OVERVIEW
VALUE DELIVERER
ESG STORY
2023 ESG Highlights
ESG Strategy
Double Materiality Assessment
ESG FACTBOOK
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

ESG Strategy

KPI and Performance

LX Pantos has established and pursued mid- to long-term objectives on the basis of the key performance indicators (KPIs) integral to its ESG management strategy. Our significant achievements in the course of meeting these KPIs and overarching goals are contributing to the global pursuit of the 17 UN Sustainable Development Goals.

Key strategies	KPI (tasks)	Mid- to long-term goals	Major achievements in 2023	UN SDGs
Realizing green logistics through climate action	• Manage energy consumption and GHG emissions • Expand participation in environmental initiatives	• Reduce GHG emissions by 25% by 2030 compared to BAU • Disclose environmental data (carbon) through CDP reporting	• Set the 2050 Net-Zero goal • Achieved CDP Climate Change B- in 2023 • Reduced GHG emissions by 6.044% in 2023 compared to the previous year	7 •7.2 13 •13.1, 13.2, 13.3
Implementing and internalizing environmental management	• Put in place an environmental management system • Establish environmental management goals and execution plans	• Comply with environmental laws and the requirements and procedures of the environmental management system certification (ISO 14001) • Establish waste and recycling control system	• Acquired and maintained ISO 14001 for our own logistics centers • Introduced renewable energy (solar power) to domestic logistics centers • Converted to 100% eco-friendly stretch films at domestic logistics centers	6 •6.4 12 •12.5 15 •15.5 11 •11.6 14 •14.1
Spreading ESG to partner companies and creating a collaborative environment	• Introduce supplier ESG evaluation • Support ESG within partner companies and carry out shared growth programs • Adopt fair trade compliance programs	• Collect ESG compliance agreement 100% from all partner companies • Keep 30% proportion of ESG items in overall bid evaluation	• Enforced ESG Code of Conduct targeting domestic business sites, overseas corporations, Tier 1 partners, etc. • Provided ESG management capacity building programs for partner companies (providing training / manuals / safety management, etc.) • Convened meetings with partners and provided financial and non-financial supports • Operated win-win cooperation programs for shipping companies (maintained level 1 certification as an excellent shipping company) • Established a Subcontracting Dispute Resolution Committee	9 •9.3 10 •10.2
Generating social value with social contribution activities	• Strengthen the system for social contribution activities	• Measure social value for each social responsibility activity in line with sustainable management	• Set a strategy system and roadmap for social contribution activities • Supported children in need of protection with building a foundation of self-reliance for 3 consecutive years (162 beneficiaries) • Launched the 3rd VR learning playground for vulnerable children around our business site (Jeonbuk) • Supported 54 children through the employee companion program twice a year joined by 41 employees • Supported 692 elderly people from vulnerable groups in the local community • Performed forest restoration activities in forest fire affected areas (planted 1,000 trees) • Supported for children suffering from incurable diseases for 8 consecutive years	1 •1.4, 1.5 4 •4.1, 4.5, 4.a 2 •2.1 15 •15.2
Disseminating a culture of respect for human rights	• Improve the working environment for employees and enhance safety and health • Expand and facilitate communication channels between labor and management • Expand employee evaluation and training • Internalize ethical management	• Maintain zero number of serious accidents (number of deaths) and expand support for employee health • Hold Labor-Management Council meetings and improve handling rates • Increase training hours for employees (diversity, self-development, ethics, etc.) • Conduct human rights impact assessment	• Maintained zero number of serious accidents for two consecutive years • Improved major welfare areas through the Labor-Management Council (expansion of infertility treatment leave, congratulatory/condolence support, congratulatory/condolence leave, and housing assistance support, etc.) • Controlled human rights and ethical risks through grievance handling process	5 •5.1, 5.5 16 •16.2, 16.5 8 •8.5
Spreading a culture prioritizing the happiness of stakeholders	• Elevate employee satisfaction • Raise customer satisfaction and communication	• Improve organizational culture satisfaction score • Raise customer satisfaction score	• Conducted organizational culture survey (79.7 points) • Facilitated bottom-up / horizontal communication through junior board (at least once a month) • Improved customer satisfaction score for 3 consecutive years	3 •3.d
Systematically managing non-financial risks	• Establish an integrated ESG risk management process • Sharpen capabilities to respond to customers' ESG needs • Foster fair trade and prevent corruption • Reinforce data security management	• Advance our response to customer ESG needs • Spread a fair trade culture • Keep zero number of information accidents • Conduct corruption risk assessment	• Established process and response system to address customer ESG needs • Used sustainable aviation fuel (SAF) in air transportation • Secured the supply chain for marine eco-friendly transportation (fuel/ship) • Established a Subcontracting Dispute Resolution Committee	13 •13.2
Establishing and pursuing ESG management system	• Put in place and internalize an ESG management system • Establish a ESG performance management system	• Establish and operate an ESG Committee	• Operated the Internal Transaction Review Committee	17 •17.14

OVERVIEW
VALUE DELIVERER
ESG STORY
2023 ESG Highlights
ESG Strategy
Double Materiality Assessment
ESG FACTBOOK
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Double Materiality Assessment

Stakeholder Communication

We define our diverse stakeholders to actively engage with each segment and attentively listen to their perspectives. The feedback from each stakeholder group in connection with our business operations is gathered through well-established channels, ensuring that all voices are heard and considered.

Our Stakeholder Group



Stakeholder group	Major communication channels		Our key activities
Domestic and foreign employees	• Labor-Management Council • In-house broadcasting / messenger / intranet • In-house club • Junior board • Employee survey • Townhall meetings		• Welfare system and convenience facilities • Training programs for each position / job • Creating an internal communication culture • Establishing a safe workplace and working environment
Customers	• Homepage and social media • VOC channel • Customer satisfaction survey		• CS competency improvement programs • Securing quality management expertise • Customer voice management
Partner companies	• Meetings with partner companies • Safety and Health Committee		• Supplier ESG evaluation • Promoting shared growth • Creating a fair trade culture
External stakeholders and professionals (investors, government, associations, etc.)	• Business Reports • Media promotions, such as press releases • Logistics Industry ESG Council	• Sustainability Reports • Homepage and social media • Meetings, conferences, etc.	• Disclosing financial and non-financial performances
Local communities	• Local ESG initiatives		• Social contribution activities



LX Pantos Promotion Video

QR code to access the promotional video of LX Pantos

OVERVIEW
VALUE DELIVERER
ESG STORY
2023 ESG Highlights
ESG Strategy
Double Materiality Assessment
ESG FACTBOOK
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Double Materiality Assessment

Double Materiality Assessment Process

LX Pantos embraced a double materiality assessment method in line with the ESRS's guidelines, which considers both external influences on its financial status (financial materiality) and the effects of its management activities on society and the environment (impact materiality). This approach has led to the identification of 10 key material issues. These issues, shaped by the diverse needs of our stakeholders and the societal context of our business, are reported and reviewed by our dedicated ESG departments and the management. We are actively incorporating them into our management practices, while disclosing related information in a transparent manner.

Step 1

Issue Pool Creation

Curating a pool of 20 key issues through an internal and external analysis, including LX Pantos strategic task analysis and media analysis

- Analysis of domestic and international ESG evaluations (KCGS, DJSI, MSCI, EcoVadis, etc.)
- Analysis of domestic and international ESG disclosure standards (GRI Standards, ESRS, SASB, TCFD, etc.)
- Benchmarking of companies with excellent global ESG disclosure and companies in the similar industries
- Media research
- Benchmarking of the trend in the similar industries

Step 2

Double Materiality Assessment

Analyzing both financial materiality and impact materiality based on 20 issues in the pool

Financial Materiality

- Analysis of financial disclosure standards and ESG evaluations
- Survey targeting 119 internal employees (including the management and staff members) and 11 ESG experts
- Study of 143 valid articles out of the articles published in 2023

Impact Materiality

- Analysis of disclosure standards and ESG initiatives
- Survey targeting 26 external stakeholders including partner companies, client companies, associations, research institutes, and ESG experts
- Analysis of the reports and decisions related to ESG items targeting the management
- Benchmarking analysis of 7 companies leading ESG in the logistics industry

Step 3

Material Issue Identification and Reporting

Comprehensively reviewing financial materiality and impact materiality to derive 10 material ESG issues in 2023 for LX Pantos

Area	Issue
Environmental	Climate change
Environmental	Green logistics service*
Social	Safety and health
Governance	Jeong-Do Management*
Social	Human rights
Social	Customer value management*
Social	Human resource management
Social	Fair trade and shared growth
Social	Information security*
Economic	New growth engine and business diversification*

* New material issues in 2023

OVERVIEW
VALUE DELIVERER
ESG STORY
2023 ESG Highlights
ESG Strategy
Double Materiality Assessment
ESG FACTBOOK
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Double Materiality Assessment

Double Materiality Assessment Process

As a result of double materiality assessment, addressing 'climate change' has been selected as our foremost priority, and other material issues of LX Pantos include 'Green Logistics Service,' 'Jeong-Do Management,' 'Customer Value Management', 'Information Security,' and 'New Growth Engine and Business Diversification.' Our Customer Value Assistance Team, which is in charge of ESG work for various identified issues and results derived during the materiality assessment process, establishes and implements preemptive measures and detailed tasks in collaboration with the company-wide ESG TFT. We will continuously advance our double materiality assessment methodology, ensuring the identification of objective material issues based on evidence, while maintaining active communication with our stakeholders.

Our Material Issues in 2023

Material ESG Issues			Impact type		Impact			Index	
Priority	Area	Issue	Severity (positive / negative)	Likelihood (actual / potential)	Financial	Social and Environmental	Overall	Page	GRI Index
1	Environmental	Climate change	Negative	Actual	●●●	●●●	●●●	31 - 42	302-1, 305-1, 2, 3, 5, 7, 306-3
2	Environmental	Green logistics service*	Negative	Actual	●●●	●●○	●●●	11 - 13, 35 - 36	201-2
3	Social	Safety and health	Negative	Actual	●●●	●●●	●●●	76 - 81	403-1, 2, 3, 4, 5, 6, 7, 9
4	Governance	Jeong-Do Management*	Negative	Actual	●●○	●●●	●●●	88 - 90	205-1, 2, 3, 419-1
5	Social	Human rights	Positive	Potential	●●○	●●○	●●●	65, 66, 72 - 75	405-1, 406-1
6	Social	Customer value management*	Positive	Potential	●○○	●●○	●●○	50 - 54	417-2, 3
7	Social	Human resource management	Positive	Potential	●○○	●●●	●●○	65 - 75	202-1, 401-1, 3, 404-1, 2, 3
8	Social	Fair trade and shared growth	Positive	Potential	●●●	●○○	●●○	57 - 58	206-1
9	Social	Information security*	Positive	Potential	●○○	●●●	●●○	82 - 84	418-1
10	Economic	New growth engine and business diversification*	Positive	Potential	●●○	●○○	●●○	10 - 21	201-1, 203-2

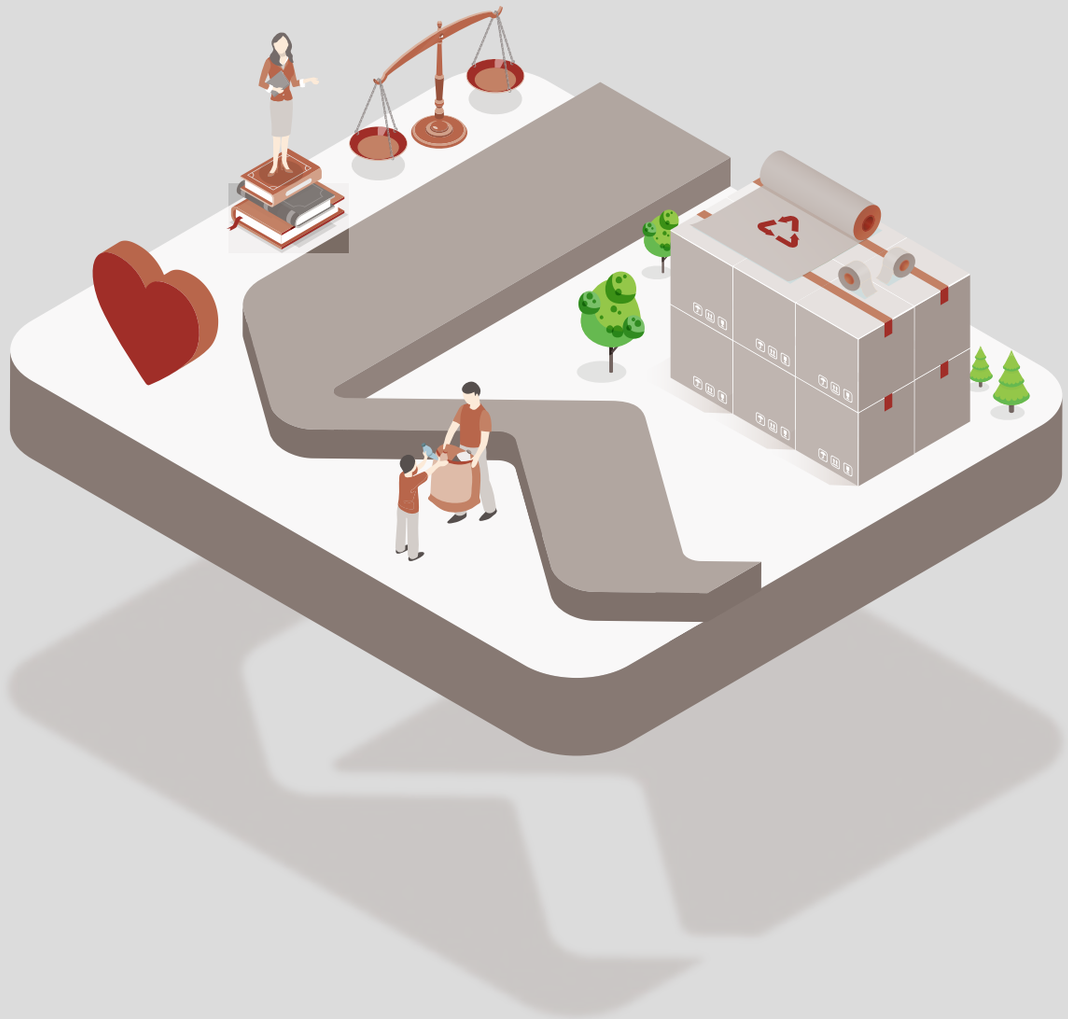
* New material issues in 2023

OVERVIEW
VALUE DELIVERER
ESG STORY
2023 ESG Highlights
ESG Strategy
Double Materiality Assessment
ESG FACTBOOK
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

04

ESG FACTBOOK



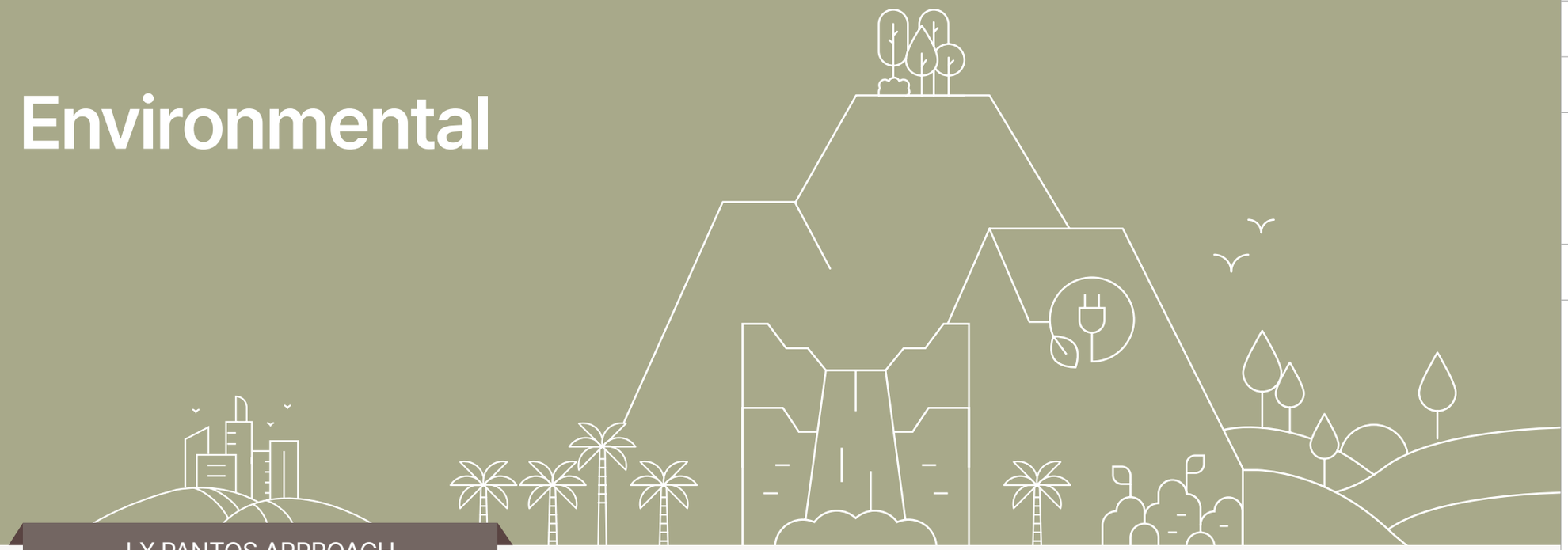
030 Environmental
049 Social
085 Governance

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com

Environmental



LX PANTOS APPROACH

LX Pantos is committed to reducing GHG emissions across our supply chain and minimizing our environmental impact with an objective to achieve the 2050 Net-Zero goal set forth in 2023. We actively address climate risks by categorizing them into transition and physical risks, ensuring our customers stay informed through the Pantos Visibility system, which offers real-time monitoring and management of transportation and delay risks attributed to climate change. By proactively securing a sustainable fuel supply chain that can replace conventional fossil fuels across maritime, aviation, and land transportation, we will persistently deliver green logistics services for our customers.

Climate Action 031
Environmental Management 043

LX Pantos
BEYOND LOGISTICS,
BESIDE YOU
www.lxpantos.com

Climate Action

Governance

Management's Role in Assessing and Managing Climate-related Risks and Opportunities

With an aim to directly manage its climate action, LX Pantos has restructured by placing the Customer Value Assistance Team, which is responsible for ESG activities, under the CEO. The Customer Value Assistance Team, composed of professionals in this field, plays a crucial role in ESG management. Their responsibilities include staying abreast of local and international climate issues and trends, analyzing and assessing relevant risks and opportunities, developing proactive measures to accomplish the ESG tasks (reducing greenhouse gas emissions and energy consumption, transitioning to renewable energy use at our logistics centers, etc.) identified by the Climate Action and Environmental Management TFT. and reporting these measures to management as needed. Our management promptly makes informed decisions on the reported matters. These decisions are then disseminated through various channels, including the in-house portal bulletin board and in-house Signage, to ensure all our employees are kept informed. For inquiries, a separate channel is operated to receive and handle them.

ESG Governance for Climate Action and GHG Mitigation

Our Climate Action and Environmental Management TFT plays a pivotal role in systematically addressing the risks posed by climate change that are specific to each business division. The strategic segmentation of the relevant organization makes us more agile in adapting to the rapidly evolving environment.

CEO

- Reviewing reported matters regarding climate issues and risks as necessary
- Making prompt decisions on the reported matters

Customer Value Assistance Team (ESG Specialist Organization)

- Gathering updates on climate-related tasks and issues from working-level organizations and reporting them
- Formulating climate action strategies, disseminating them, and overseeing their progress
- Setting and managing targets for reducing greenhouse gas (GHG) emissions
- Overall management of relevant risks and opportunities
- Managing budgets allocated for GHG mitigation

Climate Action and Environmental Management TFT

Marine Service	Air Service Division	W&D Division	CFO
Analyzing risks and issues in marine transportation Suggesting eco-friendly transportation services and routes	Studying risks and issues in air transportation Showcasing eco-friendly transportation services and routes	Managing vehicles and warehouses Expanding the range of green logistics services	Overseeing investments in eco-friendly facilities and related bonds

Climate Change Response System

For efficient management, the Climate Action and Environmental Management TFT has categorized the identified climate risks and opportunities into four distinct types as follows.

Implementing the Emission Trading System

- Organize a response system to deliver the Emission Trading System
- Upgrade the monitoring system for energy consumption and GHG emissions

Promoting GHG mitigation projects

- Introduce high-efficiency equipment
- Expand the use of new and renewable energy sources
- Discover mitigation businesses at home and abroad

Embedding an eco-friendly into employees at all levels

- Educate employees on how to address climate change
- Launch a low-carbon consumption campaign
- Use environmentally friendly products

Greening the global logistics market

- Develop optimized routes for international transportation
- Take advantage of eco-friendly shipping services

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Climate Action

Strategy

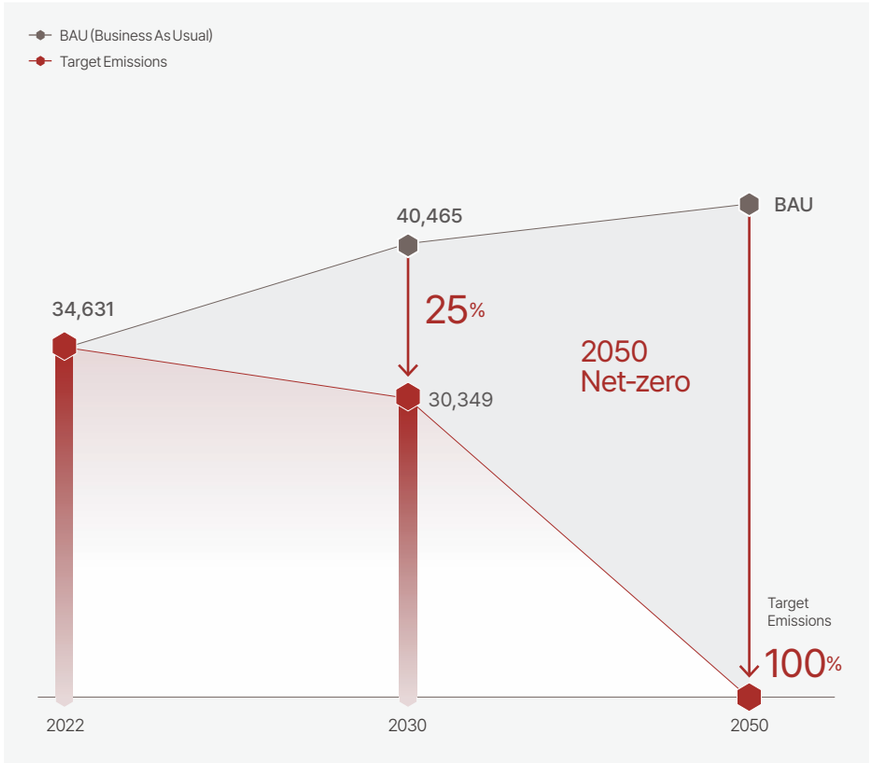
GHG Emissions Reduction Targets

In accordance with the NDC[1] target for 2050, LX Pantos has established its 2050 Net-Zero target, reflecting its estimated emissions and mitigation measures. On our journey towards Net-Zero, the first step will be to achieve a 25% reduction compared to the levels of BAU[2] by 2030, thereby fulfilling our social responsibilities for carbon neutrality.

1) NDC (Nationally Determined Contribution): It refers to the national greenhouse gas (GHG) reduction targets established by each country participating in the Paris Climate Agreement, which form the basis for efforts to mitigate carbon emissions by 2030
2) BAU: It stands for 'Business As Usual,' and refers to the GHGs that would be emitted in the absence of any mitigation efforts

GHG Reduction Targets

(Unit : tCO_2eq)



Climate Action Roadmap

As part of the efforts to achieve its 2050 Net-Zero target, LX Pantos has carried out a range of activities in accordance with its well-established, time-bound action plans[1] for each decade. These plans guide us towards our goal by outlining measures to curtail our energy consumption, expand the use of renewable energy sources, and reduce our indirect GHG (Scope 3) emissions.

1) Time-bound action plan: it outlines specific actions to be taken within each time horizon

Time-Bound Action Plans for GHG Reduction

		~2030	~2040	~2050
Scope 1	Transition to eco-friendly modes of transportation	• Convert all our commercial vehicles to green alternatives • Introduce eco-friendly freight vehicles (for 1-ton or smaller ones)	• Adopt environmentally friendly freight vehicles (for mid- to large-sized vehicles)	• Accomplish a 100% transition to eco-friendly vehicles
	Transport efficiency improvement	• Upgrade our AI- and big data-based dispatch management system • Improve transportation efficiency and introduce relevant solutions		
Scope 2	Switching to the use of renewable energy sources	• Install solar power generation equipment at more logistics centers • Implement the PPA[1] method • Procure RECs[2]	• Begin utilizing renewable energy sources to power our logistics centers • Implement the PPA method • Procure RECs	• Switch to using renewable energy at our logistics centers • Expand the use of PPAs • Increase the proportion of RECs purchased
	Enhancing energy efficiency at our facilities	• Improve energy efficiency in our buildings	• Adopt AI- and big data-based smart buildings	• Transition to AI- and big data-based smart buildings
Scope 3	Support to our customers	• Help our customers achieve Net-Zero emissions in the transportation sector's Scope 3 by 2050		

1) PPA: It stands for Power Purchase Agreement which refers to a contract that outlines the terms for the purchase and sale of electricity at mutually agreed prices and intervals
2) REC: It stands for Renewable Energy Certificate which is a certificate that verifies the provision of renewable energy

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Climate Action

Strategy

Management of Energy Use and GHG Emissions

LX Pantos consistently monitors its energy use as well as its GHG Scope 1 and 2 emissions from business operations, and has them verified annually by an external verifier. Starting in 2023, we began calculating our Scope 3 emissions. Furthermore, by joining the Carbon Disclosure Project (CDP), we have transparently disclosed our GHG emissions and climate action strategies.

Measuring, Reporting, and Verifying (MRV) Energy Consumption and GHG Emissions

We have established our GHG inventory based on global and domestic criteria for emissions calculation. Through this, we calculate our GHG emissions and have them verified by a third-party agency.



Disclosing Energy Consumption and GHG Emissions

We disclose our externally verified energy consumption and GHG emissions data to our internal and external stakeholders through various communication channels.

Voluntary disclosure of data regarding our energy consumption and GHG emissions

- Sharing data with internal and external stakeholders via the in-house bulletin board and website

Participation in government-driven disclosures and initiatives

- Reporting our energy usage to the ENV-INFO SYSTEM, operated by the Ministry of Environment, and Korea Energy Agency
- Voluntarily joining related initiatives, such as CDP and EcoVadis

Various Initiatives Underway to Boost Environmental Consciousness Among Employees

At LX Pantos, we operate a variety of programs designed to raise awareness of climate action and energy saving among our employees. A key initiative is the issuance of the ESG Trend Report, which targets all employees. We also provide education on ESG management to all employees who join the company, including both new hires and experienced staff. Various in-house campaigns for resource circulation are also in operation. These combined efforts enable us to continually enhance our employees' environmental awareness and encourage them to incorporate ESG practices into their daily work routines.

Monthly ESG Trend Report publication and distribution to all employees.

Irregular training for executives and employees (including new hires, experienced staff, and Environmental Management TFT, etc.)

Internal Resource Recycling Campaign (providing reusable cups, using eco-friendly lids, cup holders, etc.)

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Climate Action

Strategy

Our Commitment to Reducing Energy Use and GHG Emissions

With the objective of improving energy efficiency in our business operations, we have been regularly tracking our energy use for efficient management. Along with this, multifaceted efforts are in full swing, including reducing transport frequency, facilitating a modal shift capable of bulk shipment, and conducting multiple activities to cut back our energy use.

Activities to Minimize Our Energy Use and GHG Emissions by Scope

Scope 1

Transition to green electric vehicles and electric forklifts

- Joining the K-EV100 (Korean project for transitioning towards zero-emission vehicles) initiative and formulating a plan to achieve an 100% conversion of our commercial vehicles to eco-friendly alternatives by 2030
- Converting all electric forklifts used at all domestic sites to eco-friendly alternatives (some diesel-powered forklifts designed for heavy lift cargo excluded)

Scope 2

Procure and generate renewable energy

- Installing solar power generation equipment to ensure a renewable energy supply for our logistics centers by 2024

Scope 2

Cut back on energy use from lighting

- Transitioning to LED lighting at logistics centers
- Switching off all office lights during lunch breaks

Scope 3

Secure the supply chain for eco-friendly transportation

- Mitigating GHG emissions during transportation by switching to greener modes of transport (modal shift)
- Signing MOUs for the supply of Sustainable Aviation Fuel (SAF) and Sustainable Marine Fuel (SMF) with global shipping companies

Scope 2&3

Transform into smart offices

- Implementing a policy where more than 30% of employees work from home at all times
- Lowering energy consumption from office operations and the number of vehicles used for commuting

Producing Electricity through Eco-Friendly Renewable Energy Sources

Key Performance

LX Pantos is striving to become a driving force in the transition to renewable energy use within the logistics industry, as well as in the fight against climate change. We have begun replacing some of our power generation with renewable energy sources. As part of this effort, we have signed an MOU with Korea East-West Power for the 'installation of solar power plants and reduction of GHG emissions.'

Construction of solar power generation facilities with a capacity of 2.5MW on the rooftop of the Shihwa MTV Center, which covers an area of approximately 18,000m^2	Plans underway to supply renewable energy by 2024	Anticipated reduction of 10,000 tons of GHG emissions over 20 years and 500 tons of GHG emissions annually	Expansion of the use of renewable energy at additional logistics centers at home and abroad beyond the Shihwa MTV Center



OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
● Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com

Climate Action

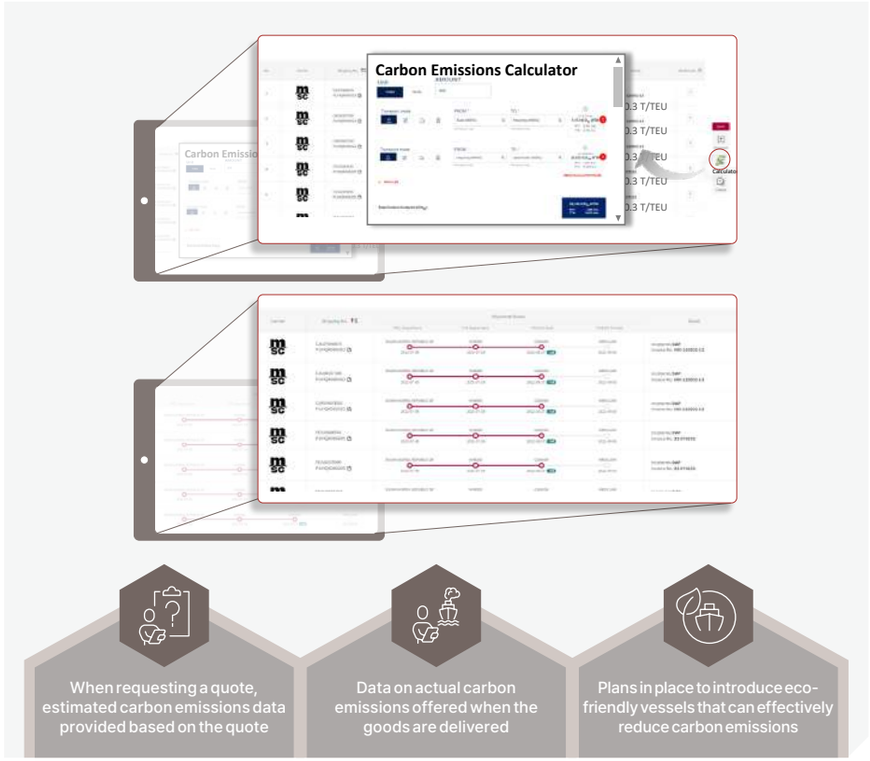
Strategy

Rendering Green Logistics Services through Our Digital Platform

Our Pantos Now and Pantos View systems enable us to manage data concerning transportation, which forms the basis for our carbon emissions management, thereby catering to our customers' specific needs. In the coming years, we are committed to developing low-carbon transport products at competitive prices in collaboration with global shipping companies and airlines. This will allow us to make more direct contributions to reducing our customers' Scope 3 emissions. Through all these multifaceted efforts, LX Pantos will play a leading role in transitioning towards environmentally friendly logistics.

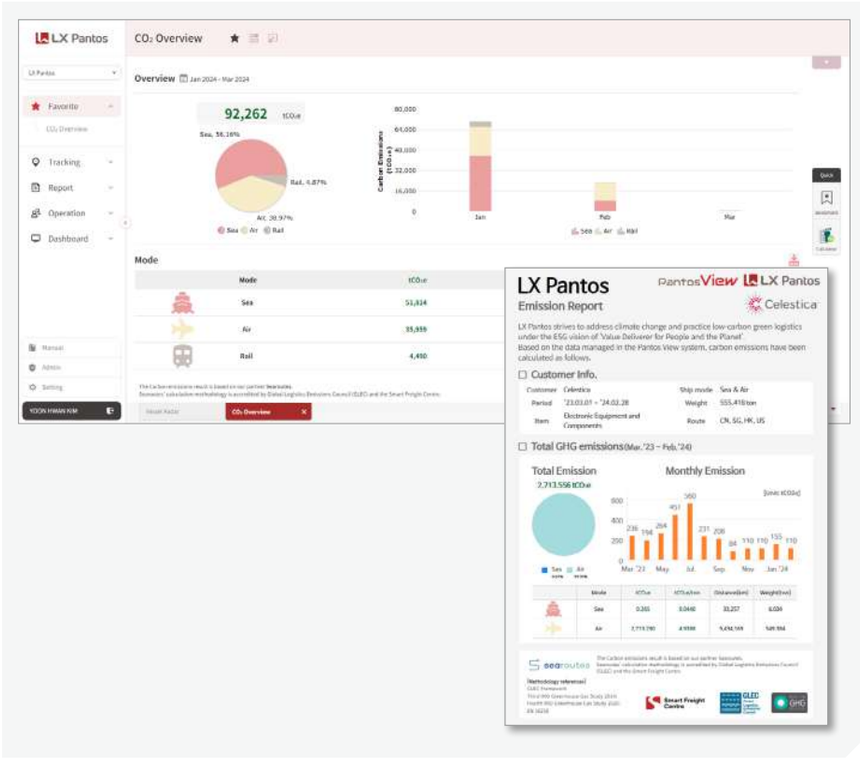
Pantos Now / Providing Customers with Carbon Emissions Data Alongside Quotes

Pantos Now is our digital booking service for international cargo transportation. Customers can benefit from this system by accessing estimated quotes for transportation, delivery schedules, and corresponding carbon emissions data.



Pantos View / Delivering Carbon Emissions Data from Transportation to Customers

Pantos View is designed to automatically calculate customers' carbon emissions and manage them based on data related to cargo traffic at both departure and arrival locations, as well as cargo weight. In 2023, we developed a dashboard that allows us to view all the data at a glance. With the help of this system, we provide customers with reports detailing carbon emissions by period and mode of transportation.



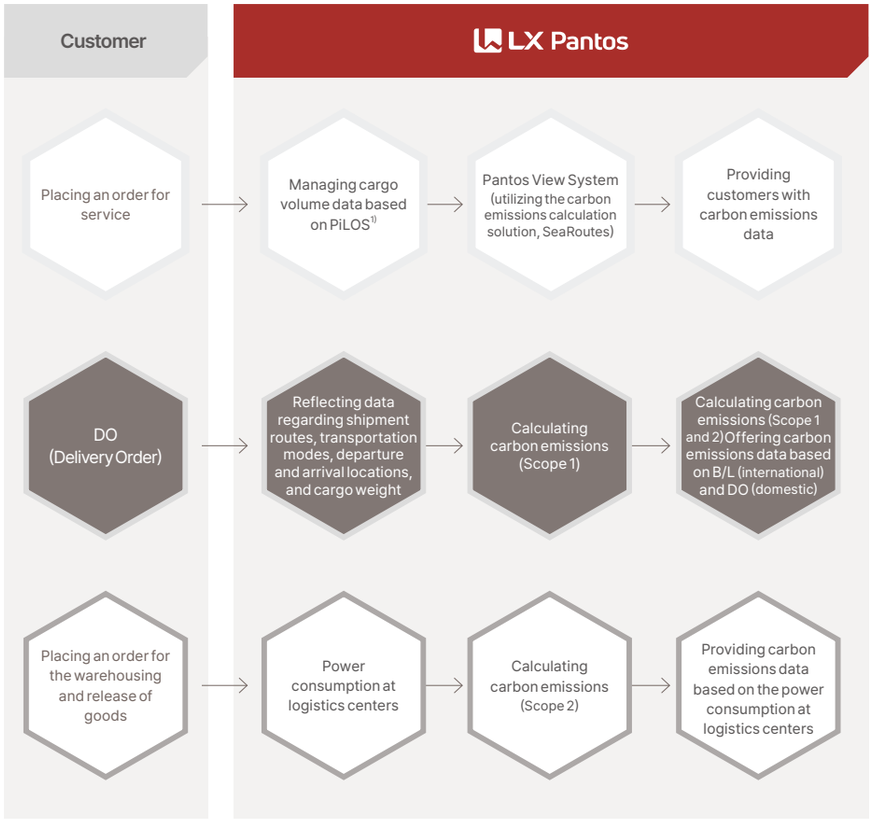
OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Climate Action

Strategy

Process for Calculating Carbon Emissions from Customer Logistics Transportation



1) PiLOS: It stands for Pantos integrated Logistics Operating System, which is our proprietary integrated logistics system

Our Carbon Emissions Calculation Methodology

Our CO_2 Calculator operates based on the methodologies of the GHG Protocol[1)] and EN16258[2)]. This calculator features a solution that has been verified by the Global Logistics Emission Council (GLEC) of the Smart Freight Center, which is used worldwide for calculating accurate carbon emissions. We share this data with both our customers and internal users.

1) Greenhouse Gas Protocol: Global accounting and reporting standards for measuring and managing emissions presented by the World Resources Institute (WRI)
2) EN16258: Standard established by the European Committee for Standardization (CEN) for measuring carbon emissions in the logistics sector

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Climate Action

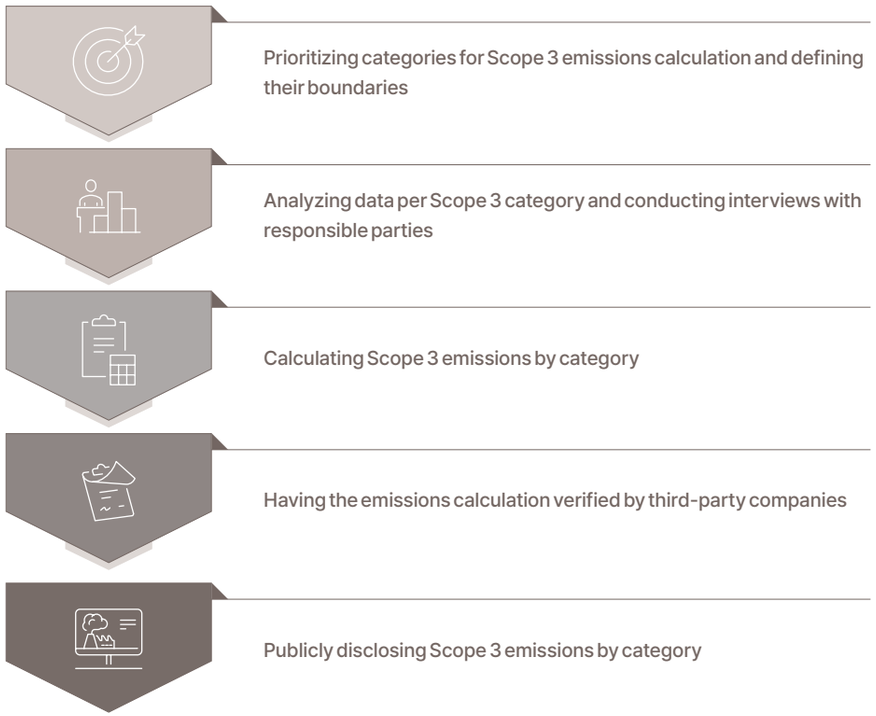
Strategy

Calculating Scope 3 Emissions

The calculation of Scope 3 emissions is indispensable to identifying GHGs emitted from our entire corporate value chain. To comprehensively manage and reduce GHG emissions from our business operations, we have been calculating Scope 3 emissions since 2023. In the years ahead, we will remain committed to closely analyzing the environmental impact of our business operations, and setting and achieving Scope 3 emissions reduction targets by delivering climate action strategies. By doing so, we aim to fulfill our corporate responsibilities in combating climate change.

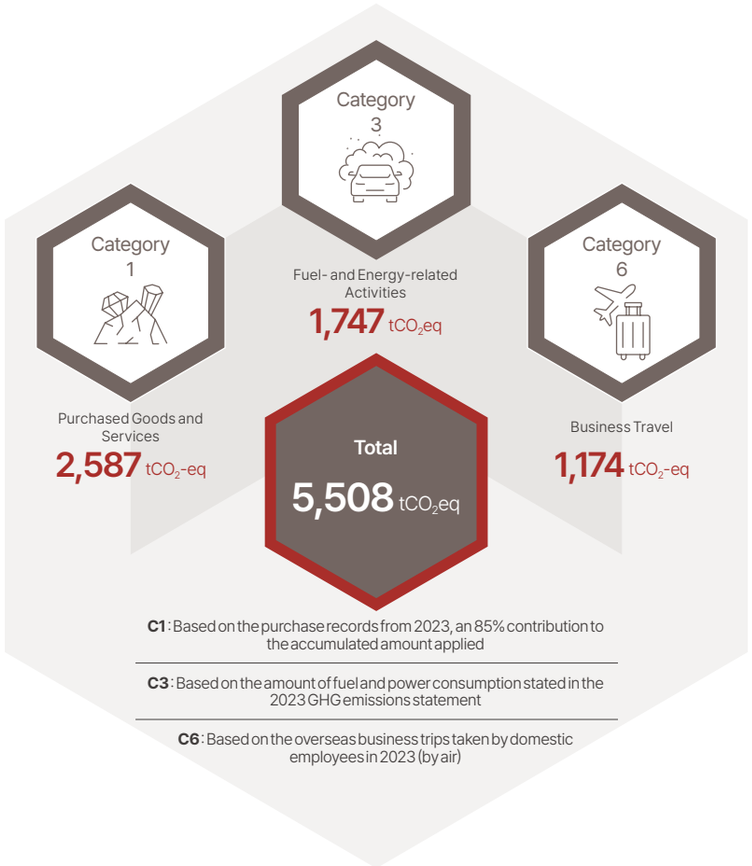
Scope 3 Emissions Calculation Process

LX Pantos established calculation priorities for each Scope 3 category in consideration of business connectivity and importance, and secured objectivity by verifying the calculated emissions by a third party.



Scope 3 Emissions

In 2023, LX Pantos calculated Scope 3 emissions in the categories of Purchased Goods and Services, Fuel- and Energy-related Activities, and Business Travel. We are planning to expand the scope of our calculations to include more sectors.



OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Climate Action

Strategy

Responses to Climate-related Risks and Opportunities

Climate change risks are classified into two types: transition risks, which refer to the risks incurred during the transition towards a low-carbon society, and physical risks, which are caused by the direct physical impact of climate change. LX Pantos has categorized these risks into several types to efficiently identify potential risks and opportunities, assess their impact on our business operations, and develop countermeasures. This systematic approach has enabled us to actively respond to climate risks. To grasp the impact of these identified risks and opportunities on our finances, we plan to build a system that calculates costs based on various research findings and a scientific approach.

Climate-related Risks and Opportunities

Type	Category	Period1	Climate-related Risks and Opportunities	Risk and Opportunity Management
Transition Risks	Current regulation	Over the short-, mid- and long-term	· Rising costs associated with purchasing carbon credits due to participation in the Korea Emissions Trading Scheme (K-ETS) · Escalating risks related to compliance with the Korea Emissions Trading Scheme (K-ETS), given the lower potential for emissions reduction compared to other industries	· Constantly monitoring K-ETS-related government policies, regulations, key initiatives, and relevant issues · Establishing and taking countermeasures for annual materiality assessments · Reporting to the CEO and management according to the severity of regulations
	New regulation	Over the short-, mid- and long-term	· Increased transportation costs due to the implementation of the Emission Trading System in the logistics industry	· Building systems to respond to carbon regulations for each overseas corporation · Providing estimates of carbon emissions for primary goods in transport and for shippers
	Technology	Over the short- and mid -term	· An imperative to achieve sustainable logistics during the transportation stage · A growing need for proactive responses from a business perspective, such as the establishment and management of a green supply chain	· Upgrading our Pantos View with a feature to calculate carbon emissions by transport route · Transforming our infrastructure to be environmentally friendly, improving efficiency in energy and environmental materials utilization, such as storage and delivery at local and overseas logistics centers, and energy use in buildings
	Policy and legal	Over the short-term	· Intensified punishment for breaches of legal obligations, such as failures in emissions calculation, submission of false data, and non-compliance with improvement orders	· Reaching zero legal violations over the past three years · Conducting third-party verifications to ensure the reliability of our carbon emissions data
	Market	Over the short-, mid- and long-term	· Growing customer demand for the disclosure of climate action and carbon emissions data · Shrinking market share and declining revenue due to the lack of products and activities designed to respond to climate change	· Upgrading our Pantos View with a feature to calculate carbon emissions by transport route · Offering low-carbon transportation services to customers through our participation in the Sustainable Aviation Fuel (SAF) programs of Air France-KLM and Korean Air Lines · Shifting from marine transport to eco-friendly rail transport options like TSR and TCR, thereby promoting a modal shift
	Reputation	Over the short-, mid- and long-term	· Companies' exposure to climate change as covered by the media	· Broadening our green business portfolio and developing new businesses, such as adopting renewable energy and promoting resource circulation (switching to PCR stretch film use)
Physical risks	Acute	Over the mid- to long-term	· Disruptions in transportation and financial losses incurred by natural disasters such as typhoons	· Operating the Pantos View Center, which is responsible for real-time tracking of the location of ships, aircraft, and freight · Minimizing financial losses through efficient management of international transport-related risks, including unexpected delivery delays and disruptions in profit generation
	Chronic	Over the long-term	· Escalating risks stemming from rising sea levels, such as damage to logistics centers in low-lying areas and port unavailability	· Examining the transfer of assets that are susceptible to climate change · Optimizing our transportation network through various efforts, such as developing new routes to respond to increasing traffic and climate change, and enhancing our real-time monitoring system

1) Period: Short-term (~2030), mid-term (~2040), and long-term (~2050)

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
● Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

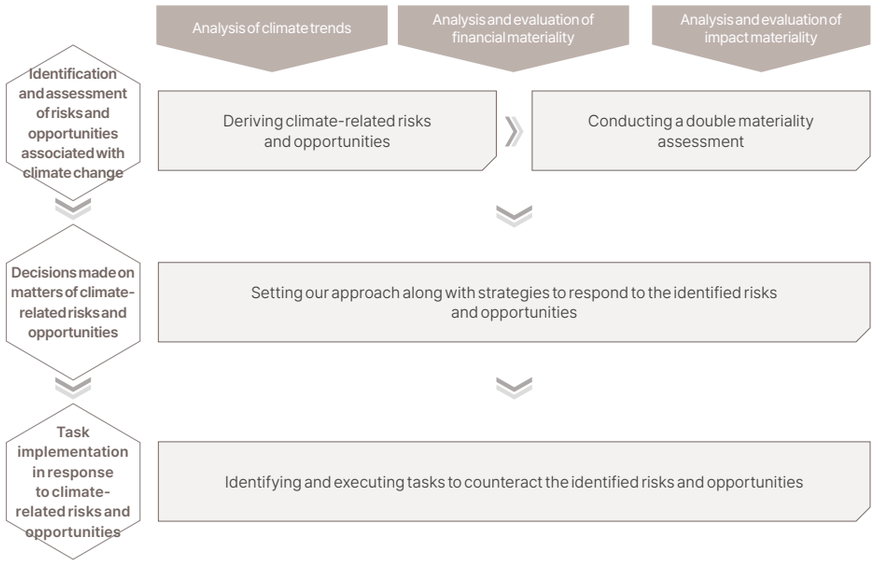
Climate Action

Risk Management

Processes for Identifying, Assessing, and Managing Climate-related Risks

LX Pantos has established and implemented processes to identify and assess risks posed by climate change. Specifically, we analyze internal management issues, stay abreast of climate change trends, and evaluate their financial impact, thereby understanding risks that could directly affect our business. We then conduct double materiality assessments, considering both the financial materiality of the identified risks and their impact materiality. By taking into account the impact of external factors on our finances as well as the impact of our business operations on climate change, we assess the severity of the risks and report them to the CEO.

Climate-related Risks and Opportunities



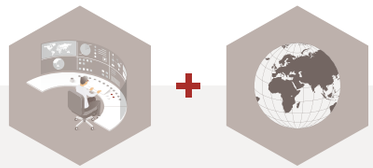
Efforts to Adapt to Climate Change

In an effort to adapt to the worsening global climate change, LX Pantos has identified and assessed its physical risks, such as GHG emissions and natural disasters, and has shared this data with customers. We have accumulated technological prowess through many years of experience in this field, which has empowered us to refine our capabilities to address physical risks from multiple angles including those arising from transportation and other climate-related factors. By doing so, we will strive to elevate our management system.

Pantos View Center in Operation | Key Performance

Our Pantos View Center enables us to track and manage dangerous situations arising from climate change in real time, contributing to the efficient management of risks associated with transportation and delayed delivery, one of the largest risks in the logistics sector. The Pantos View Center is capable of monitoring the real-time locations of all modes of transportation and seamlessly analyzing extensive data. This data encompasses weather conditions, strikes at ports and forwarders, accidents and incidents involving ships, and shipment schedules. This allows us to understand the causes of transportation delays.

Monitoring global risks that could impact the timely arrival of cargo, such as severe weather conditions, accidents and incidents involving ships, strikes, and natural disasters	Analyzing lead time trends by transportation section using our own data, and leveraging these findings to proactively mitigate risks of cargo delays



Pantos View Center
(Transport risk management-dedicated organization)

Global Network
(located in 360 across the world)

Data Utilization



External Data
Delivery data related to shipping companies / airlines / railroad owned carriers, global risk news, etc.)



Internal Data
Irregularity, transportation records, etc.



Weather Data
Heavy rainfalls / snowfalls, typhoons, etc.



Data Regarding Ship / Aircraft Operation, and Port Information



Real-Time Tracking	Incident Monitoring	Risk Trend Monitoring
· Real-time delivery status · Prediction of Estimated Time of Arrival (ETA)	· Status of transportation delays (due to severe weather conditions, strikes at ports and forwarders, ship-related accidents, etc.)	· Status of port congestion · Trends in lead time by shipment section and by shipping companies

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
● Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Climate Action

Metrics and Targets

Advancing Our GHG Emissions Management

In 2014, LX Pantos was designated as a company subject to the Greenhouse Gas and Energy Target Management System. As a result, we have been calculating and managing our GHG emissions annually, and have them verified by third-party verifiers. Following our designation as a company subject to the Emissions Trading Scheme (ETS) allocation in 2020, we joined the K-ETS starting from the Phase 3 (2021-2025). In line with this, we have calculated our GHG emissions and established a system for monitoring, reporting, and verification (MRV) to verify these calculations. These combined efforts have resulted in advanced GHG emissions management. Furthermore, the Climate Action and Environmental Management Task Force is operational, taking on central roles in monitoring GHG emissions, setting reduction targets, and reviewing and commercializing the transition towards greener modes of transportation.

GHG Emissions

Category	Unit	2021	2022	2023
Scope 1 emissions	tCO_2eq	35,901	25,181	22,471
Scope 2 emissions	tCO_2eq	8,388	9,450	10,067
Total emissions	tCO_2eq	44,289	34,631	32,538

GHG Emissions Reduction Performance

Category	Unit	2021	2022	2023
Scope 1 emissions	tCO_2eq	-	-	27
Scope 2 emissions	tCO_2eq	-	315	315
Scope 3 emissions[1)]	tCO_2eq	-	27,168	11,061

1) This pertains to the Scope 3 emissions reductions reported to the CDP

Energy Consumption

Category	Unit	2021	2022	2023
Electricity	MWh	18,259	20,571	21,913
LNG (city gas, natural gas)	Nm^3	112,066	122,842	119,619
Diesel	L	13,353,183	9,301,652	8,270,961
Gasoline	L	92,916	88,823	103,166
Total	TJ	687	557	531

Response to the Carbon Disclosure Project (CDP)

In July 2022, LX Pantos voluntarily joined the Carbon Disclosure Project (CDP)[1)], a global ESG rating company, which was followed by the establishment of climate targets and the implementation of concrete action plans. These efforts earned us a B- rating from the CDP in our first assessment in recognition of our commitment to combating climate change. In the coming years, we aim to serve as a driving force in the transition towards green logistics by constantly identifying and executing tasks to respond to climate change, and by transparently disclosing our progress on this journey

1) The CDP requires companies to disclose their ongoing climate actions and related data, and issues annual reports of these firms and assigns them ratings based

CDP DISCLOSURE INSIGHT ACTION

2023 B-

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com

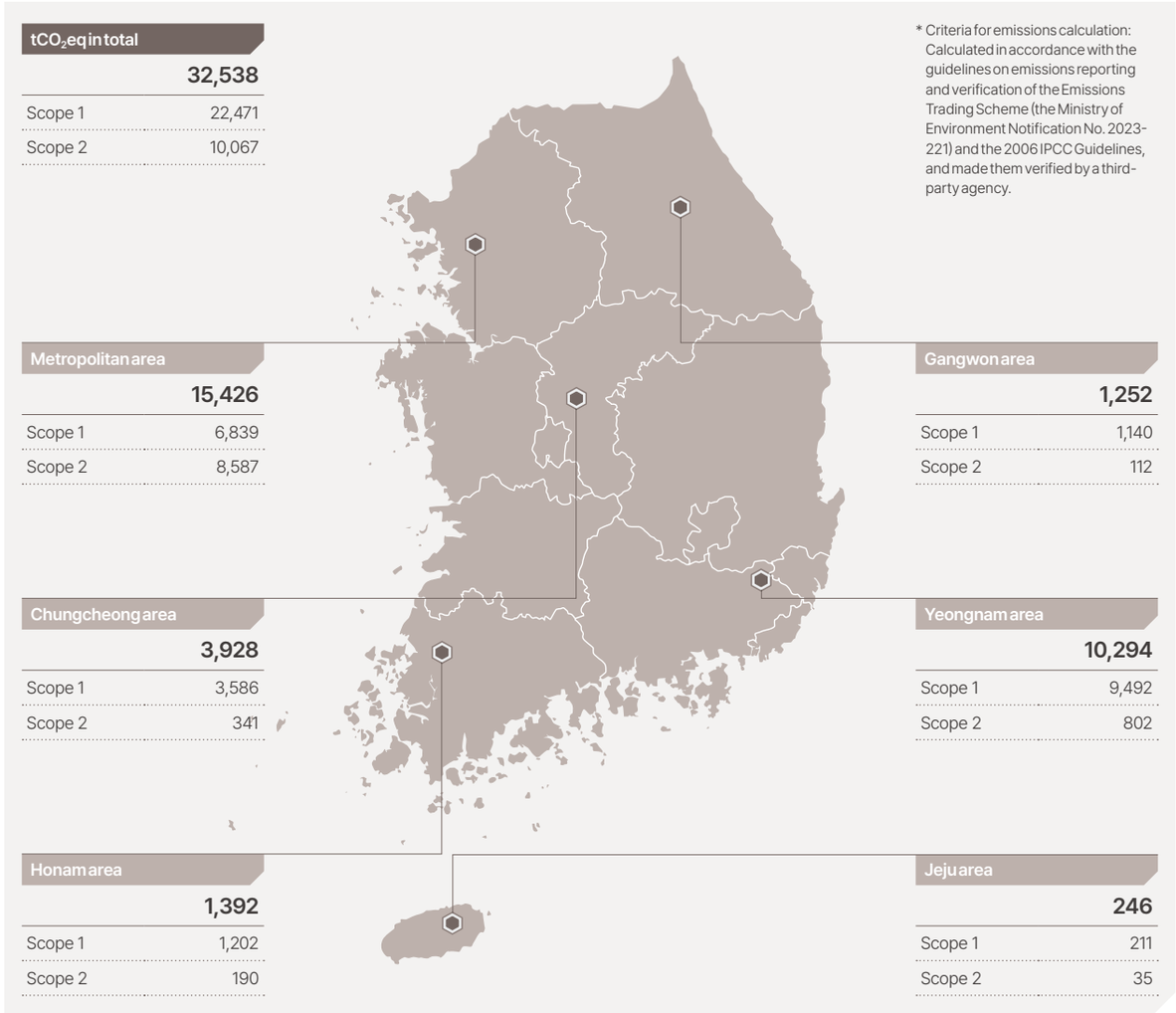
Climate Action

Metrics and Targets

Scope 1 and 2 Emissions by Region

In 2023, LX Pantos emitted a total of 32,538tCO_2eq. The direct Scope 1 emissions, which include operations of cargo vehicles and employees' vehicles, accounted for 69% of the total emissions, standing at 22,471tCO_2eq. The indirect Scope 2 emissions made up the remaining 31%, amounting to 10,067tCO2eq. When broken down by region, the metropolitan area led with 15,426tCO_2eq, making up 47% of the total emissions. This was followed by Yeongnam with 10,294tCO_2eq (32%), Chungcheong with 3,928tCO_2eq (12%), Honam with 1,392tCO_2eq (4%), Gangwon with 1,252tCO_2eq (4%), and Jeju with 246tCO_2eq (1%).

(Unit: tCO_2eq)



OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Climate Action

Metrics and Targets

Scope 1 and 2 Emissions by Business Site

(Unit: tCO_2eq)

Business Division	Business Site	Scope 1	Scope 2	Total
W&D	GC Osan Center	-	512	512
	GC South Icheon Center	-	2	2
	GC Maengni Center	-	93	93
	GC Pyeongtaek Center	-	55	55
	GC North Icheon Center	-	295	295
	GC Yeoju Center	-	60	60
	GC South Cheongna Center	-	271	271
	GC Yeongjong Center	-	258	258
	Shihwa MTV Center	-	1,923	1,923
	U+ Mobile Gunpo	-	80	80
	LGU Center (Ilsan)	-	15	15
	LGU Center (Yeoju)	-	42	42
	GC West Icheon Center	-	1,173	1,173
	GC Anseong Center	-	283	283
	Incheon Gyeongin Express Center (Gyeongin Export-Import Integrated Warehouse)	-	65	65
	Kumho Tire Icheon Center	-	66	66
	E-MART EVERYDAY Pyeongtaek Center	9	143	152
	GC Ulsan Center	4	15	19
	GC Miryang Center	5	77	82
	LGU Center (Jeju)	-	4	4
	Total	**18**	**5,432**	**5,450**
Transportation	Anyang Transportation Center	1,243	13	1,257
	Cheongju Transportation Center	2,546	12	2,557
	Daesan Transportation Center	28	5	33
	Yeosu Transportation Center	-	9	9
	Busan Transportation Center	-	64	64
	Gumi Transportation Center	3,418	8	3,427
	Ulsan Transportation Center	344	4	348
	Changwon Transportation Center	2,988	23	3,011
	Total	**10,567**	**138**	**10,705**
Installation	Paju Logistics Center	992	342	1,334
	Namyangju Logistics Center	855	316	1,171
	Bucheon Logistics Center	863	365	1,228
	Incheon Logistics Center	506	215	721
	Jinwi Logistics Center	677	424	1,101
	Incheon Logistics Center	704	170	874
	Gunpo Logistics Center	395	155	550
	Wonju Logistics Center	909	70	979
	Gangneung Logistics Center	232	41	273
	Asan Logistics Center	313	41	354
	Jincheon Logistics Center	434	157	591
	Daejeon Logistics Center	266	126	392
	Jeonju Logistics Center	648	62	710
	Mokpo Logistics Center	232	20	252
	Gwangju Logistics Center	20	71	91
	Suncheon Logistics Center	302	28	331
	Gyeongju Logistics Center	213	57	270
	Andong Logistics Center	174	18	192
	Daegu Logistics Center	774	174	948
	Busan Logistics Center	1,184	249	1,433
	Changwon Logistics Center	384	74	458
	Jinju Logistics Center	-	34	34
	Jeju Logistics Center	210	32	242
	Total	**11,287**	**3,242**	**14,529**
Air Freight	Incheon Airport Center	19	704	723
	Incheon Customs Express Center	-	4	4
	Gimhae Airport Office	-	1	1
	Total	**19**	**709**	**728**
Others	LG Gwanghwamun Building	572	457	1,029
	S Tower	-	72	72
	Pyeongtaek Logistics Academy	3	15	18
	Gumi CY / CFS	5	2	7
	Gumi Office	-	0	0
	Total	**580**	**546**	**1,126**
Total		**22,471**	**10,067**	**32,538**

- W&D business includes installation logistics and transportation business, but it is indicated separately in the table
- Pursuant to the guidelines on emissions reporting and verification of the Emissions Trading Scheme (the Ministry of Environment Notification No. 2023-221), Scope 3 emissions from business sites that fall outside the organizational boundaries, including overseas corporations, are excluded
- Transportation Business: Transportation of LG and other products
- Installation Logistics: Transportation of LG products
- Others: Office operation, employee vehicle operation, etc.

* Scope of business site calculation: Calculated only for business sites with operational control right among all business sites

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Environmental Management

Governance

Environmental Management Policy

As part of our commitment to minimizing the potential environmental impact of our business operations, we have formulated and publicly disclosed a standardized environmental policy. This policy outlines the principles we adhere to in handling environmental issues and sets qualitative goals, encompassing areas such as energy consumption and greenhouse gas emissions, waste management and recycling, and the promotion of sustainable consumption.

LX Pantos Environmental Management Policy

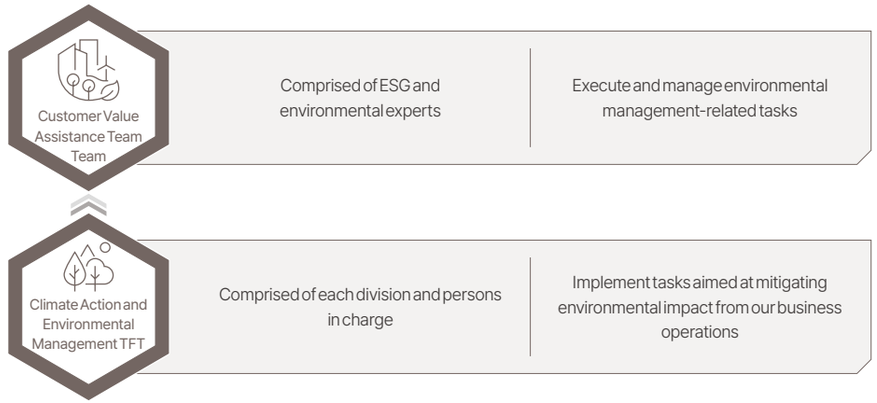
LX Pantos strives to minimize environmental impact in the entire process of management activities, and complies with the basic requirements and related procedures of Environmental Management System(ISO 14001) standards. With a passion for better service and innovation, LX Pantos systematically manages environmental data and transparently discloses information internally and externally for ecofriendly management practices such as compliance with environmental regulations and minimizing energy and resource use in order to deliver "Value beyond Logistics" by the side of our clients.

1. **Compliance with environmental laws and regulations**
   We comply with environmental laws and regulations, and check and prepare in advance for possible violations.
2. **Obtaining environmental licenses**
   In compliance with laws and regulations, we obtain and maintain environmental licenses necessary for business operations, comply with reporting obligations, and continuously identify and comply with the latest legal amendments.
3. **Minimizing environmental impact**
   In the course of our business, we do our utmost to manage greenhouse gases, hazardous substances, and waste emissions due to the use of energy and resources, and strive to minimize environmental impacts in areas such as climate change response and biodiversity conservation. In addition, in the course of business activities, we explore ways to maintain an optimal environment by analyzing and predicting the negative environmental impact that may be on the local community.
4. **Establishment of eco-friendly management process**
   We establish and operate eco-friendly management processes effectively and strive to continuously improve them.
5. **Spread of eco-friendly management culture**
   We strive to spread culture through education, etc. so that all employees can recognize the importance of eco-friendly management. Employees voluntarily participate in energy use reduction and resource conservation activities.
6. **Disclosure of environmental information**
   Through transparent disclosure of environmental information, such as the publication of sustainability reports, we strengthen trust with all internal and external stakeholders, including local communities.

Organizational of Environmental Management

LX Pantos operates a Climate Change Response and Environmental Management Task Force (TFT), composed of representatives from each business unit and department, with the Customer Value Assistance Team responsible for ESG tasks at its core, and is actively promoting holistic eco-friendly logistics activities.

Organizational Structure for Environmental Management



Environmental Management Certification

In our commitment to systematic environmental management, we have secured and upheld the ISO 14001 certification for all our owned logistics centers, excluding those that are leased. As we have broadened the reach of our sustainable management to our subsidiary, the Busan Newport Logistics Center, we have ensured their certification in ISO 9001, ISO 14001, and ISO 45001. And a total of four business sites including the Headquarters have maintained the ISO 14001 certification. These collective efforts have earned us recognition as a 'Best Practice for Green Logistics' company across all our domestic business sites for 11 consecutive years.



Environmental Management System (ISO 14001) Certificate



Busan Newport Logistics Center

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Environmental Management

Strategy

Environmental Management Strategy

LX Pantos minimizes its environmental impact across all its business operations and ensure strict compliance with environmental laws and initiatives, thereby serving as a driving force in moving towards green logistics.

Roadmap for Environmental Management

	~2030	~2040	~2050
Environmental management	**Advance our environmental management** • Initiating the business of environmental indicator management and environmental impact mitigation • Boosting the transition to green logistics across all logistics centers • Introducing greener modes of transportation (small-sized freight vehicles)	**Embed environmental managed into all corners** • Collaborating with suppliers for the management of environmental indicators and switch to green logistics • Intensifying the transition to eco-friendly logistics centers • Adopting greener modes of transportation (mid- and large-sized freight vehicles)	**Achieve full-blown environmental management** • Assisting suppliers in reaching zero GHG emissions • Accomplishing a 100% transition to green logistics centers and freight vehicles
Eco-friendly supply chain	**Expand the scope of eco-friendly supply chain** • Scaling up our participation in green fuel programs (SAF / SMF)	**Elevate the creation of the eco-friendly supply chain** • Laying the foundation for zero-environmental impact routes	**Provide green supply chain and services** • Offering routes with zero-environmental impact, low-carbon, and carbon neutrality
Eco-friendly services	**Roll out environmentally friendly services** • Delivering low-carbon transport route	**Upgrade eco-friendly services** • Diversifying our low-carbon transport routes • Securing and offering carbon-neutral routes	

Transition to Green Logistics Packaging Materials | Key Performance

LX Pantos is planning to replace all chemically-derived plastic packaging materials with those made from recycled materials. This initiative is part of our effort to establish a circular economy for plastic in the logistics industry and reduce carbon emissions. To achieve this, we have concluded an MOU with 'Wekeep M,' a provider of logistics subsidiary materials, and 'AJ Networks,' a comprehensive distributor, to supply green subsidiary materials, thereby promoting green logistics and fostering mutual prosperity with SMEs.

Transitioning from films made of 100% LLDPE[1] to those made from PCR[2] materials to reduce the use of vinyl, a chemical fuel	Creating an ecosystem for resource circulation underpinned by shared growth among SMEs and large conglomerates



1) LLDPE (Line Low Density Polyethylene) : It is a linear low-density polyethylene that is used as a raw material for stretch films due to its excellent physical performance such as tear resistance (resistance to tearing) and elongation

2) PCR(Post-Consumer Recycled) : It stands for 'Post-Consumer Recycled,' a recycling technology that is capable of reprocessing waste plastic. This process includes selection, crushing, and washing of the waste plastic to transform it back into its initial form of plastic particles

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
● Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com

Environmental Management

Strategy

Environmental Management Activities

LX Pantos is carrying out various activities to minimize the environmental impact that occurs in the business process. To strengthen environmental management capabilities, we conduct environmental education from time to time. In addition, we are making every effort to examine and deliberate on new investment businesses, as well as to identify environmental risks and opportunities.

Environmental Impact Mitigation Efforts

Green investment

Activities

- Successfully transitioned 100% of our forklifts from diesel-powered to electric
  * Some freight vehicles for heavy cargo lift excluded
- Switched to LED lighting at our logistics centers
- Achieved an 80% ratio of eco-friendly packaging materials at logistics centers (Shihwa MTV Center and GC Osan Center)
- Reviewed the switch to Electronic Bills of Landing (e-BL)
- Joined the K-EV100, a Korean project for transitioning towards zero-emission vehicles

Activities to instill eco-friendly practices across the company

Activities

- Launched a range of campaigns promoting eco-friendly daily practices (maintaining appropriate indoor temperatures, using electronic documents, saving energy at business sites, and encouraging employees to suggest ideas related to green logistics)
- Implemented the use of multi-use cups (reusable cups and in-house cafeterias)
- Placed eco-friendly umbrellas, made from recycled materials, for public use

Development of eco-friendly products

Activities

- Signed MOUs with Air France-KLM and Korean Air Lines for SAF[1] to mitigate GHGs emitted from air transport
- Utilized 'Eco-Delivery (Maersk),' a service provided by domestic and international shipping companies that uses low-carbon fuel-powered vessels, in an effort to reduce the GHGs emitted from marine transport

Biodiversity protection

Activities

- Participated in the Plogging campaign joined by 21 organizations, including the Seoul Tourism Organization and the British Embassy Seoul
- Implemented a 'Reforestation Campaign' in areas of Gangwon-do damaged by wildfire

1) Sustainable Aviation Fuel
2) The term is a compound word that combines 'jogging' and 'plocka upp,' a Swedish term that translates to 'picking up.' This campaign is centered around an activity where participants pick up garbage while jogging

Producing and Distributing Daily Planners and Calendars Made from Eco-Friendly Materials

We used eco-friendly materials to create daily planners and calendars for distribution to employees, sharing with them the value of environmental management. Specifically, we utilized LX Hausys' LXELLO, an environmentally friendly fabric that contains a portion of recycled materials, to make the cover of the daily planner. To reduce paper use, we also used FSC-certified, eco-friendly paper, and reduced the number of calendar pages from 12 to 6. These activities are a testament to our commitment to reducing environmental impact.







OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

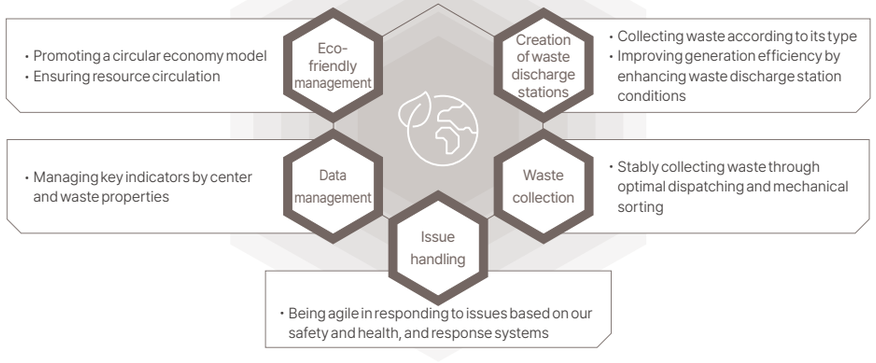
Environmental Management

Strategy

Resource Circulation

LX Pantos is pursuing a sustainable society where resources are circulated by suppressing waste generation as much as possible, while at the same time, boosting the proportion of recycling.

Resource Circulation Process



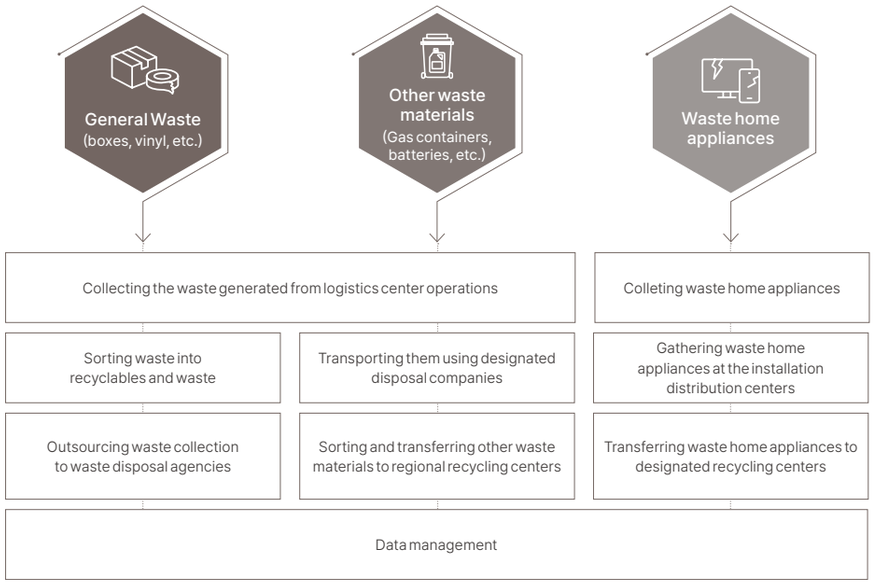
Activities for Waste Management

Ensuring the reliability and transparency in terms of waste data	Replacing subsidiary materials for logistics with recycled products (PCR) at logistics centers	Reusing, collecting or repurposing materials for reduced waste generation	Providing education to raise employee awareness about waste reduction and sorting	Sorting waste internally by type and disposing of it
Planning to manage our waste data via All baro system operated by the Ministry of Environment and the systems of waste management companies starting from 2024		All obsolete laptops, monitors, IT devices, and others are returned	Occasionally training Climate Action and Environmental Management TFT	Placing boxes for waste separation at our offices to promote waste sorting by type, such as glass and plastic

Waste Management Process

LX Pantos manages the waste generated from logistics center operations and home appliance installations in accordance with company-wide environmental regulations. To ensure compliance with the right disposal process for each type of waste, we have classified our waste into general waste, waste household appliances, and other waste materials (including refrigerant gas containers and batteries).

Waste Management Process



OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
● Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Environmental Management

Strategy

Hazardous Substance Management

Guided by our regulations for environmental management and safety health management, LX Pantos has been managing toxic substances that could be generated during the course of our business operations. Prioritizing our employees' safety and minimizing environmental impact, we have an emergency response organization ready to act in case of accidents, such as leakages.

Activities for Managing Hazardous Substances



Risk Management

Environmental Risk Assessment

With the purpose of minimizing our environmental impact across all our business activities, we ensure that all our domestic workplaces and main overseas corporations, where at least one employee resides and works, conduct in-depth self-assessments. We conducted inspections on 72 facilities, accounting for 48% of all our workplaces. Based on the inspection results, we are enhancing operational practices and providing guidance to elevate environmental management capabilities for our facilities and employees. Additionally, we conduct environmental impact assessments on domestic ISO-certified facilities to minimize environmental risks associated with our operations.

Environmental Risk Assessment for Business Establishments



OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Environmental Management

Metrics and Targets

Environmental Performance and Detailed Data

Waste Generation and Recycling[1]

Category		Unit	2021	2022	2023
Harmful waste[2]	Total amount of waste generated	ton	0	0	0
	Incineration	ton	0	0	0
	Landfill	ton	0	0	0
	Recycling	ton	0	0	0
General waste	Waste generated	ton	384	419	403
	Incineration	ton	199	218	209
	Landfill	ton	49	54	52
	Recycling	ton	132	144	139

1) The data included pertains solely to the Headquarters
2) Designated waste, which includes other waste materials and waste home appliances, is managed either by LG Electronics or by external waste management agencies

Water Consumption

Category	Unit	2021	2022	2023[1]
Total amount of water used	ton	9,541	14,216	64,809

1) we have been calculating the total amount of water used across all our business sites within our organizational boundaries since 2023

Air Pollutants[1]

Category	Unit	2021	2022	2023
CO_2	ton	43,624	34,144	32,093
CH_4	kg	1,991	1,442	1,316
N_2O	kg	2,011	1,473	1,347
HFCs	kg	0	0	0
PFCs	kg	0	0	0
SF_6	kg	0	0	0
합계	tCO_2eq	44,289	34,631	32,538

1) Our centers do not emit significant air pollutants, such as SOx or NOx, and are not required by law to measure and disclose these emissions

Environmental Violation

Category	Unit	2021	2022	2023
No. of breaches of legal duties / regulations	Case	0	0	0
Total amount of fines incurred by the violations	KRW	0	0	0
Environmental liability incurred at the end of year (unpaid fines included)	KRW	0	0	0

Environmental Education

Category	Unit	2021	2022	2023[1]
No. of internal and external environmental education beneficiaries	Person	-	-	240
Ratio of internal and external environmental education beneficiaries	%	-	-	12

1) Public from 2023

Business Sites Undergoing Environmental Risk Assessments

Category	Unit	2021	2022	2023[1]
Total no. of business sites (a)	Number	-	-	149
No. of business sites undergoing environmental risk assessments (b)	Number	-	-	72
Ratio of business sites undergoing environmental risk assessments (b/a)	%	-	-	48

1) Public from 2023

ISO 14001-certified Business Sites

Category	Unit	2021	2022	2023[1]
Ratio of ISO 14001-certified business sites	%	-	-	3.8

1) The ratio of certified business sites has been calculated starting from the year 2023, All our owned logistics centers have obtained certifications, with the exception of those that are leased

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Climate Action
Environmental Management
Social
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Social



LX PANTOS APPROACH

We are dedicated to fulfilling our social responsibilities together with all our stakeholders, including employees, customers, partner companies, and local communities. To this end, we meticulously control the risks relevant to customers and quality, facilitating fair trade practices through supply chain management and reducing external supply chain risks. Furthermore, we are building an organizational environment that is both desirable and safe for all employees based on diverse talent development programs and an internal communication culture.
In addition, a diverse array of social contribution activities is in full swing for the benefit of the vulnerable, including children, the elderly, and the disabled. These efforts enable us to create multifaceted social value. To live up to our reputation as a relentlessly innovative and socially responsible company, we will remain committed to making a positive impact on our society through various activities.

Customer Value Management 050
Supply Chain Sustainability Management 055
Social Contribution 060
Human Resource Management 065
Safety and Health 076
Information Security 082

LX Pantos
BEYOND LOGISTICS,
BESIDE YOU
www.lxpantos.com

Customer Value Management

Governance

Customer Value Management System

Our mission is to deliver sustainable customer value, and to achieve this mission, we focus on identifying and resolving customers' pain points, ensuring quality competitiveness across various business domains, and instilling a customer-oriented culture. Guided by this mission, we have established a dedicated organization for managing customer value. This organization is aimed at managing changes and boosting task implementation. Furthermore, it plays a central role in driving us towards a 'customer-oriented company,' embedding customer value management into every aspect of our 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

Quality Management System

One of our primary focuses is on securing quality competitiveness so that we can deliver greater value to our customers. As part of this effort, we have formulated a company-wide quality policy that guides us in providing best-in-class logistics services. We ensure strict compliance with this policy at all stages of our operations.

Our Company-wide Quality Policy

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 redressing 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.

Organizational Structure for Customer Value Management and Quality Management

Management Support Specialist

Customer Value Assistance Team

Collect customers' pain points and spearhead improvement activities	Cultivate a customer-oriented culture	Proactively conduct preventive activities responding to quality issues	Acquire and maintain International certificates by strategic business	Secure and sharpen professionality in quality management

Global View Team

Polish our visibility capabilities from the customers' perspective	Ramp up our risk management and intensify our proactive preventive activities

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

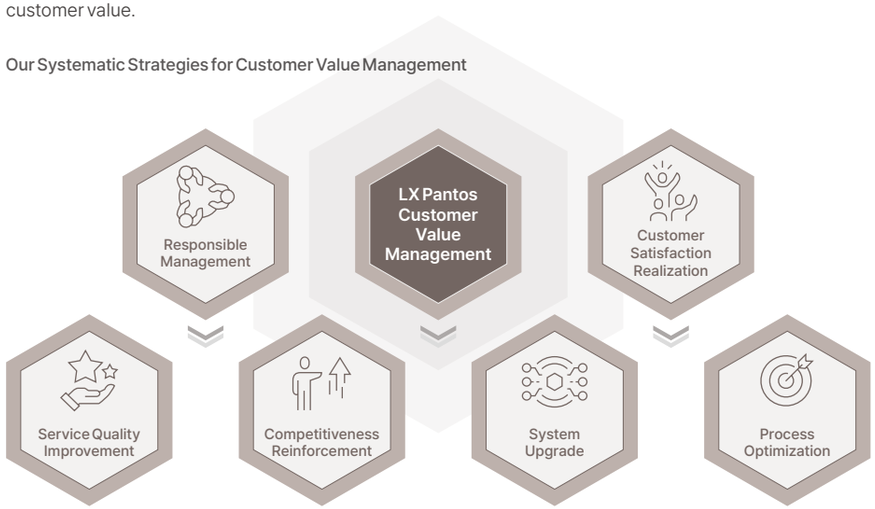
Customer Value Management

Strategy

Strategic System for Customer Value Management

LX Pantos is dedicated to embedding a customer-oriented culture throughout the organization, emphasizing the continuous improvement of our quality management system aiming to deliver sustainable customer value.

Our Systematic Strategies for Customer Value Management



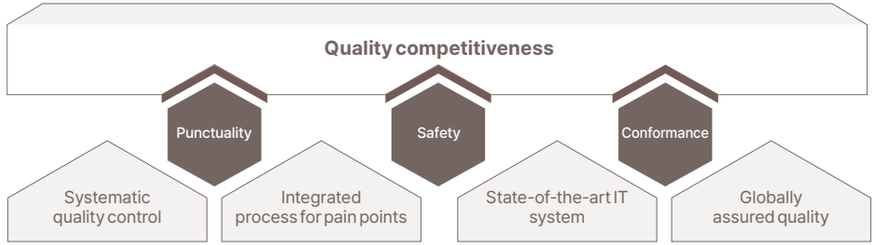
Responsible Management	• Settle a customer-oriented culture • Deliver sustainable customer value management
System Upgrade	• Advance quality over all stages of customer journey • Secure a control system tailored for customers
Competitiveness Reinforcement	• Manage the process based on the map of customer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

Strategic System for Quality Management

Our competitive edge lies in our ability to provide logistics services that are not only safe but also precisely timed and located to meet our customers' demands through a quality management system built on customer value.

Our Systematic Strategies for Quality Management

Quality management for delivering customer value



Unparalleled customer value delivery as the benchmark for decision-making and behavior standards

Proactive response to customers based on deep understanding and communication

Our Quality Competitiveness

Systematic quality control

- Achieving customer satisfaction through adherence to basic quality standards and a systematic quality management process
- Prompt reporting, addressing fundamental issues, stable quality assurance, management of quality indicators, and quality training

Integrated process for pain points

- Discovering and archiving customer needs and complaints through various channels, and elevating customer satisfaction through improving them
- Collecting and rapidly responding to VoC, pain points, and improvement ideas, and managing customer satisfaction

State-of-the-art IT system

- Integrating the quality management system with operational procedures in quality improvement activities
- Operating the management process for non-conformances and pain points through QMS[1)]

Globally assured quality

- Securing competitive edge and reliability through various domestic and international certifications and awards
- ISO9001, AEO, excellent logistics, facility and information security, special cargo (pharmaceuticals, fresh goods, batteries, etc.) delivery

1)QMS (Quality Management System): Customized quality management system to improve service quality

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com

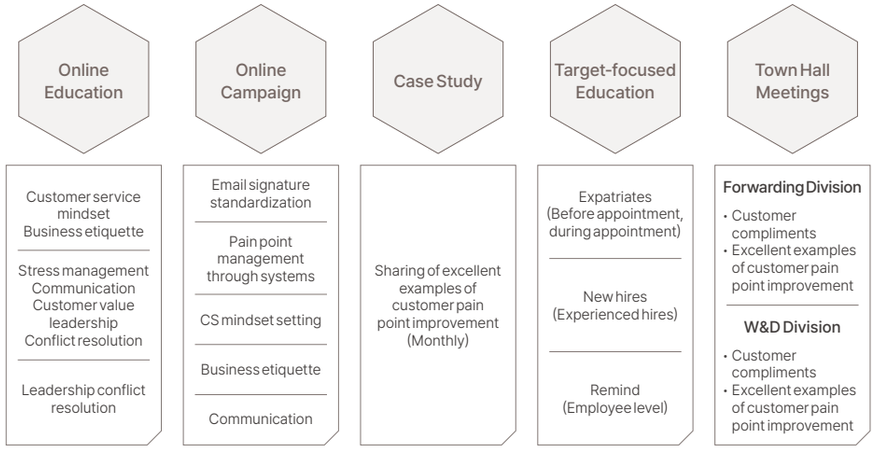
Customer Value Management

Strategy

Activities for Customer Value Management

LX Pantos provides various capacity building programs for Customer Service (CS) and CS education for employees to enhance understanding of customer value management direction and to instill service-mindedness for customer satisfaction. We offer basic CS education for employees, incorporating the importance and key elements of customer value, and internalize employees' CS minds through online campaigns and dissemination of best practices. In addition, through target-focused education, we provide differentiated education for each target to guide specific practices for customer value management and strive to realize customer value through continuous communication with business units.

CS Capability Enhancement Program



Basic CS Education

Target Audience	Content
All members (Employee to manager, organizational leader)	Enhancement of customer service mindset
	Business etiquette (Face-to-face / virtual)
Team members (Employee to manager)	Stress management
	Communication (General, situational)
Organizational leaders (Part leader and above)	Customer value-oriented leadership skills
	Conflict resolution within the organization

- 3,355 participants in 3 courses in the first half of 2023, satisfaction rate: 85.9 points
- 3,228 participants in 5 courses in the second half of 2023, satisfaction rate: 90 points

Quality Management Activities

To uphold consistently high-quality standards and deliver top-notch logistics services to our customers, we establish and adhere to ISO 9001-based quality standards. We also document and standardize the transportation and storage standards of cargo as quality standard procedures, incorporating excellent cases related to accident prevention, and disseminate them through regular updates to sharpen quality competitiveness and minimize accidents.

Quality Management System (QMS)

We have established a Quality Management System (QMS) to systematically manage quality issues and customer pain points based on an IT system.

Components	Features
Dashboard	Provide visibility into quality-related status and indicators at a glance
Irregularity	Manage inadequate registrations, progress updates, improvement activities, and implementation results
CPPM[1)]	Integrate Voice of Customer (VoC) and employee-reported pain points into the system
Q-Index	Provide various quality-related status indicators that can be confirmed by organization / customers

1) CPPM (Customer Pain Point Management): LX Pantos' integrated system for managing customer pain points

Securing Specialized Quality Management Expertise in Cold Chain

We aim to evolve into a logistics company which serves as a reliant partner supporting healthcare businesses by securing specialized transportation capabilities in healthcare, and equipping ourselves with facilities and processes that ensure the stability of pharmaceuticals and cold chains.



Establishing air transportation Quality standards

- Establishment of a healthcare QA organization and sales support across the entire company
- Formulation of international transportation quality standards for air and sea transportation
- Development and revision of healthcare quality management manuals and SOPs reflecting GDP standards
- Enhancement of temperature-controlled warehouse management levels and improvement in mapping process
- Creation and distribution of educational manuals for handling special cargo and cold chain packing



Securing the largest domestic bio-pharmaceutical logistics infrastructure

- Establishment of KGSP-certified pharmaceutical warehouses: 6,612 square meters in size (the largest in the country)
- Possession of a nationwide delivery network for bio-pharmaceuticals: approximately 50 vehicles (all vehicles validated)
- Provision of real-time monitoring visibility (packaging temperature, location, and advance prevention of transportation risks)
- Provision of a stable system and validation of temperature maintenance stability through CSV[1)]

1) CSV: Computer System Validation

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

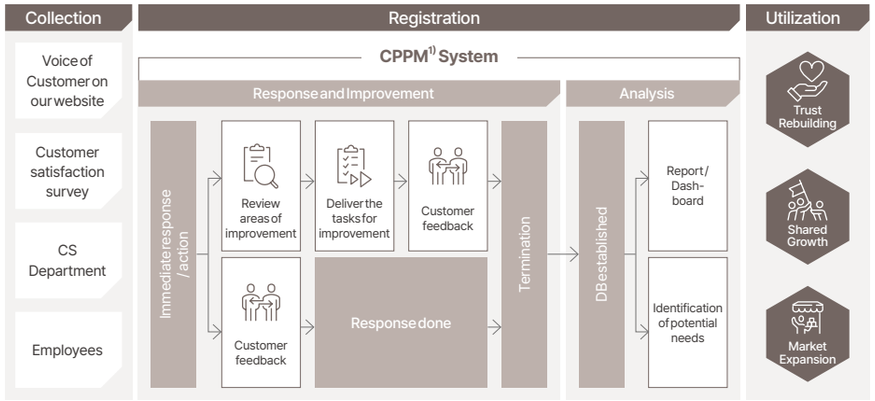
Customer Value Management

Risk Management

Customer Risk Management

LX Pantos receives inquiries, complaints, and suggestions from customers through the 'Voice of Customer' on its website. We systematically classify and address issues received through customer feedback, improving necessary matters and managing to prevent the recurrence of the same problems by receiving feedback from customers. We operate the Customer Pain Point Management (CPPM) system, which effectively integrates and manages customer pain points collected through various channels.

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



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

Customer Satisfaction Surveys

We conduct customer satisfaction surveys to identify issues related to forwarding and W&D services. These surveys help us gather foundational data, which we then use to formulate strategies for improving overall customer satisfaction. Through satisfaction surveys, we identify material factors during transactions, derive relevant improvement tasks, and continually enhance customer value by improving customer satisfaction through various improvement activities.

2023 Customer Satisfaction Survey Results (Compared to 2022)

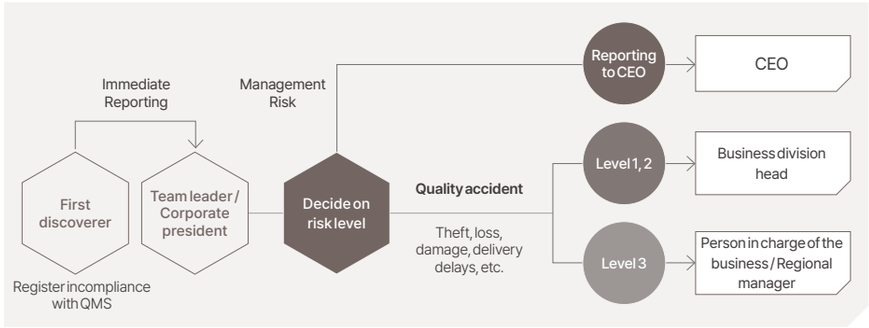
Business	Total	Korea	Overseas
Forwarding	83.3 (6.0▲)	83.0 (6.0▲)	83.4 (5.7▲)
W&D	81.0 (4.3▲)	81.9 (9.6▲)	80.5 (0.7▲)

Quality Risk Management

Quality Accident Reporting Process

In accordance with the company's quality policy, we have detailed procedures for quality reporting to ensure prompt handling of quality incidents. All quality incidents are classified based on scale and impact level, and promptly reported to organizational leaders for immediate action. They are also swiftly reported to management and registered in the quality management system for prevention and improvement activities. Criteria for reporting are primarily based on the incident amount, followed by six additional criteria. The initial discoverer must report the quality incident to organizational leaders immediately upon detection, and the organizational leader completes the primary report within the same day of awareness, assessing the risk level. Intermediate and final reports are prepared based on the progress of problem resolution, analyzing the root causes accurately. Even after resolution, preventive measures for similar causes are developed and implemented to prevent recurrence.

Quality Accident Reporting System



Reporting to CEO

- Undermined brand image, loss of life due to industrial accidents, legal violations, major incidents impacting business operations
- For workplace accidents, adhere to the accident reporting process

Level 1, 2

- Aircraft / ship / vehicle accidents, strikes (lasting over 1 week), etc.
- Expected accident costs exceeding KRW 50 million
- For expected costs for the accident exceeding KRW 300 million, inform CEO and CFO of the accident

Level 3

- Strikes, natural disasters, delivery delays, logistics disruptions, etc.
- Expected costs for the accident exceeding KRW 3 million

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

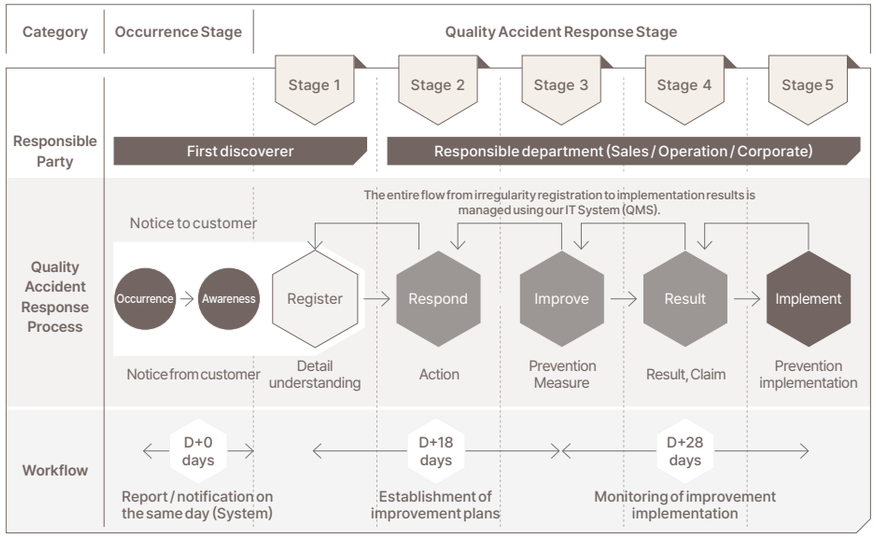
Customer Value Management

Risk Management

Quality Risk Management

Quality Accident Handling Process

Quality accidents are registered in the Quality Management System (QMS) on the same day of awareness and shared with customers. We track the progress of accident handling in real-time and thoroughly manage quality accidents according to the quality accident process. This process includes prevention, improvement activities, and implementation results. thereby preventing recurrence.



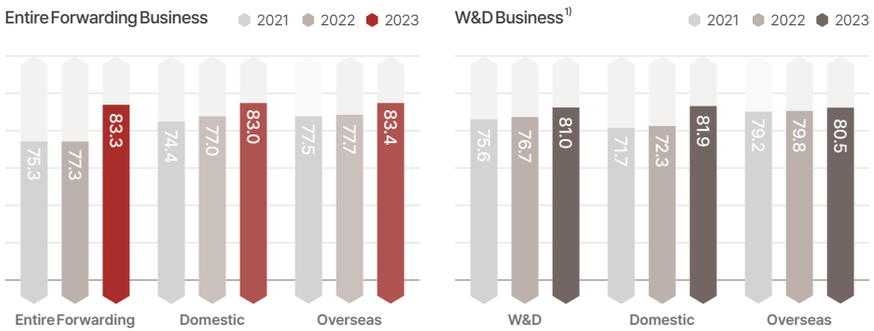
Process	Details
Quality Accident Registration	• The first discoverer registers the quality accident in the QMS on the same day and shares it with customers and relevant departments. • After registration, additional updates are made, including the occurrence date and time, location, cause, extent of damage, expected issues, etc.
Action and Response	• Confirmation of measures and responses by field personnel regarding the quality accident and tracking until the processing result is confirmed.
Establishment of Improvement Plan	• Establishment and dissemination of improvement measures to prevent recurrence of similar cases. • Seeking fundamental solutions from the perspective of Root Quality Control (RQC) through analysis of similar cases and current status-quo.
Implementation Result Check	• Application of established improvement measures to the field and implementation of change management. • Confirmation of implementation status, validation of effectiveness, and execution of additional improvements if necessary.

Metrics and Targets

Quality Performance and Data

Customer Satisfaction Survey Results

LX Pantos conducts an annual customer satisfaction survey targeting all clients to measure quality performance and customer satisfaction. Under the slogan of 'Customer Value Management,' all employees strive to achieve quality performance and customer satisfaction. As a result, based on the annual increase in customer satisfaction, LX Pantos is realizing a company that satisfies customers.



1) Installation satisfaction survey results included

Domestic and International Certifications

We have obtained 18 domestic and 25 international certifications in recognition for its outstanding quality capabilities.

Category	Features
Domestic	• TISAX Automotive industry information security (2024) • Smart Logistics Center (2023) • CEIV_LiBatt Battery air transport (2023) • GDP Excellent pharmaceutical distribution management standards (2022) • CEIV_Fresh Fresh food air transport (2022) • ISO27001 Information security (2022) • EcoVadis Sustainable management evaluation (2022) • Excellent Shipping Excellent shipping company (2021)
International	• ISO9001 Quality management, ISO14001 Environmental management, ISO45001 Occupational health and safety management, ISO27001 Information security, ISO28000 Logistics security • AEO, C-TPAT Excellent certified export / import safety management company • TAPA Cargo security and safety certification

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com

Supply Chain Sustainability Management

Governance

Our Supply Chain Status

LX Pantos secures modes of transportation through contracts with shipping companies, airlines, and railway transport companies and provides services for customers by exploring optimal transportation combinations. Considering the nature of the international transportation industry, which involves one-off transactions and a majority of small transactions, LX Pantos has selected 49 international transportation companies with a certain volume of shipments for each transportation mode. For domestic cooperation, LX Pantos defines some domestic warehouse management and home appliance installation agencies as tier 1 partners and manage them.

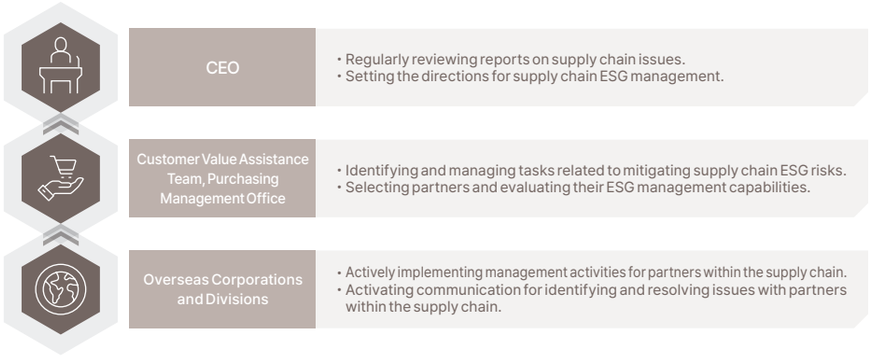
Category			Target	Criteria
Total no. of Suppliers			4,453	All suppliers with transaction records from the previous year (including one-off transactions)
Tier 1	International Transportation	Maritime	24 shipping companies	87% of total maritime shipment volume
		Air	19 airlines	89% of total air shipment volume
		Rail	6 railway transport companies	Including TSR (Russia), TCR (China), etc. Key route cooperation partners
	Domestic Cooperation	Warehouse management and home appliance installation	150 outsourcing companies	Core service[1] providers among the cooperating companies stationed at business premises
Total			199	49 international transportation + 150 domestic cooperation

1) Core service refers to logistics functions such as freight handling at logistics centers, and installation of home appliances

Supply Chain Management Organization

LX Pantos actively promotes ESG management in collaboration with partners within the supply chain to achieve mutual growth. The Customer Value Assistance Team and Purchase Management Office, composed of ESG experts, systematically manages partners within the supply chain in collaboration with each business division and overseas corporations, aiming to achieve fair trade.

Organizational Structure for Supply Chain Management



Supply Chain Management Policy

LX Pantos recognizes that transparent partnerships with suppliers and the integrity of the supply chain are an integral part of corporate competitiveness. Therefore, we establish and operate ESG behavioral norms for all domestic suppliers and tier 1 partners and ensure them they pledge to comply with them at the time of contract conclusion (or renewal).

Supplier ESG Code of Conduct

Humanitarian Treatment	01.	Partner companies respect all workers personally, creating a work environment free from inhumane treatment or threats such as sexual harassment, abuse, corporal punishment, mental or physical coercion, and verbal abuse.
Non-Discrimination	02.	Partner companies prohibit discrimination based on gender, race, skin color, age, gender identity, nationality, religion, disability, pregnancy, marital status, ethnic or social origin, political opinion, or any other status in employment practices including recruitment, promotion, compensation, and training opportunities.
Labor	03.	Partner companies prohibit the employment of children below the legal minimum age and comply with working hours and conditions. When employing minors legally, partner companies provide them with opportunities for appropriate education and take specific measures to protect them from hazards (prohibiting overtime, night work, and hazardous / dangerous tasks).
	04.	Partner companies prohibit all forms of labor that violate the free will of workers, including forced labor and exploitative labor, and create employment contracts in a language understandable to the workers that clearly specify the working conditions.
	05.	Partner companies ensure workers' rights to unionize and create an environment where workers can communicate with management about working conditions without fear of discrimination, retaliation, intimidation, or harassment.
	06.	Partner companies comply with all relevant legal standards, including maximum working hours and days, minimum wage, benefits, and compensation for labor hours.
Health and Safety	07.	Partner companies take all necessary measures, including risk assessment and mitigation, continuous training, emergency response training, and provision of personal protective equipment to ensure that workers have a safe and healthy work environment and living conditions (if housing is provided).
Environment	08.	Partner companies maintain and update necessary environmental permits and strive to minimize all negative impacts on the environment and the community from their business activities, including hazardous materials, waste and wastewater, air pollution, and resource use.
Corporate Ethics	09.	Partner companies maintain integrity in all business relationships and strictly prohibit all forms of corruption, including undue gains and bribery, complying with all anti-corruption legal standards. They also ensure confidentiality and protection of whistleblowers, and abide by laws regarding fair trade and competition.
	10.	Partner companies respect intellectual property rights and protect the information of all stakeholders (including partner companies, clients, consumers, and employees), and comply with personal information protection / information security laws during the collection, storage, processing, transmission, and sharing of personal information.
Responsibility of Partner Companies	11.	Partner companies do their utmost to ensure that not only their own employees but also those of their partner companies adhere to the standards set forth in the Code of Conduct.

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com

Supply Chain Sustainability Management

Governance

Supply Chain ESG Management Principles

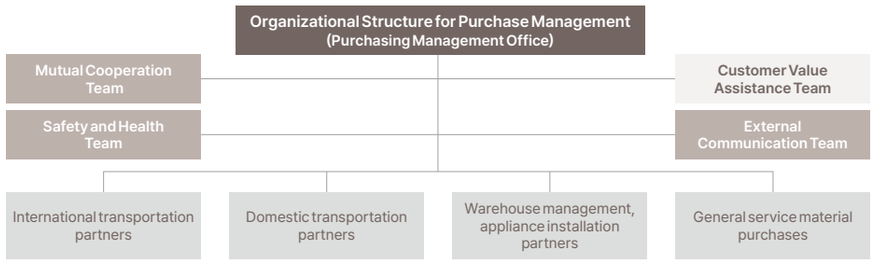
LX Pantos has established and adhered to supply chain ESG management principles to cultivate a transparent and sound culture of fair trade. It requires the signing of a commitment to practice ethical management when contracting with partners. LX Pantos has zero cases of child labor and forced labor, which are major concerns of the International Labour Organization (ILO), within its own facilities or among its partners.

Supply Chain ESG Management Principles

Environment	**Building an Eco-Friendly Supply Chain** LX Pantos builds an eco-friendly supply chain by discovering eco-friendly partners to comply with environmental regulations and minimize environmental impact.
Social	**Building a Supply Chain in Consideration of Labor and Human Rights Protection, Safe Working Environment Creation, and Social Value Generation** LX Pantos ensures that stakeholders' rights within the supply chain are respected, and a safe working environment is established. Additionally, it contributes to the development of local communities by seeking ways to enhance purchasing activities, focusing on SMEs, vulnerable groups, and local procurement to create social value and promote community development.
Governance	**Collaborative Relationship and Transparent & Fair Competition** We build mutually beneficial relationships with partners for shared growth and symbiotic management. And we ensure transparent and fair competition in compliance with the procurement process, thus completing a sustainable and virtuous cycle with the supply market.

Strategy Framework for Supply Chain Management

LX Pantos performs systematic partner management activities based on its supply chain management strategy framework and strives to achieve mutual growth with partners. Particularly, to prevent issues related to fair trade and subcontracting as well as to forge a transparent supply chain system, we put in place the External Communication Team dedicated to supply chain management.



Strategy

Supply Chain Management Strategy

During the course of providing logistics services, LX Pantos engages with various partners within its global supply chain, ranging from partners for international transportation, domestic transportation, warehouse management, appliance installation to general service / material purchases. Alongside collaborative efforts, we aim to minimize external supply chain risks by strengthening our own ESG management capabilities.

- **Assisting partners in building capacity for ESG management**
  - Annual assessments of partners' ESG management capabilities
  - Provision of ESG education and management manuals
  - Biannual safety inspections conducted by the Safety and Health Team, with knowledge transfer on safety management
- **Integrating ESG management within the supply chain**
  - Development of a partner ESG evaluation system by 2024
  - Pilot operation until 2025
  - Integration of ESG performance indicators in bidding and contract renewal by 2026

Key Focus Areas for Supply Chain Management



OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com

Supply Chain Sustainability Management

Strategy

Shared Growth and Fair Trade

Support for Partner Companies

Various activities are in full swing to reinforce partners' ESG management capabilities and promote shared growth with them. We supplement the absence of ESG policies and procedures in partner companies by providing ESG education, management guidelines, and other resources under the supervision of management. Additionally, we listen to the Voice of the Employee (VOE) from partner companies and installation personnel to redress process issues or unfair practices and hold regular meetings to facilitate communication among partner companies. As part of the measures, we are requiring the inclusion of relevant clauses in the contract negotiation process to enforce codes of conduct. Additionally, we conduct annual self-assessments on ESG compliance for our partners, identifying any violations and requesting corrective actions. We also hold annual meetings and training to explain the importance of human rights/labor issues to our suppliers and ask them to comply with them.

Category	Contents
ESG Management Support	• Helping partner companies in formulating their ESG policies and procedures • Providing ESG education and management guidelines • Green procurement[1] totaling approximately KRW 610 million • Guidance on safety and health management measures for new partner companies and support for stabilizing safety sectors • Hosting safety forums for employees at new and existing facilities - Notifying key issues regarding occupational safety and health - Reviewing safety inspection status
Financial Support	• Full support for group accident insurance premiums for installation workers • Fixed financial support for workers' compensation insurance premiums and the four major insurance premiums for installation workers (for small business owners who have voluntarily joined) • 50% support for the purchase of work clothes for installation workers • Support for funeral supplies and maternity gifts for employees and installation workers of BP companies
Non-financial Support	• Cost discounts through company partnerships (related to logistics supplies, family events, health checkups, accommodations, tire purchases, loans, etc.) • Various events to refresh and boost morale (sports competitions, coffee cart events, Chuseok gift sets, etc.)
Communication with Partners	• Operating VOE channels for partner companies and installation workers - Received through LX Pantos' Jeong-Do Management online page and website - Approximately 77 complaints received and resolved from 2020 to present - Follow-up monitoring of VOE closures • Conducting bi-directional communication through regular meetings (at least once a year) with representatives of installation companies

1) Procurement activities that involve purchasing green products (those that minimize the input of energy and resources, as well as the generation of GHGs and pollutants) in accordance with the Framework Act on Carbon, Green Growth and other eco-friendly criteria

Assisting SME Suppliers in Building Capacity for Safety Management

LX Pantos annually organizes safety and health seminars and policy meetings for SME partners. By establishing a safety system that involves all members of the supply chain, we aim to minimize harmful and hazardous / risky factors inherent in the supply chain and achieve a goal of zero major accidents.

- Providing updates on the latest government policies related to safety and health through the invitation of experts
- Education by LX Pantos's Safety and Health Team on major accident cases and best safety practices
- Actively considering the safety and health-related opinions presented by partner SMEs during meetings

Safety and Health Seminar (Meeting) Key Contents

Category	Details
ESG management support	• Guidance on fulfilling the company's obligations regarding safety and health management • Sharing best practices for document preparation and on-site inspection
Response Measures to the Serious Accidents Punishment Act	• Expert seminars on the implementation of the expanded enforcement of the Act in 2024 • Interpretation of the Act and guidance on its application to the company's supply chain
Q&A Session on the Expanded Implementation of the Serious Accidents Punishment Act	• Discussions with suppliers regarding the Act and the Occupational Safety and Health Act
Handling Procedures in the Event of a Major Accident Investigation	• Training on investigation and follow-up measures in the event of a major accident occurrence
Sharing Partners' Opinions	• Brainstorming and reviewing application methods related to safety and health • Listening to and supporting partners' concerns and needs related to safety and health

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Supply Chain Sustainability Management

Strategy

Collaboration with Shipping Companies for Shared Growth

LX Pantos strives to prevent unfair trading practices among shipping companies in maritime transportation and continues to foster collaboration. Leveraging our capabilities in cargo volume and global networks, we have established a cooperative relationship between shipping companies, forwarders, and cargo owners. Particularly, by building strategic partnerships with national shipping companies, we aim to expand mutual business and derive cases of transportation efficiency optimization. Based on these efforts, since obtaining the highest-grade certification in the cargo owner sector, grade 1 certification for shipper cooperation and legal compliance in the 'Excellent Shipper Company Certification System[1)]' in 2021, we have maintained it to date. We aim to enhance the competitiveness of the entire domestic maritime logistics ecosystem and contribute to the development of international maritime logistics as a professional logistics company based on long-term cooperation with national shipping companies.

1) Certification system introduced by the Korea Ocean Business Corporation in 2020 to sharpen the competitiveness of maritime exports and imports, evaluating efforts in cooperative management by shippers, compliance with fair trade, and contribution to the shipping industry comprehensively

Collaboration Programs	Detailed Strategies
Promoting Increase in Utilization Rate through System Improvement and Joint Agreement with National Shipping Companies	• Integration and systematization of cargo transportation records • Negotiation on available vessel capacity and route construction by segment
Solidifying Cooperation with National Shipping Companies through Strategic Partnerships	• Deriving cases of multi-segment transportation efficiency optimization • Establishing goals for boosting utilization rate and managing achievement
Future Preparation through Maritime / Logistics Digital Transformation	• Establishing a digital ecosystem in partnership with national shipping companies, cargo owners, and forwarders on a platform • Sharpening demand forecasting and adaptability to changes

Fair Trade Activities

LX Pantos strives to embed a culture of fair trade into every facet of its supply chain by managing risks associated with non-monetary losses such as corporate credit downgrade and damage to reputation alongside financial losses. Alongside regular training, we provide fair trade guidelines and distribute monthly newsletters containing fair trade policies and the latest cases to prevent any unlawful conduct in advance. In 2023, in order to promote trust and cooperation for shared growth with partners as well as to transparently operate procedures and methods, we established a new subcontracting payment dispute resolution body called the 'Subcontracting Dispute Resolution Committee.' On top of that, we disclose matters on subcontracting payments twice a year to disclose our efforts to abide by fair trade to external stakeholders.

Category	Details
Education / Guideline Provision	• Offering offline training on collusion and subcontracting • Providing a guide for preventing subcontracting tasks, collusion, and unfair trade practices
Newsletter Publication	• Monthly issuing fair trade newsletters to all employees
Monitoring	• Conducting monitoring at all times and redressing problems
Establishment of Subcontracting Dispute Resolution Committee	• Handling disputes raised by subcontractors
External Disclosure	• Disclosing data regarding the means, amount, and period of subcontracting payments • Sharing data concerning whether a dispute resolution body is established, responsible personnel, operating methods, and current status

Fair Trade Risk Management Process

Risk Identification	Risk Assessment	Risk Management	Risk Mitigation and Improvement
• Unfair subcontracting practices • Collusion • Unfair trading and false advertising	• Identification of fair trade-related risk factors • Evaluation of violations in each area	• Identification of key risks • Development of risk management plans	• Analysis of violations • Identification of improvement tasks and prioritization • Implementation and monitoring of improvement activities

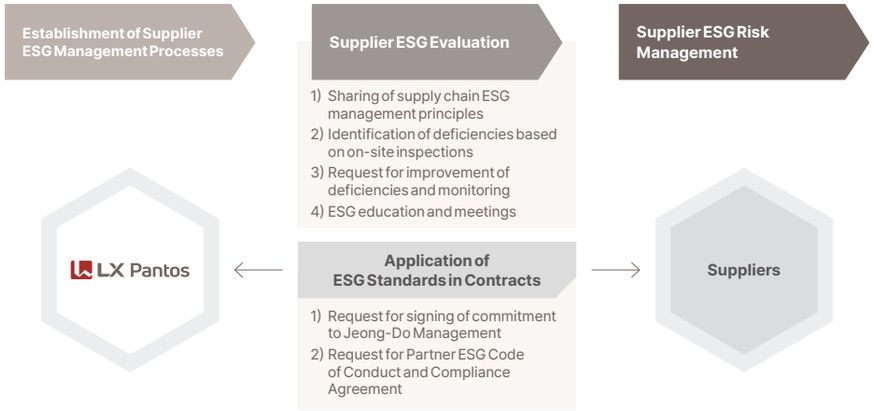
OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Supply Chain Sustainability Management

Risk Management

Supply Chain ESG Risk Management



Supply Chain ESG Evaluation

LX Pantos conducts a written self-assessment of the entire supply chain to evaluate the level of ESG capabilities. Evaluations were conducted for all overseas corporations along with some domestic facilities. For suppliers, evaluations were carried out for tier 1 suppliers. To ensure the consistency of self-check results, on-site inspections were conducted randomly for 12 domestic facilities and 15 domestic partner companies residing in those facilities. Improvements have been requested for deficiencies identified through the evaluation, and continuous monitoring is in place.

Supply Chain ESG Evaluation Targets and Assessment Criteria

Category	LX Pantos		Domestic Partners		International Carriers		
	72		150		49		
No. of Targets	40 Domestic sites	32 Overseas corporations	60 Warehouse management service providers	90 Appliance installation service providers	24 Maritime transport providers	19 Air transport providers	6 Railway transport providers
Assessment Items (No.)	Human rights / Labor (10) Environment (10) Ethics & data security (10) Safety & health (1)	Anti-corruption / Ethical management & Information Protection (8) Fair trade & Supply chain ESG management (7) ESG data management & Disclosure (3)	Human rights / Labor (10) Safety & health (6) Environment (7) Ethics (7)		Safety & health (18) Human rights (17) Labor (12) Employee diversity, equality & inclusion (DE&I) (6) Community & customer engagement (3)		

Metrics and Targets

Performance and Data on Supply Chain Management

Suppliers Holding Contracts Including Environmental / Labor / Human Rights / Ethical Clauses

Category	Unit	2021	2022	2023[1)]
Ratio of international transport Suppliers	%	-	-	33.6
Ratio of domestic suppliers	%	-	-	5.4
Total	%	-	-	6.1

1) Data collection and disclosure from 2023

Suppliers Subject to CSR Evaluation

Category	Unit	2021	2022	2023[1)]
Ratio of targeted suppliers subject to CSR evaluation	%	-	-	3.7
Ratio of targeted suppliers subject to on-site CSR evaluation	%	-	-	0.37

1) Data collection and disclosure from 2023

Employees Trained on Sustainable Procurement

Category	Unit	2021	2022	2023[1)]
LX Pantos Employees	Person	-	-	34
Supplier Employees	Person	-	-	146

1) Data collection and disclosure from 2023

Financial Value Provided to Suppliers

Category	Unit	2021	2022	2023
Subsidies	KRW	440,947,772	443,668,859	443,108,455

Supplier Grievance Handling

Category	Unit	2021	2022	2023
No. of complaints received	Number	19	20	14
No. of complaints handled	Number	19	20	14
Handling rate	%	100	100	100

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

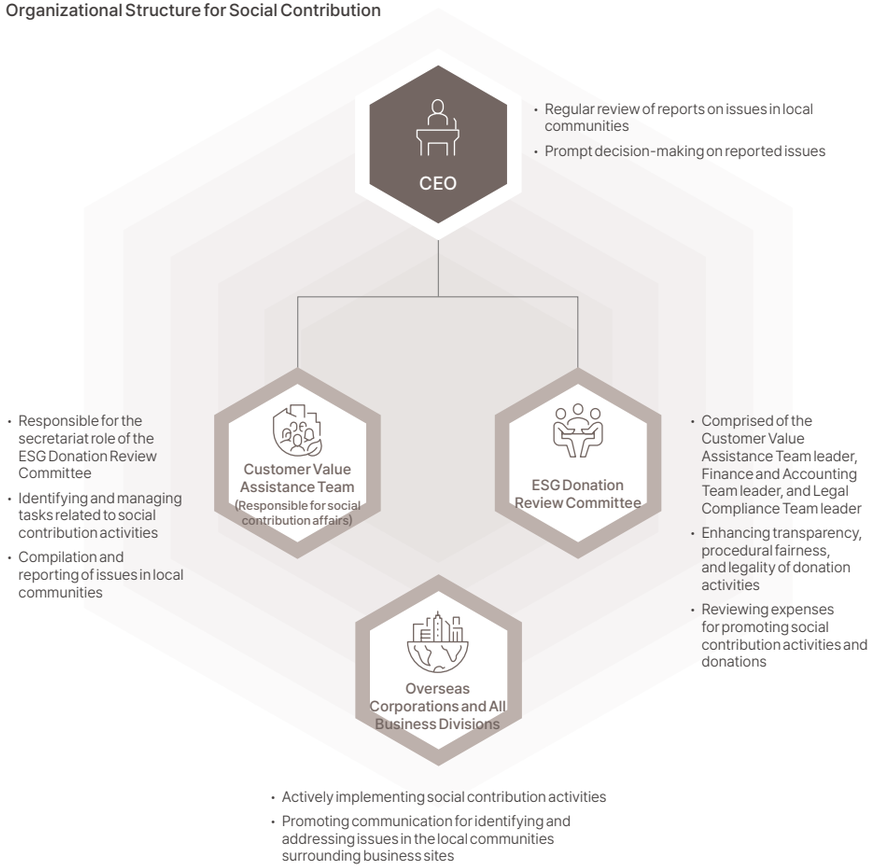
Social Contribution

Governance

Organization Responsible for Social Contribution

LX Pantos recognizes that local communities as salient stakeholders that directly or indirectly influence businesses. The Customer Value Assistance Team, comprised of ESG experts, systematically promotes social contribution activities in collaboration with each business unit and overseas corporations, striving to spread social values and foster community development.

Organizational Structure for Social Contribution

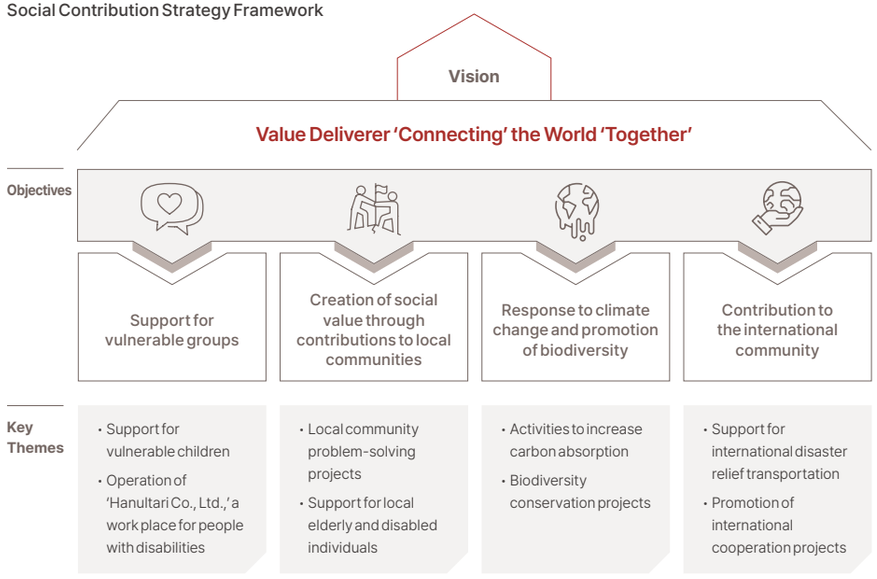


Strategy

Social Contribution Strategy

Under the vision of being a 'value deliverer connecting the world together,' LX Pantos actively and continuously engages in communication with local communities. By growing together with local communities and fulfilling social responsibilities, we strive to create diversified social values.

Social Contribution Strategy Framework



Social Contribution Roadmap

Short-term (~2024): Systematization of Social Contribution Activities

- Expanding the scope and targets of social contribution to communities
- Exploring social contribution projects that reflect the company's characteristics

Medium-term (~2027): Enhancement of Social Contribution Activities

- Promotion of global social contribution activities
- Establishment of networks and strengthening partnerships with relevant professional organizations

Long-term (~2028): Maximizing the Value of Socially Responsible Activities Aligned with Sustainable Management

- Measurement of the business value of social contribution activities
- Fostering a social economy ecosystem

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Social Contribution

Strategy

Dissemination of Social Values

Support for Vulnerable Children

LX Pontos generously provides both economic and emotional support needed for children to grow and settle in society, becoming the future leaders of our society. We sponsor a certain amount into the housing subscription savings account every month when a child enters a shelter, and we also operate a long-term support program that provides additional independent living support funds upon discharge from a shelter. Annually, we expand the beneficiary organizations and recipients near our business locations. Additionally, we foster emotional bonds through experiential learning programs where children in shelters and our employees participate together. In 2023, we supported regular exchanges through the mutual exchange and mentoring program 'Your Home Is Always Here,' and we offer diversified programs to facilitate growth in a psychologically stable environment.

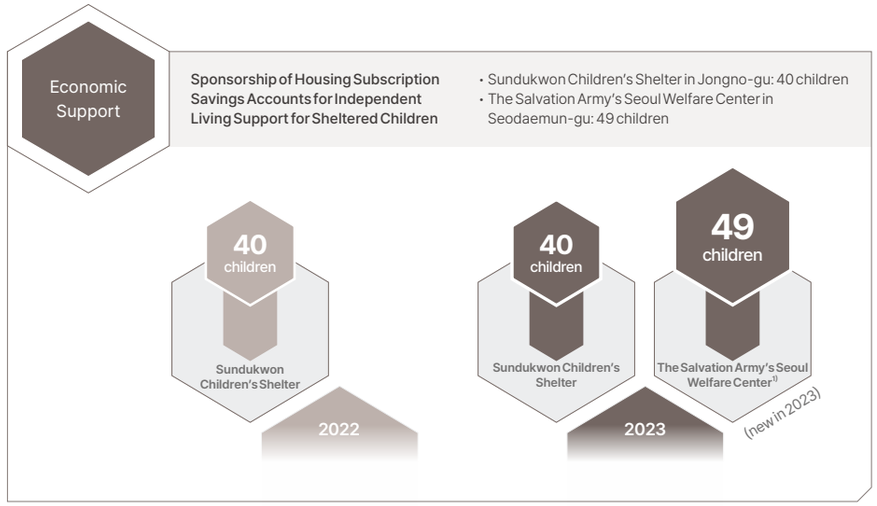




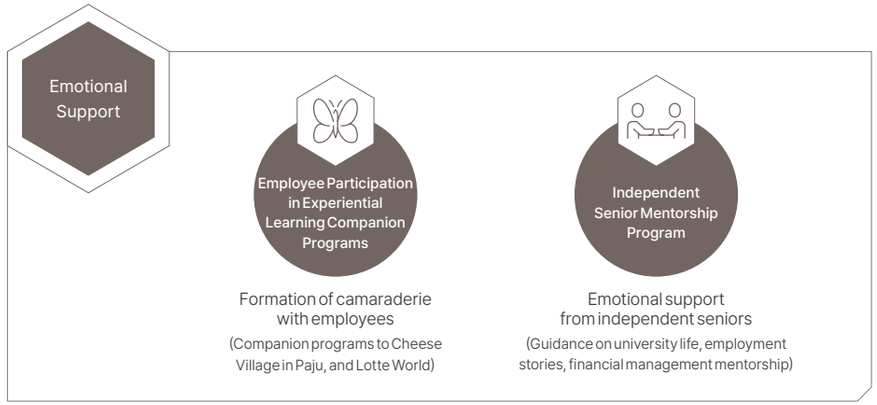




Current Status of Support for Vulnerable Children



*The number of beneficiaries varies depending on the status of children at each shelter



OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com

Social Contribution

Strategy

Dissemination of Social Value

Through the representative social contribution activity of LX Pantos, the 'VR Learning Playground,' we are creating a dedicated welfare space where children can freely experience various physical activities while utilizing VR devices for basic elementary education such as Korean, English, and math. The VR Learning Playground is the first public VR facility in Korea open to all children for free, following the opening of facilities at Yeongdeungpo Social Welfare Center and Busan Social Welfare Center, and the establishment of the third facility at Jeonbuk Social Welfare Center in 2023. LX Pantos will continue to expand the opening of facilities within local communities where our business is located to allow children in areas densely populated by vulnerable groups to alleviate information disparities by using VR devices and content without economic burden.

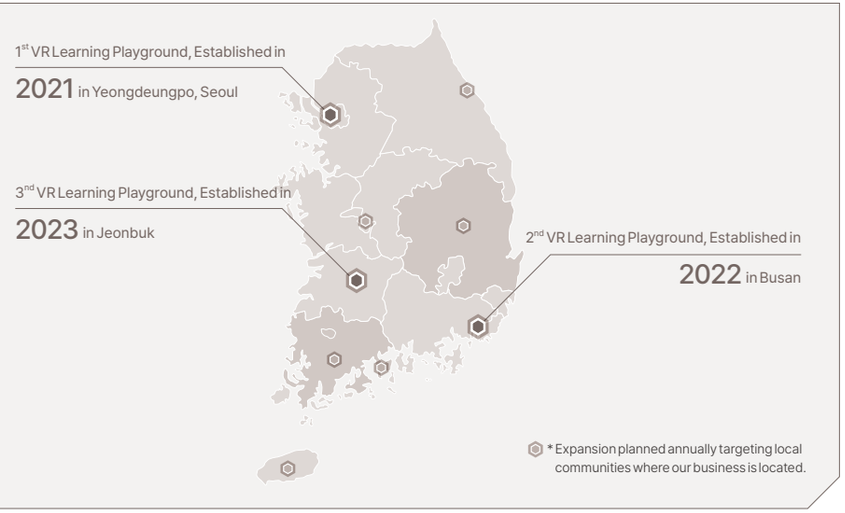
Funding of KRW

54,400,000 was provided for the installation of the third VR Learning Playground.

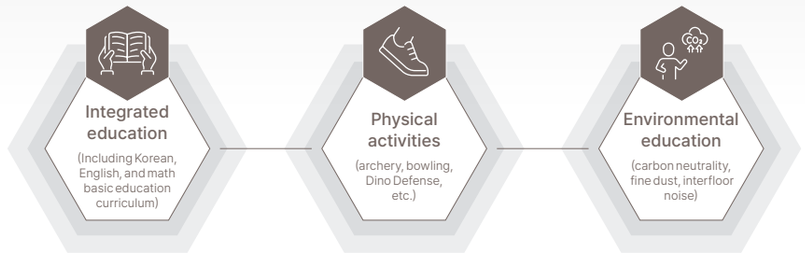
Annual usage in 2023

1st site (Yeongdeungpo, Seoul)	2nd site (Busan)	3rd site (Jeonbuk)
411 children	114 children	189 children

Current Status of VR Learning Playgrounds Establishment



VR Learning Playground Education Contents







Our Contribution to Children in Local Communities Receiving Seoul Mayor's Award

LX Pantos has been recognized for its sustainable corporate social responsibility initiatives by receiving commendation from the Seoul Metropolitan Government. This recognition stems from our newly designed economic and emotional support programs for children in shelters located in the vicinity of our headquarters. Moving forward, we are committed to expanding our reach and activities in various fields of social contribution, continuously extending our support to local communities and beneficiaries, aiming to fulfill our social responsibilities.



OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com

Social Contribution

Strategy

Support for Vulnerable Groups

We have been engaging in various social contribution activities to support vulnerable groups, including assistance to children battling rare diseases starting from 2016 and support for vulnerable elderly individuals in local communities starting from 2021.

Target vulnerable groups	Activity	Activity details
Children with rare diseases	Financial support for treatment	Donation of KRW10 million annually to Seoul National University Children's Hospital





Target vulnerable groups	Activity	Activity details
Elderly individuals	Cool summer & warm winter project	Provided dehumidifiers, electric mats, and other items worth KRW 10 million to 692 elderly individuals living alone under the care of Jongno Senior Welfare Center



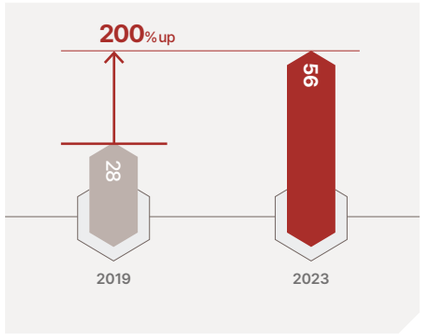


Operation of the Hanultari, a Workplace for the Disabled

We have been making efforts to employ people with disabilities by establishing and operating Hanultari Co., Ltd. since 2018, a disability standard business site. While striving for the development of jobs suitable for people with disabilities, we also expand facilities for the disabled, provide tailored welfare benefits and operate a grievance handling system, including separate counseling and deployment of social welfare workers. In 2023, we were awarded the 'Merit Award for Promoting Employment of Persons with Disabilities,' recognizing our leading role in employing people with disabilities.

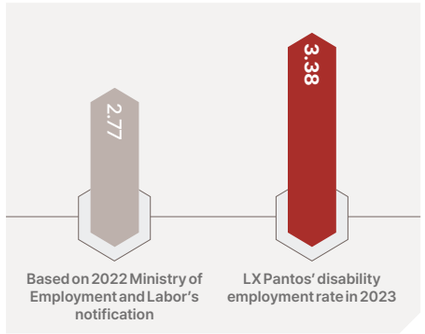
Improvement in disability employment rate by 200% (compared to 2019 level)

Unit: Person



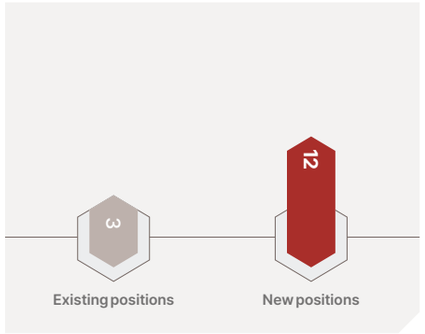
Employment rate of persons with disabilities in businesses with 1,000 or more regular employees

Unit: %



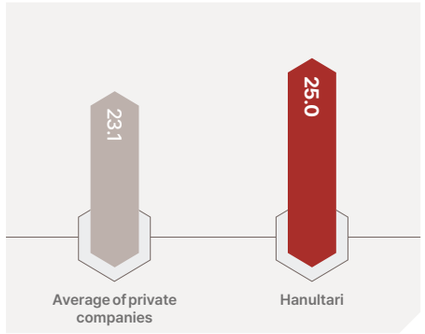
Development of new jobs for people with disabilities

Unit: Number



Outstanding employment rate of women with disabilities compared to other private companies

Unit : %



OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos

BEYOND LOGISTICS, BESIDE YOU

www.lxpantos.com

Social Contribution

Strategy

Global Community Collaboration

Participation in 'Gwanghwamun One Team'

We joined Gwanghwamun One Team, which consists of 21 companies, government agencies, and non-profit organizations located in the Gwanghwamun area, aiming to create ESG value under joint project plans by utilizing the human, material, and business resources of each company and agency. As a member of the 'Gwanghwamun One Team,' we actively engage in environmental activities such as plogging and gardening, as well as community support activities such as meal service and participation in local markets to support marginalized groups in the community. We strive to address local community issues and lead in creating social value.





Reforestation in Areas Affected by East Coast Wildfires

We collaborated with the Peace Forest Work to increase carbon absorption and enhance biodiversity through 'tree planting activities' involving its employees. In order to support residents affected by the large-scale wildfires along the East Coast in 2022, we donated goods worth KRW 150 million. In 2023, we visited the wildfire-affected area in Okgye, Gangneung, and planted 1,000 trees. In particular, we have established a five-year plan for afforestation and protection activities, which includes planting nectar source trees, restoring damaged trees, and preventing the spread of invasive plants, all aimed at expanding biodiversity.

Goal for Biodiversity	Activities	2023	2024	~2028
Tree planting and nurturing	Tree planting and nurturing, Planting nectar source trees for honey bees	**1,000 trees** (Forest restoration after wildfire damage)	**3,600trees** (Planting nectar source trees to protect the population of honey bees, which are pollinators)	**A total of 18,000trees**[1] (Establishment of a 5-year tree planting plan)





1) Based on cumulative number of planted trees

Support for Heavy Rain Damage in Chungcheongbuk-do

In response to the concentrated heavy rainfall in the Chungcheongbuk-do region, LX Pantos, together with the LX Group, initiated various support measures such as financial contributions and material donations to aid in the recovery of damages and support for flood victims. In particular, we provided a vehicle damage assistance fund of KRW 50 million to a heroic driver transporting LX Pantos's cargo who saved three lives at the flooded site of the Osong underground tunnel.

Provided for the heroic driver's damage assistance at the
Osong underground tunnel site
KRW **50,000,000**
LX Pantos

KRW **60** million
donated for flood victim recovery assistance

KRW **50** million
provided for the heroic driver's damage assistance at the Osong underground tunnel site

International Community Support

LX Pantos, leveraging its extensive global network of over 360 entities, which is one of the most comprehensive among domestic logistics companies, is committed to addressing various global issues and providing support to the international community. Utilizing our transportation capabilities accredited with pharmaceutical air transportation quality certification (CEIV-Pharma), we delivered pharmaceuticals and relief supplies to Ukraine. Moreover, amid difficulties in transporting relief supplies to the earthquake-stricken areas of Turkey, we provided maritime transportation support leveraging our world-class volume of water transportation. Moving forward, we will continue to collaborate as the logistics dedicated partner of the Korea International Cooperation Agency (KOICA) in international disasters or emergencies, utilizing our aviation, maritime, and land transportation capabilities and experience, to contribute to national-level cooperation and fulfill our social responsibilities in the international community.

KRW **100** tons
of pharmaceuticals and relief supplies delivered to Ukraine

USD **250,000** worth
of maritime transport vouchers provided for relief supplies to the Turkish Embassy in Korea



OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Human Resource Management

Governance

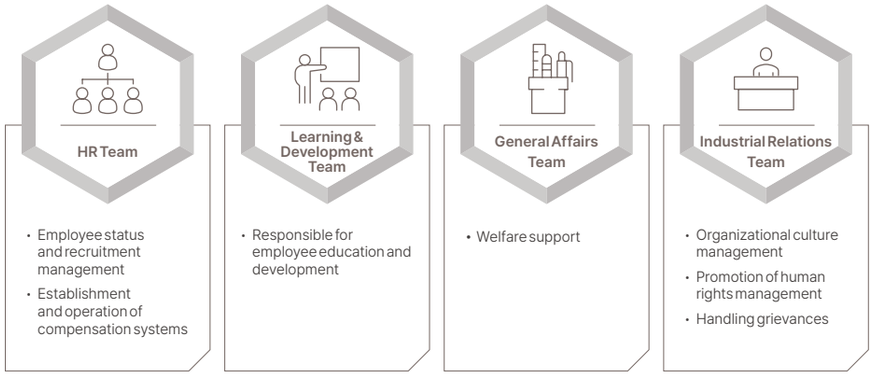
Talent Management

LX Pantos defines the company's pursuit of excellence, reflecting the essence of the logistics business and the thoughts of its members. We strive to systematically support all employees to work and grow in a joyful organizational culture where everyone wants to be a part of based on the core value of 'No.1 Pantos.'

LX Pantos Talent Profile



Organizational Structure for Talent Management and Human Rights Management



Labor-Management Council

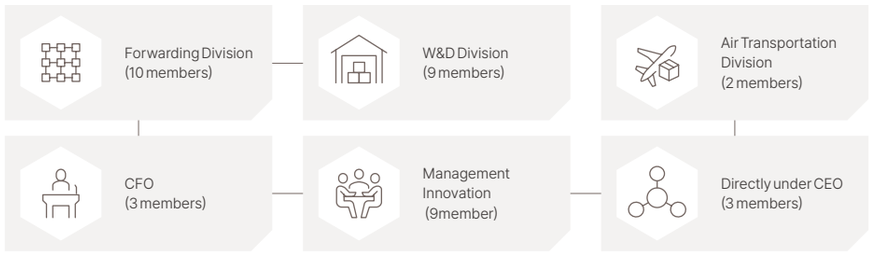
We hold regular quarterly meetings of the Labor-Management Council, composed of eight employee representatives elected from each department responsible for business. The council conducts various exchange activities with organizational leaders, ranging from team members to team leaders, managers, and supervisors, to listen to the VOE. It comprehensively evaluates the significance, feasibility, and timeliness of compiled VOE, representing employees' demands in various areas such as work-related grievances, productivity improvement, performance distribution, welfare enhancement, and maternal protection to the management during council meetings. Although our company operates as a non-unionized workplace without a collective agreement, we operate a Labor-Management Council similar to a union, striving for labor-management cooperation, enhancement of employee welfare, and improvement of working conditions through free proposals and communication at least four times a year. Employee representatives and employee council members are elected by all employees through voting and represent the opinions of employees during their three-year terms. Since 2020, we have actively reflected the demands of employees in various areas such as personnel systems, welfare benefits, and operational support, improving more than 38 policies. In 2023, we improved major policies such as expanding infertility treatment leave, expanding congratulatory payments/leave, and expanding housing assistance support.

Application Targets and Proportions of Key Agenda Items

Expansion of infertility treatment leave	Expansion of fund / leave for family events	Expansion of housing support
All employees across the organization, 100%	All employees across the organization, 100%	All employees across the organization, 100%

Junior Board

We operate a Junior Board, an employee organization representing office workers, to discover diverse ideas through upward and horizontal communication and integrate them into management decisions. The Junior Board consists of one member elected from each business division and serves as a communication channel among employees. In 2023, 28 employees participated in the Junior Board, facilitating the establishment of trust relationships through smooth communication between management and working-level workers.



OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Human Resource Management

Governance

Human Rights and Labor Policy

We respect the dignity of all employees and workers of its partners and guarantees their rights to pursue happiness, complying with international standards and guidelines related to human rights and labor. Based on this, we have established a human rights and labor policy. Under this policy, we conduct regular checks and management on key human rights-related issues, including employee health and safety, working environment, labor relations, career management, child and forced labor, diversity, equality and inclusivity, and human rights of external stakeholders. In the future, we plan to conduct a human rights impact assessment to evaluate the effects on stakeholders' human rights and mitigate negative impacts identified during the assessment.

Human Rights and Labor Policy

LX Pantos respects and guarantees the dignity and right to pursue happiness of all employees at every workplace and partner company. To this end, we continuously strive to comply with human rights and labor laws, as well as international standards and guidelines, in all countries and regions where we operate. We also make necessary improvements and actively communicate these policies to both internal and external stakeholders to increase awareness and foster engagement.

A. Respect for Human Rights
We respect the basic rights of all workers as human beings and make efforts to prevent any acts of human rights violations or inhumane treatment.

B. Prohibition of Forced Labor
We strictly prohibit all forms of forced labor that go against the mental and physical freedom of workers, including slavery, human trafficking, and debt bondage. We do not demand fees as a condition of employment or maintenance, nor do we request the transfer of personal identification, passports, or work permits.

C. Prohibition of Child Labor
We prohibit the labor of children under the age of 15 (or in accordance with stricter age criteria defined by local laws if they exist). For minors under the age of 18 who are legally employed, we prohibit engaging in hazardous or harmful work and provide opportunities for education.

D. Non-Discrimination
We do not discriminate in employment and labor practices based on gender, race, skin color, age, gender identity, nationality, religion, disability, pregnancy and marital status, ethnic or social origin, political views, or other status.

E. Right to Unionize
We guarantee the right to unionize as defined by local laws in each country and region, and prohibit unfair treatment resulting from this right.

F. Working Hours
We comply with the working hours set by local laws in each country and region, and continuously monitor adherence to regular working hours and rest periods for workers.

G. Wages and Benefits
We compensate our workers with wages that exceed local legal minimums and provide overtime pay as mandated. We issue pay slips or equivalent documents to clearly disclose wage details. Additionally, we support welfare benefits to enhance the well-being of workers.

H. Compliance with Labor Laws
We comply with labor regulations and working conditions as established by local laws in each country and region.

Strategy

Fair and Transparent Recruitment

We conduct transparent and fair recruitment aimed at finding individuals who possess both strong convictions and the ability to execute effectively. We strive to promote diversity, equity, and inclusion (DE&I). During recruitment, we do not discriminate based on gender, age, or any other factors. We also fulfill our corporate social responsibility through hiring veterans and people with disabilities.

Activities for Fair Recruitment

Transparent Employment Procedures
- Clear and official communication with all candidates through the recruitment site (https://apply.lxcareers.com/) and designated personnel

Prevention of Discrimination in Employment Stages
- Guidance on the prohibition of discrimination against women during recruitment
- Special employment opportunities for veterans

Fair Evaluation and Compensation

We adhere to a policy of performance-based compensation, which is determined by individual job performance. Profits stemming from business achievements are allocated in a differentiated manner, following rational criteria that connect to both individual and organizational performance. This ensures equitable compensation free from discrimination related to gender, age, or any other factors. Additionally, we focus on an evaluation process that emphasizes the long-term development of each individual, aiming to foster a healthy HR culture where both individuals and the organization can grow together. Continuously providing fair and reasonable evaluation and compensation systems, we endeavor to support the personal development of our members and enhance business performance.

Employee Evaluation Process



1) Career Development Plan

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Human Resource Management

Strategy

Talent Development Strategy

We have established and operates a talent development system integrated with business strategies to cultivate logistics experts. We provide systematic and specialized education programs in four major areas: common basic, leadership, global, and job specialty, constantly monitoring employees' learning needs and providing necessary education in a timely manner. We plan to continuously enhance our education system to foster the best talent in the logistics industry.

Employee Education and Career Management

Personal development and career planning for all employees	Job skills development training	Formal measures to encourage job mobility
Designing an education system for LX Pantos targeting employees of all ranks and positions	Offering specialized job competency development training tailored to business units and job roles	Providing education courses for employees wishing to transition to different job roles

Global Leadership Education

LX Pantos operates regular education courses for employees dispatched to overseas corporations in three stages: pre-assignment, during assignment, and post-assignment, as a part of the Global Human Resource Development (GHRD[1]).

1) GHRD: Global Human Resource Development

Category		Unit
Pre-Assignment	Assignment preparation	• Education covering the entire management area, including finance, personnel, and labor management
During Assignment	Overseas corporation heads' competencies	• Biannual online education
	Leadership while dispatched	• Online education for employees dispatched requiring local team leader roles • Annual provision of leadership seminars tailored to areas, aligned with the expatriate's tenure of 4 years.
Post-Assignment	Returning expatriates	• Onboarding support upon return to Korea after expatriate service • Education conducted according to the leadership roadmap to enable returning expatriates to complete all four leadership modules

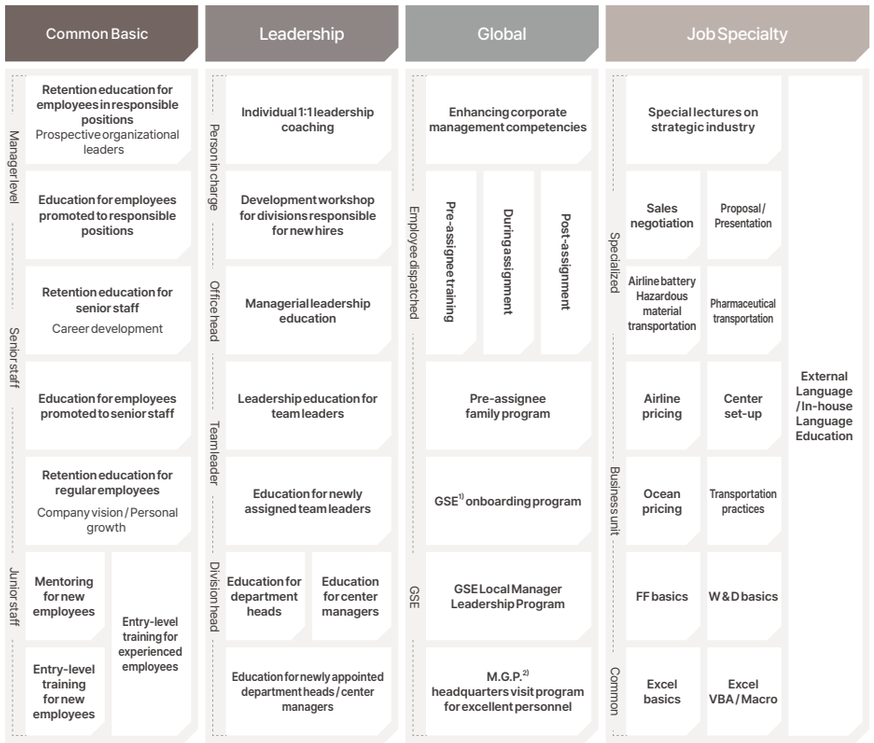
Advancement of Human Resource Management System

We have put in place a new HR integrated management portal, SINGLEX HR, to integrate and manage personnel data for domestic and overseas corporations. Moreover, we are flexibly responding to HR trends by creating a system environment that enables individual needs identification, customized development plan establishment, and provision of Career Paths to maximize individual talent management.

Talent Development System

We encourage our employees' self-directed learning and supports competency development. Employees can create personalized career development plans and choose education programs accordingly. All employees have the opportunity to attend various external training programs based on their job competency development needs, and we foster a culture where all employees can engage in continuous learning through language education support systems.

LX Pantos Education System



1) GSE: Global Service Employee
2) M.G.P.: My Great Pantos , New employee training

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Human Resource Management

Strategy

Talent Development Program

Enhancement of Specialized Job Skills

We provide specialized job skills development training tailored to each business unit and position to cultivate professionals capable of generating tangible results. These specialized training programs are open to all employees, allowing not only for the enhancement of expertise but also for career transitions by enabling employees to take courses in other areas of interest. Additionally, we offer special lectures on strategic industry to ensure that all employees can learn logistics trends aligned with business strategies.

Training for Locally Hired Employees

LX Pantos provides 'GSE[1)] Onboarding Training' for locally hired employees, offering an understanding of the company's vision, goals, Korean culture, and other aspects through online courses. Additionally, we conduct 'GSE local manager leadership' training to enhance the leadership skills of local hiring managers. For key personnel among locally hired employees, we operate training programs aimed at strengthening networking between the Headquarters and overseas corporations and fostering loyalty through invitations to Korea.

1) GSE: Global Service Employee

Global Talent Development and Family Support

We support the training for employees dispatched to overseas corporations and excellent global talent to expand its overseas operations. We also assist employees dispatched to overseas corporations with their enhancement of management skills and change control capabilities of and improve global competence through local cultural and language education. For spouses of personnel before overseas assignment, we operate the 'Overseas Resident Family Program,' providing language education support and consulting on local adaptation and children's education to support early settlement in the assignment location.

Online Training Support

We support the development of LX Group employees' capabilities through LX Academy, an online education platform where various contents such as foreign languages, job-related education, and leadership training are available. With approximately 3,000 courses offered, we foster a culture of voluntary learning, allowing employees to learn anytime, anywhere.

Efficiency Improvement through Training

We continuously offer 'Back Office Automation' and 'VBA Coding Basics' to all members to support business automation driven by the field. Additionally, we provide basic training on business automation both online and offline to support work efficiency and implement smart work practices, aiming to enhance members' digital work capabilities.

Excel Macro & VBA Coding Education

- 5 sessions in 2023, with 80 hours, completed by 135 participants
- Training satisfaction rating: 4.89 out of 5

Business Automation Education

- 76 participants completed offline training, while 120 completed online training
- 178 processes developed through education
- Approximately 19,000 hours saved through developed processes
- Processes developed are utilized in Headquarters, and overseas corporations in Europe and China

Human Rights Education

We offer a range of human rights education programs for employees, aiming to foster a culture of respect for human rights within our organization. We conduct sessions to raise employee awareness on various issues, including disability awareness, preventing sexual harassment, enhancing gender sensitivity, and preventing workplace bullying. Additionally, our training program for newly appointed team leaders includes education on workplace harassment prevention. We also hold regular sessions on harassment prevention for employees traveling abroad.

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Human Resource Management

Strategy

Work-Life Balance Support

Improving Way of Work

LX Pantos has established various systems to improve employees' working methods with the goal of creating a 'joyful organization' where everyone wants to be a part of. We have initiated campaigns to improve reporting and meeting cultures, eliminating factors causing work inefficiency, and enhancing work engagement. In addition, we have implemented a flexible working hour system, allowing employees to choose their working hours freely, and have introduced a PC shutdown policy to promote adherence to appropriate working hours. Furthermore, we operate programs such as casual dress code days, family days, and days without managerial oversight to foster a joyful organizational culture where employees can immerse themselves in their work.





Support for Retiring Employees

We offer the 'Career Design Education for Tomorrow' program once a year to employees approaching retirement. This program supports their preparation for career transitions after retirement. Through detailed programs such as raising awareness of retirement and change, self-assessment and exploration, formulation of coping strategies for future prospects, and setting career goals, we support the design of post-retirement career paths based on life priorities.

On top of that, we prioritize employment stability by actively avoiding forced restructuring or layoffs. The primary reason for non-voluntary retirement at LX Pantos is reaching the retirement age, and we have been implementing a wage peak system starting three years before the retirement age to guide employees in preparing for retirement.

Improved Working Environment

We operate various welfare and childcare systems not only for employees but also for their families, with a focus on improving the working environment and ensuring that employees' families can also benefit.

Activities to Address Workplace Stress and Psychological Well-being

- Operating 'THE Chaeum' psychological counseling room providing psychological tests and counseling programs for employees and their families (spouses, children)
- Operating a separate relaxation space called 'Healing Room'
- Employing visually impaired massage therapists to provide massages for employees through the 'Health Keeper' program.

Compensation for Additional Working Hours

Family-friendly Programs (FFP)

- Operating 'Family Day,' allowing employees to leave work one hour early once a month.
- Operating an on-site childcare center
- Introducing automatic childcare leave system
- Expanding family care leave

Activities for Flexible Working

- Implementing flexible working hours
- Introducing telecommuting









OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Human Resource Management

Strategy

Our Welfare Programs

LX Pantos provides various welfare programs and facilities categorized under themes such as Life Care, Refresh Care, and Health Care to create a corporate culture that respects mutual growth of individuals and company development through maintaining a balance between work and personal life.

Life Care

Activity	Activity details
Optional Welfare Points	• Providing LG Life Care points to support free selection of welfare programs
Lunch Subsidy	• Supporting lunch subsidies
Family Event Support	• Offering subsidies for various family events as a gesture of celebration or condolence • Providing funeral staff and condolence services • Supporting accident-related condolence payments
Childcare Support	• Maternity leave / childcare leave (including for male employees) • Operating an in-house childcare center
Employee Housing Fund Support	• Offering assistance for housing rental or purchase costs for employees without their own homes
Housing Assistance for Non-Resident Workers	• Supporting housing expenses when relocating to the non-resident workplace
Support for Children's Education Expenses (Middle / High / University)	• Supporting the educational expenses of children attending middle school, high school, or university
Communication Expense Support	• Supporting mobile phone bill expenses
Housing Support for Newly Recruited Talent	• Supporting housing for talent recruited through policy initiatives
Support for Commuting Buses and Commercial Vehicles	• Operating commuting buses • Providing operation and maintenance support for commercial vehicles
Domestic Relocation Expenses Support	• Supporting relocation expenses when moving to other regions for work
Happiness Care Services	• Gift-giving for events such as childbirth, birthdays, college entrance exams, and hospitalization as a gesture of congratulations or condolence
Support for Language Education Expenses	• Supporting 50% of language education expenses

Refresh Care

Activity	Activity details
Refresh Leave	• Offering additional leave beyond annual leave • Providing long-term service rewards
Utilization of Recreation Facilities	• Allowing the use of company-owned recreation facilities
Support for Informal Groups	• Supporting informal groups formed by employees themselves
In-house Cafe and Breakfast Service	• Operating an in-house cafe • Providing breakfast and snacks
Operation of Counseling Room	• Providing counseling services (work-related stress, personal counseling, etc.) • Offering team building programs such as 'Our Precious Team'

Health Care

Activity	Activity details
Employee / Family Medical Expense Support	• Supporting medical expenses to reduce the burden on employees and their families
Employee / Family Health Check-up Support	• Supporting comprehensive health check-ups for employees and their families to promote health
Special Care Services for Pregnant Women	• Providing maternity protection rooms • Providing congratulatory gifts for pregnancy and childbirth • Permitting time off for prenatal examination • Providing ID card necklaces for pregnant women • Providing reduced working hours for pregnant women
Group Accident Insurance Enrollment	• Enrollment in group accident insurance for employees
In-house Healthcare Services	• Offering massage chairs, health keepers, etc.
Operation of Fitness Center	• Operating an in-house fitness center

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Human Resource Management

Strategy

Fostering Internal Communication Culture

Communication with CEO and the Management

LX Pantos actively creates a culture of direct communication, with the CEO and the management engaging in direct communication activities. To share the company's values and vision for growth with all employees, various forms of CEO messages are regularly communicated to employees throughout the organization. Additionally, town hall meetings, in which all employees participate on a divisional basis, are held to share business updates, achievements, and key messages from the management in a horizontal manner.

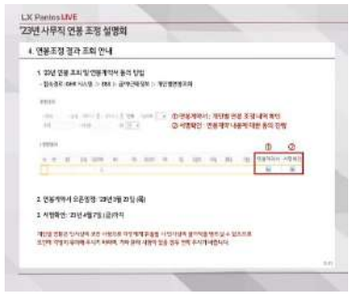




Company-wide Briefing

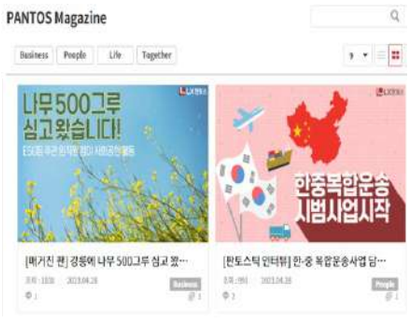
We conduct real-time briefings on HR policies, wages, and performance-related pay. These briefings promptly address topics of interest to all employees. Employees can watch the briefings and participate in Q&A sessions through comments, ensuring transparent communication.





Information Dissemination and Communication Channels

We share various information related to the company, including major domestic and international news and organizational introductions, through 'Pantos Magazine' and 'Pantos News' with employees and external stakeholders. Pantos Magazine also serves as a platform for interactive content, allowing domestic and overseas employees to directly participate and communicate. Besides, Pantos News delivers news on logistics competitiveness, such as the introduction of AI and agreements on Sustainable Aviation Fuel (SAF).





Employee Family Invitation Event

We organize a family month event once a year under the auspices of the Junior Board. The purpose is to foster a sense of belonging among our members. In 2023, a total of 30 families, consisting of 105 members of employees' families, participated in the family invitation event. The participant satisfaction rating for the event was recorded at 4.5 out of 5 points.







OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com

Human Resource Management

Risk Management

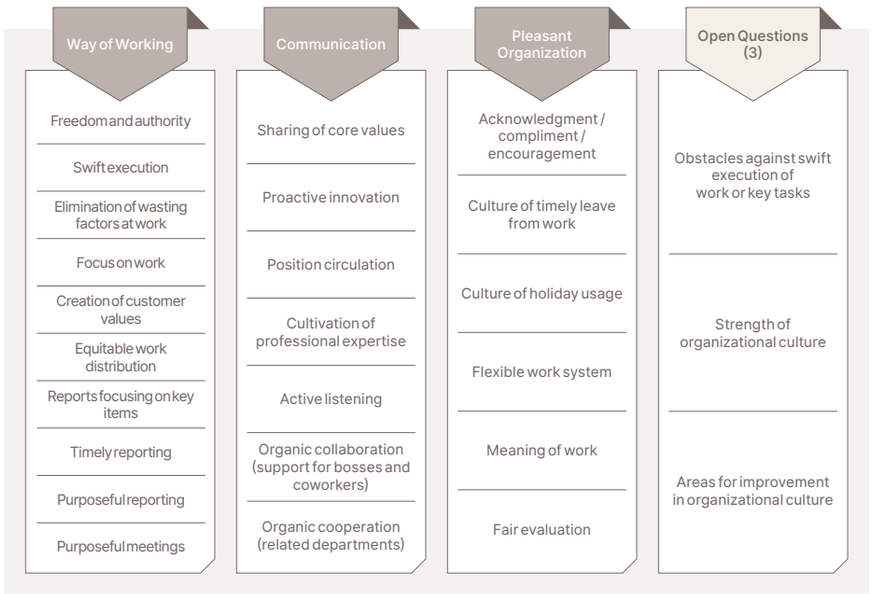
Organizational Culture Management

Leadership Survey

Annually, we conduct a leadership survey targeting domestic office and team leaders, division and center heads, and overseas corporate presidents, aiming to articulate the vision and strategy essential for leadership, create performance, nurture talent, cultivate organizational culture, and identify areas of leadership strength and potential enhancement. We adopted a 360-degree multifaceted evaluation approach, integrating self-assessment, reviews of bosses, peers, and subordinates, to promote the growth of a healthy leadership dynamic within our organization.

Survey on Domestic and Overseas Organizational Culture

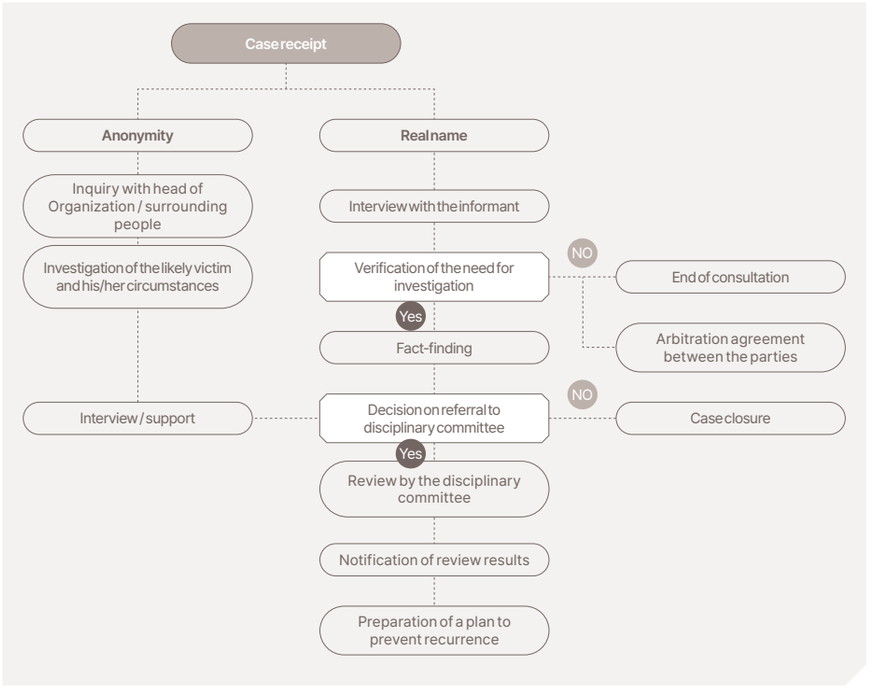
We carry out an organizational culture survey each year targeting our business sites located in major domestic and overseas regions, such as Poland, Indonesia, China, Mexico, and others. Through the survey, we aim to observe organizational trends, develop action plans, and produce team-specific reports to aid in the recognition and improvement of issues. We distribute the survey results throughout the company to lay the foundation for all members to comprehend the current state and engage in the management of effective changes.



Human Rights Risk Management

LX Pantos upholds the human rights of all stakeholders, including the workers within our supply chain, maintaining a workplace devoid of inhumane treatment, such as sexual harassment, abuse, and any form of coercion. With an aim to proactively address potential human rights risks in our operations, we have operated an independent center dedicated to the reception, investigation, and resolution of issues contravening labor laws, with clearly identified personnel responsible for management. In the case of any human rights issue, it can be reported confidentially via both online and offline channels. The case will undergo a thorough investigation by the designated organizational officer, considering the context of the alleged victim and associated parties. Confidentiality is guaranteed throughout the process. We take diligent steps to prevent secondary harm, including confidentiality agreements from those under scrutiny if necessary. Moreover, we are actively developing measures to avert the recurrence of any incidents that have been resolved.

Grievance Handling Process



OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Human Resource Management

Metrics and Targets

Performance and Data on Human Resource Management

Employee Status and Diversity

Category			Unit	2021	2022	2023
Age	Under 30		Person	294	283	241
	30-49		Person	1,466	1,572	1,580
	50 or above		Person	147	157	179
	Total		Person	1,907	2,012	2,000
Employment type	Regular position	Male	Person	1,361	1,419	1,406
		Female	Person	494	546	555
		Total	Person	1,855	1,965	1,961
	Non-regular position	Male	Person	27	23	22
		Female	Person	25	24	17
		Total	Person	52	47	39
	Non-regular ratio	Male	%	2	2	2
		Female	%	5	4	3
		Total	%	3	2	2
	Workers outside of an organization (indirect employment)[1]		Person	2,080	2,607	2,832
Gender	Male		Person	1,388	1,442	1,428
	Female		Person	519	570	572
	Total		Person	1,907	2,012	2,000
Disabled	No. of disabled employees		Person	13	13	12
	Ratio of disabled employees		%	0.6	0.7	0.6
	Ratio of disabled employees in executive or higher positions[2] of all organizations		%	0.0	0.0	0.0
	Ratio of disabled employees in manager positions[3] of all organizations		%	1.3	1.1	1.1
Patriots and veterans	No. of patriot and veteran employees		Person	25	28	24
	Ratio of patriot and veteran employees		%	1.3	1.4	1.2
Foreigners	No. of foreigner employees		Person	9	10	11
	Ratio of foreigner employees		%	0.5	0.5	0.6

1) Workers outside of an organization: This category includes individuals who are not part of the employees, such as those engaged through dispatch, service, or subcontracting arrangements, as defined under Article 4 (1) 4 of the Enforcement Rules of the Framework Act on Employment Policy
2) These positions include CEO, CFO, CHO, and others holding equivalent or higher positions
3) Part leader and above

Female Employees

Category		Unit	2021	2022	2023
Women in manager position[1]		Person	20	28	21
Women in executive position		Person	0	0	0
Women newly hired		Person	99	84	45
Total		Person	519	570	572
Ratio of women in the entire organization		%	27.2	28.3	28.6
Ratio of women in top executive level[2] in the entire organization		%	0.0	0.0	0.0
Ratio of women in manager level[1] in the entire organization		%	8.5	10.0	8.0
Employee gender pay gap	Average total hourly wage for men (a)	KRW	26,540	28,174	29,351
	Average total hourly wage for women (b)	KRW	21,948	23,720	25,644
	Average total hourly wage for women compared to average total hourly wage for men (a/b)	%	82.7	84.2	87.4

1) Part leader and above
2) These positions include CEO, CFO, CTO, and others holding equivalent or higher positions

Regular Performance Evaluation and Career Development

Category			Unit	2021	2022	2023
Employees undergoing regular performance and career development evaluations[1]	Total no. of employees		Person	1,907	2,012	2,000
	No. of employees undergoing evaluations		Person	1,659	1,750	1,818
	Ratio of employees undergoing evaluations[1]		%	87.0	87.0	90.9
Ratio of employees subject to regular performance evaluations and career development reviews	Gender ratio	Male	Person	1,241	1,271	1,322
		Female	Person	418	479	496
	Employee type	Office job	Person	1,545	1,641	1,717
		Technical job	Person	114	109	101

1) Evaluation Criteria: Based on domestic personnel, and personnel calculation according to internal evaluation criteria
2) Exclusions from Evaluation according to Internal Criteria: Employees hired after July 2nd of the current year, those at manager level or above, employees on leave exceeding 180 days (including maternity leave), and short-term contract workers are excluded

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Human Resource Management

Metrics and Targets

Employee Recruitment and Turnover

Category			Unit	2021	2022	2023[1]
Recruitment	New hires	Full-time worker	Person	75	46	25
		Contract worker	Person			1
	Experienced employees	Full-time worker	Person	203	241	90
		Contract worker	Person			13
	Total	Full-time worker	Person	278	287	115
		Contract worker	Person			14
Gender	Male	Full-time worker	Person	179	203	81
		Contract worker	Person			3
	Female	Full-time worker	Person	99	84	34
		Contract worker	Person			11
Age	20s	Full-time worker	Person	125	96	51
		Contract worker	Person			4
	30s	Full-time worker	Person	114	154	52
		Contract worker	Person			5
	40s	Full-time worker	Person	35	31	11
		Contract worker	Person			2
	50s or above	Full-time worker	Person	4	6	1
		Contract worker	Person			3
Retirement	Retirement rate[2]		%	5.8	7.3	5.1
	Voluntary retirement rate[3]		%	5.5	5.8	4.3
Average length of service			Year	9.0	8.8	8.6

1) Data collected separately for full-time and contract workers from 2023
2) Total retirement rate including involuntary retirement (retirement at full age, transfer to affiliates, etc.)
3) Retirement rate due to individual voluntary will

Renumeration and Compensation System

Category			Unit	2021	2022	2023
Wage of new hires[1]	Legal minimum wage		KRW	23,648,640	24,841,920	26,089,440
	Starting salary of male employees (bachelor's degree)[3]		KRW	42,012,000	43,008,000	44,004,000
	Starting salary of male employees (associate degree)[3]		KRW	31,008,000	34,008,000	35,004,000
	Starting salary of female employees (bachelor's degree)[3]		KRW	42,012,000	43,008,000	44,004,000
	Starting salary of female employees (associate degree)[3]		KRW	31,008,000	34,008,000	35,004,000
	Ratio of starting salary for female employees compared to male employees (bachelor's degree)		%	100	100	100
	Ratio of starting salary for female employees compared to male employees (associate degree)		%	100	100	100
Average wage[2]	Executives		KRW	317,843,820	311,313,400	322,615,850
	Employees	Male	KRW	55,355,330	59,093,310	61,218,770
		Female	KRW	45,776,560	51,647,650	53,485,130
		Female employee wage ratio compared to male employee	%	83	87	87
Defined benefit (DB) retirement pension	No. of subscribers		Person	1,741	1,852	1,965
Defined contribution (DC) retirement pension	No. of subscribers		Person	17	19	40

1) The wage of new hires is based on the standard base salary (contractual annual salary) set for a bachelor's degree holder
2) It refers to the average value of wages, calculated solely on the basis of the standard base salary (contractual annual salary)
3) Based on total domestic employees

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Human Resource Management

Metrics and Targets

Employee Training[1]

Category	Unit	2021	2022	2023
Total no. of employees participating in training	Person	1,907	2,012	2,000
Total training hours	Hour	48,397	56,276	80,484
Total training costs	KRW	590,337,330	1,044,694,227	1,329,239,744
Average training hours for employees	Hour	25.38	27.97	40.24
Average training costs for employees	KRW	309,563	519,232	664,620

1) Training target: The number of training target is set each year according to internal standards

Human Rights Training for Employees[1]

Category	Unit	2021	2022	2023
No. of people completing regular sexual harassment prevention training	Person	1,972	1,961	1,967
No. of people completing disabled awareness improvement training	Person	1,984	1,998	1,939
No. of people completing workplace bullying prevention training[2]	Hour	-	-	3,610
No. of people completing sexual harassment prevention training (for overseas business travelers)[3]	Person	-	205	355
No. of people completing understanding other cultures training (for prospective expatriates)	Hour	154	140	175
No. of people completing understanding Korean culture training (for locally hired employees)[4]	Hour	-	-	228

1) Training target: Employees at all levels at domestic business sites, Calculations are conducted each year according to internal standards.
2) Workplace bullying prevention training has been provided since 2023
3) Sexual harassment prevention training for overseas business travelers is a separate training in addition to the regular legally mandated training. The additional training has been provided since July 2022
4) Training on understanding Korean culture was initiated from 2023

Childcare Leave Usage

Category		Unit	2021	2022	2023
Childcare leave users	Female	Person	30	35	36
	Male	Person	10	11	10
	Total	Person	40	46	46
Persons (scheduled) to be returned from childcare leave[1]	Female	Person	28	35	34
	Male	Person	10	10	9
	Total[2]	Person	38	45	43
	Return rate[3]	%	95	98	93
Retention rate for one year or more after returning from childcare leave[5]	Female	Person	6	1	-
	Male	Person	1	4	-
	Total	Person	7	5	-
	Retention rate[4]	%	81.6	100	-

1) Calculation based on the initiating day of the leave during the year
2) No. of people taking parental leave who have returned or are scheduled to return during the year
3) Ratio of persons returned (scheduled to return) from parental leave / Persons during parental leave
4) Ratio of (Those who returned - Those who left after less than 1 year of employment) / Persons during parental leave
5) For those returned in 2023, tracking is required until 2024

Guaranteed Collective Bargaining

Category	Unit	2021	2022	2023
Labor union (Labor-Management Council, Safety and Health Committee), worker council, or other representative organization recognized by the company for collective bargaining	%	0.4	0.4	0.4

Certifications Regarding Labor or Human Rights Management

Category	Unit	2021	2022	2023[1]
Ratio of workplaces certified to ISO 45001 or other labor or human rights management standards	%	-	-	6.7

1) Calculation of certification holding ratio conducted from 2023

Child Labor and Forced Labor

Category	Unit	2021	2022	2023
No. of child labor or forced labor incidents	Case	0	0	0

Employee Satisfaction Survey[1]

Category		Unit	2021	2022	2023[1]
Total no. of employees		Person	-	-	1,893
Response rate		%	-	-	76.0
Overall score		Point	-	-	79.7
Survey Topics and Ratings	Way of working	Point	-	-	79.6
	Communication	Point	-	-	79.2
	Pleasant organization	Point	-	-	80.4

1) The employee satisfaction survey has been conducted since 2023

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

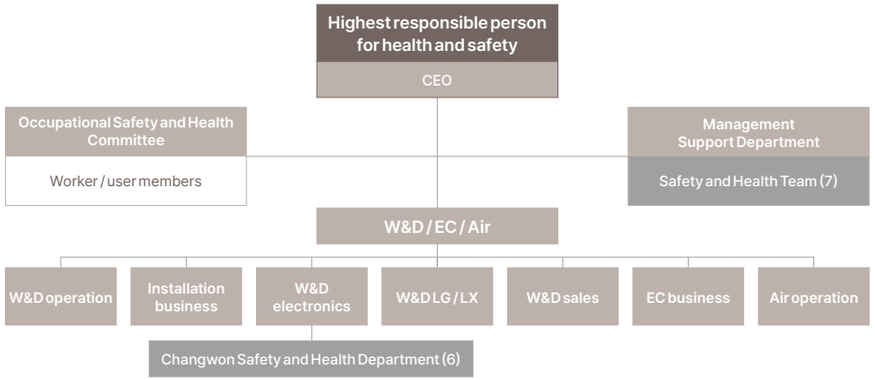
Safety and Health

Governance

Safety Management Organizations

LX Pantos has organized a dedicated safety management organization system to manage safety and health activities throughout our business sites, supporting safety initiatives within related business departments. For overseas operations, we appoint a dedicated safety manager for each key region (USA, China, Europe, Mexico, and Asia) who is in charge of bolstering regional safety and health, which includes the creation and dissemination of monthly safety training resources. In the event of a serious safety or health incident within any workplace, our CEO is promptly informed through a reporting channel, ensuring swift remedial actions. Furthermore, the Occupational Safety and Health Committee actively engages in control and enhancement of our safety and health on a regular basis.

Organizational Structure for Safety Management



Appointment of the Persons Responsible for Safety and Health

Category	Headquarters	Business sites
Company-wide safety and health officer	Overall supervision: Management Support Office Responsible organization: Safety and Health Team, W&D Safety and Support Division	
(Chief) safety and health officer	Safety and Health Team leader	7 people in total (7 business sites)
Safety officer	-	50 people in total (including 17 delegated people)
Safety and health manager	2 safety managers / 1 health manager	1 safety manager and 9 business sites for outsourced management
Supervisor	2 people	94 people

Occupational Safety and Health Committee

With an aim to address and resolve critical issues in regard to the safety and health of employees and all workers across all our business sites, we established an Occupational Safety and Health Committee. This committee is structured in compliance with the Occupational Safety and Health Act, comprising 10 members from both employer (user) and employee (worker) sides. The worker representatives, elected by the workforce, actively contribute to safety and health discussions, offering insights and opinions during the quarterly meetings, endorsing the company's safety-related decisions.



User committee members (5 people):
CEO, head of Management Support Office, safety and health officer, safety manager, and health manager

Worker committee members (5 people)
1 worker representative,
4 worker members

Workplace Safety Meeting

In order to fortify our safety management and preventive measures, we conduct workplace safety meetings jointly participated by employees and partner companies. At the meetings, we guide critical industrial safety and health matters and review on inspections. Our efforts to enhance our partner companies' safety capabilities are ongoing, sharing and exchanging updates on the Serious Accident Punishment Act, evaluations of safety inspections, and opinions regarding safety and health.



Safety Organization Meeting

We hold safety organization meetings on a regular basis joined by Safety and Health Team, a dedicated safety and health organization, Changwon Safety and Health Division, and safety management departments of each division. Through the meeting we share major performance and status, work plans for the next year. We promote a culture of creating a safe workplace by identifying areas for improvement within our business sites.



OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Safety and Health

Strategy

Safety and Health Management System

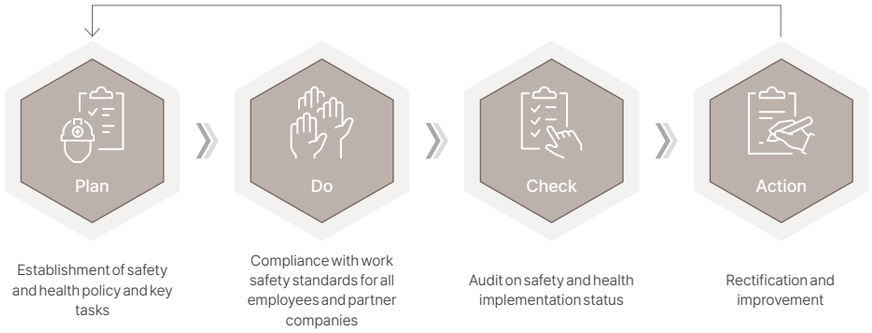
Policy and Goal for Safety and Health Management

We uphold the fundamental principles of safety and health as the cornerstone of our business operations, ensuring the prevention of industrial accidents and fostering a sustainable work environment on the foundation of legal compliance and systematic management. Besides, we deliver value to our customers by striving for 'zero serious accidents,' ingraining safety and health practices into our culture, and securing the safety expertise of our partner companies.



Safety and Health Management Process

We operate a safety and health management process that aligns with the PDCA (Plan-Do-Check-Act) cycle on the basis of the Safety and Health Management System (ISO 45001).



Category	Major tasks	Responsible body
Plan	**Management of company-wide safety and health** • Operation of safety management regulations and performance evaluation systems • Workplace diagnosis and performance management • Responding to Safety Compliance	Safety and Health Team
Do	**Workplace safety activities** • Legally mandatory safety training (regular, new, special training) • Emergency drills • Risk assessment of each process • Joint safety inspection and council meetings	Safety manager in each business division
Check	**Diagnosis of safety and health status of workplaces** • Compliance status of safety regulations • Violations of safety compliance, etc.	Safety and Health Team
Action	**Improvement of unconformities and risks** • Additional installation of safety facilities • Eradication of hazard factors	ALL

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Safety and Health

Strategy

Safety and Health Management Activities

Employee health and safety-related activities

We put the health and safety of our employees above all else, persistently advancing our efforts to monitor and manage safety-related accidents. Our proactive approach aims to minimize safety-related accidents. As a result of these diligent endeavors, we have maintained a record of 'zero' safety and serious accidents for two consecutive years, achieving an industrial accident frequency that is notably below the industry average.



Special Management of Three Key Accident Types

Accident type	Activity	Details
Fall	Intensive inspection of air conditioner installers working at heights	• Conducted 1,397 safety inspections at air conditioner outdoor unit installation sites • Provided immediate guidance to installers to ensure compliance with protective gear requirements
Hit	Prevention of collision accidents in forklift mixed operations	• Initiated the production and distribution of safety signs to prevent forklift collision accidents (647 signs) • Identified and enhanced 140 risk factors in areas with mixed forklift traffic (61 facility enhancements, 23 equipment investments, 12 signal placements)
Stuck	Safety inspection to prevent conveyor jamming accidents	• Completed a thorough survey of 22 conveyors across 12 business sites • Identified and rectified 7 nonconformities (installation of emergency stop signs and securing of protective covers)

Safety and Health Training

We regularly offer safety and health education tailored for new hires, workers with special employment type, as well as safety and health management personnel and supervisors. In addition, we extend regular and specialized safety training to approximately 90 partner companies. Engagement is encouraged by tracking training completion rates via quarterly joint inspections and regular assessments.

Training	Frequency	Category	Participants			
			1Q	2Q	3Q	4Q
HQ regular training	Quarterly	Online training	1,280	1,305	1,300	1,358
		Collective training (CPR, VR)	107	84	110	77
Workplace regular training	Monthly	Safety and Health Day	505			
Training for the persons in charge	Biennially	Safety and health manager	94			
	Annually	Risk assessment	5			
CPR training	Ongoing	Experienced employees, new hires, promoted employees, new team leaders, expatriate employees, etc.	729			

Emergency Response Drill

We conduct emergency response drill biannually and have developed a manual addressing industrial disasters, including collisions, falls, earthquake evacuations, storms, floods, hazardous chemical leaks, and fires. Compliance with the manual is regularly verified to enhance our response capabilities to hazardous situations. Additionally, each workplace formulates an emergency response training plan and executes the necessary drills, while our Safety and Health Team at the Headquarters assesses the workplace emergency manuals and the performance of the training conducted.

Hazardous Materials and Safety Equipment Control

With an objective of preventing safety incidents from hazardous substances, we put in place a chemical material and safety equipment management system at all operational sites. We stringently regulate the handling, storage, and oversight of hazardous materials involved in the loading and unloading processes. Through the regular execution of safety audits for workplace equipment, we maintain a secure and healthy work environment.

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Safety and Health

Strategy

Safety Management of Our Partner Companies

We expand our management scope of safety and health beyond our employees to include our partner companies. Capitalizing on safety management evaluations, we facilitate the rectification of deficiencies and bolster safety management proficiency by recognizing and rewarding outstanding partner companies. Moreover, we proactively address potential safety hazards by engaging in discussions on safety matters with our partners during meetings.

Category	Activity details
Award for partners with excellent workplace safety management	• Selected outstanding partner companies following the annual workplace safety management evaluation • Conducted assessments of the management status for industrial, fire, and electrical safety at business sites • Fostered motivation for safety management via a reward system • Awards in 2023: Awarded gift certificates valued at KRW 1 million to workers of the partner companies
Award for air conditioner partner companies with excellent safety management	• Checked whether protective gear is worn while working • Selected excellent partners on a monthly basis, reflecting safety work and other factors • Awards in 2023:

Reward period	Apr.	May.	Jun.	Jul.	Aug.
No. of partner companies rewarded	8	10	9	11	8
Reward amount (Unit: KRW 1,000)	10,500	10,500	10,350	10,450	10,400

Safety management setup support for new business partners	• Offered advice on safety and health management to 8 partner companies at new business sites to aid in the stabilization of the safety sector • Instructed on the creation and maintenance of occupational safety and health-related documents • Disseminated key safety-related issues and schedules for safety and health activities • Provided on-site guidance and solicited improvement feedback at business locations
Provision of safety gear at workplaces	• Provided safety gear for partner companies at home appliance installation sites - 5,003 lightweight safety hats, 345 ventilated safety hats • Distributed safety equipment sets for air conditioner installers - 3,800 safety equipment sets (hard hat, seat belt, and safety bag)
Workplace safety meeting	• Informed significant safety and health issues • Reviewed safety inspection • Collected stakeholder opinions on safety and health topics

Health Support for Employees

To bolster the health management of our employees, we provide annual comprehensive health examinations for our employees and their spouses. We strive to ensure a secure working environment by maintaining a medical room staffed with healthcare professionals and equipping each office floor with a defibrillator for emergency situations.

CPR & AED training

- All collective training includes cardiopulmonary resuscitation (CPR) and automated external defibrillator (AED) practices
- A total of 866 people, equivalent to 43% of domestic employees, completed training in 2023



Appointment of 'Golden Time Keeper'

- A 'golden time keeper' is selected after taking an in-depth training course among those with excellent CPR training
- In the event of a cardiac arrest patent within the Headquarters, CPR is performed immediately to secure golden time (4 minutes)



Air Ambulence Operation

- In the event of medical or security risks, such as physical and mental illness or security risks, we promptly ensure the safety of employees dispatched overseas
- Target: expatriates, overseas business travelers, Korean ISE

Investigation of Harmful Factors for Musculoskeletal System

- Survey targeted 530 employees at the workplace
- As a result of the investigation, 49 harmful factors were identified, and we completed addressing those through improvement measures (36 in the office, 13 in the field)

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Safety and Health

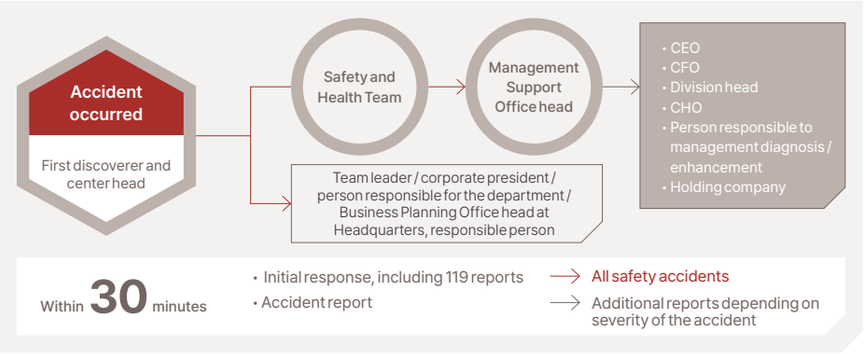
Risk Management

Safety and Health Risk Management

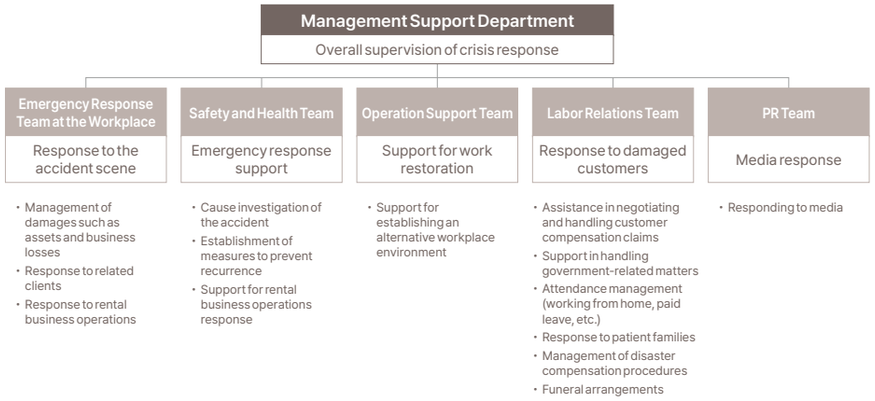
Safety Accident Response Process

In the event of a safety-related incident at LX Pantos, the individual who first discovers it, or any employee who becomes aware of it, is responsible for reporting the incident details through our accident reporting system. Following the initial report, the Management Support Office head coordinates a systematic response, which includes further reporting and, depending on the accident's severity, the activation of a crisis response organization. Safety and health management protocols are consistently applied and upheld across all business sites, both domestic and international, as well as at partner companies, ensuring a standardized approach to handling safety incidents and industrial accidents.

Reporting System in Case of Safety Accident



Organizational Structure for Crisis Response



Workplace Risk Assessment

We proactively mitigate serious accidents and legal risks by engaging all employees in workplace risk assessments to identify and address hazardous factors. Based on these assessments, we take corrective actions and report the outcomes directly to the CEO. In our risk assessment in 2023, we identified 336 risks across 94 business sites, and we are actively addressing these by taking improvement measures.

Workplace Risk Assessment Process and Results

Training for risk assessment officers	• Online training conducted for 151 risk assessment officers (52 persons in charge of organizations, 99 management supervisors)
Self-assessment of risks	• Participation of all workers under the oversight of supervisors
Reporting on risk assessment (on-site investigation) results and reporting to CEO	• On-site inspection targeting all 94 business sites • Good: 86 sites, Inadequate: 8 sites
Improvement measures taken toward risks and the confirmation on improvement results	• 336 risk factors identified and improved successfully addressed
Establishment of management plans	• Confirmation of compliance through unannounced safety inspections • Reflection of risk assessment management items in the safety inspection checklist

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Safety and Health

Risk Management

Evaluation and Inspection for Workplace Risk Management

Category	Details
Risk assessment participated by all employees	• Verification of worker participation in risk assessment and adequacy of improvement measures for risk factors • Good: 86 business sites, Insufficient: 8 business sites - Shortcomings: Training and questionnaire preparation, etc. • 336 risk factors across all business sites identified and completed improvement
Safety management of our own ships	• Boarding inspection linked to the Serious Accident Punishment Act, Maritime Safety Act, and Ship Safety Act • A total of 21 non-conformities identified during boarding inspection in the first and second half of the year and completely improved
Biannual safety evaluation of workplaces the personnel responsible for safety and health	• Safety evaluation inspection of the workplace in the first and second half of the year (Based on a Checklist of 58 Items) • Awarded to those with excellent results - Personnel evaluation ratings raised for 5 outstanding employees - Rewards paid to 3 excellent workplaces (KRW 5 million in total)
Unannounced safety inspections at workplaces	• Random inspection of safety management status and member mindset • 478 nonconformities identified and improved through 124 inspections
Emergency response drill and evaluation	• Scenario-based emergency response drill biannually for all business sites • 193 emergency response drills conducted in 2023 (183 increased compared to the previous year)
Safety and Health Day	• Selecting the Safety and Health Day monthly at each business site and conducting industrial accident prevention activities - In-house activities (fire drills, 5S activities, self-inspection) - Regular Occupational Health and Safety Training - Safety and Health Council operation - Inspection by outsourced professional company

Metrics and Targets

Performance and Data on Safety and Health

Occupational Safety and Health Training

Category			Unit	2021	2022	2023
Regular safety training[1]	Training hour	Headquarters	Hour per quarter	-	3	3
		Business sites	Hour per quarter	6	6	6
	Training participants	Headquarters	Person	-	1,381	5,243
		Business sites	Person	604	599	2,020
Supervisor training	Training hour		Hour per year	16	16	16
	Training participants		Person	75	106	94

1) Regular safety training at Headquarters is calculated from 2022

Occupational Accident Status

Category		Unit	2021	2022	2023
Industrial accident rate[1]	Employees	%	0.06	0.02[3]	0.00
	Partner companies	%	0.04	0.09	0.59
Lost time incidents[2]	Employees	Case	4	0	0
	Partner companies	Case	3	7	17
Occupational casualties	No. of employee casualties	Case	0	0	0
	Ratio of employee casualties	%	0	0	0
	No. of partner company casualties	Case	0	0	0
	Ratio of partner company casualties	%	0	0	0
Occupational diseases	No. of occupational diseases occurred	Case	0	0	0
	Ratio of occupational diseases occurred	%	0	0	0

1) Calculation method for industrial accident rate: [Number of accidents / Number of workers] x 100
2) Number of lost time incidents: Due to injuries or fatalities caused by accidents
3) After the publication of the Sustainability Report 2023, there were incidents of post-publication reporting requiring data revision

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Information Security

Governance

Information Security Organizations

LX Pantos has established an Information Security Committee to oversee and supervise the management of information protection while formulating key policies and strategies for the company's security and data protection. On top of that, we have operated the Information Security Working Council, composed of the people in charge of data security, to facilitate regular discussions and coordination among people in charge in each department, resolve issues, and report the responses to security breaches.

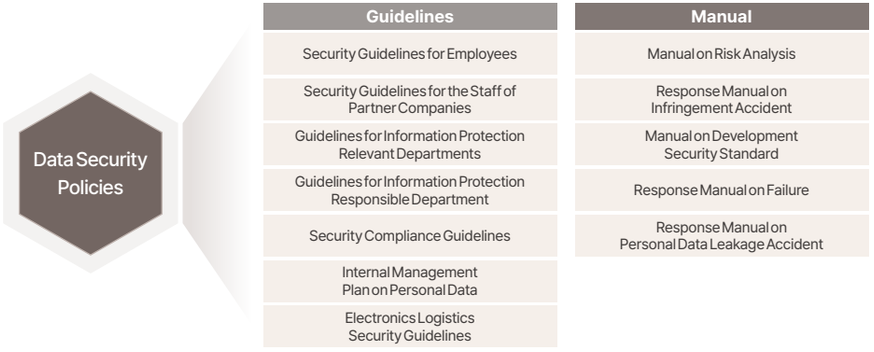
Organizational Structure for Information Security



Information Security Policy

We have developed our own information security policies in line with domestic laws to meticulously manage critical business assets, including information and customer personal data. This policy is supported by detailed security manuals and guidelines. Our security measures are reviewed and updated annually to remain current and effective. Moreover, we adhere to legally mandated data retention periods and have established manuals for the secure handling and disposal of third-party records and personal information. Our system includes thorough procedures for risk analysis, password management, development security, incident response, and addressing data breaches.

Our Information Security Policy



Strategy

Our Efforts for Information Security

We carry out data security activities in accordance with a globally recognized security framework. As of 2023, we maintain a record of zero violations against the Information Security Act and the Personal Information Protection Act, with no complaints or reports of personal information breaches.

- **Awareness training to prevent information security breaches**
  - Providing data protection training to all employees
  - Offering information protection training targeting new hires and experienced employees
- **A whistle-blowing procedure for stakeholders to report data security-related issues**
  - Operating the Ethics Hotline, a real-name / anonymous reporting system that allows reporting of data leaks and information security leaks
    : Reporting personal utilization or external leakage of intangible assets
    : Reporting channel: LX Ethics Hotline > Report corruption and corruption > Report (anonymous)
- **Information security risk assessment**
  - Detecting potential security risks in business operations and vulnerabilities in systems and infrastructure
  - Minimizing risks through addressing risks and vulnerabilities
- **Audit of control procedures to prevent information security violations**
  - Systematizing the management and oversight of outsourced personal information processing companies
  - Inspecting the status of personal information processing by assignees and taking follow-up measures
- **Incident Response Procedure (IRP) for the control of confidential data breaches**
  - Executing response procedures in line with internal guidelines, like the Response Manual on Infringement Accident, in the event of an information security breach or violation
- **A recode retention schedule set for the duration of data storage**

Category	Details	Duration of storage
Retention of personal information based on consent to collection	VOC related to LG Electronics product installation	1 year
	VOC related to logistics services	1 year
	Relocation installation service	1 year
Retention of personal information in accordance with relevant laws and regulations	Act on the Consumer Protection in Electronic Commerce	3 years or 5 years
	Protection of Communications Secrets Act	3 months

- **Measures to protect third party data from unauthorized access or disclosure**
  - Security monitoring and operation of security systems to detect/prevent external data breaches and apply internal data protection measures
- **Measures for gaining stakeholder consent regarding the processing, sharing and retention of confidential information**
  - Obtaining consent for the collection and utilization of personal information from customers or employees during the data gathering process
- **Other actions to ensure information security**
  - Annual renewal of insurance coverage to fulfill our responsibility for damage compensation as stipulated by Article 39-7 of the Personal Information Protection Act

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Information Security

Strategy

Information Security Activities

Information Security Training

We annually provide information security training for all employees across the company, aligning with the Personal Information Protection Act. Our comprehensive online training equally extends beyond our Headquarters to subsidiary employees, incorporating practical examples to enhance the training's impact and participant involvement. Going forward, we will continuously ingrain information security's significance through our dedication to training and management.

Security Certifications

We have obtained the globally esteemed automotive logistics security certification, TISAX to proactively adapt to the burgeoning electric vehicle market logistics and adhere to our customers' escalating security demands. Our strategy includes fortifying our security management framework and enhancing our competitive edge by adopting the Information Security Management System ISO 27001 certification (2013), together with our existing ISO 28000 certification (2010) for supply chain security management. Besides, we are committed to tightening our security management system and maintaining our market competitiveness through sustained investment in information security. Additionally, we aim to mitigate security risks by intensifying internal audits of our business operations and systems, keeping pace with internal environmental shifts.

Awareness Training to Prevent Information Security Breaches

Category	Details
Training target	• Total 2,015 people - 1,969 head office employees (full-time, contract) - 13 people at Busan Newport - 11 people at Hanultari - 11 people at Helistar Air - 11 dispatched workers
Training method	• Online training through LX Academy
Training content	• Personal information protection basics • Major amendments to the Credit Information Use and Protection Act and related laws • Safety measures for each step of processing personal information and credit information • Issues related to personal information security

Security Certifications Acquired

Certification	Details	Scope
Tisax 	• Automotive logistics security certification • Security level evaluation in terms of data protection management system, data protection measures, and prototype security specific to the automobile supply chain	Headquarters, Polish corporation office and warehouse
ISO 27001 	• ISO certification for information protection management system • Information protection management system	Headquarters, GC Incheon, GC West Incheon, Shihwa MTV, Indonesian subsidiary, Polish subsidiary, Dutch subsidiary
ISMS /ISMS-P 	• Korea Internet & Security Agency (KISA) information protection management system certification • Information protection and personal data security management system certification	ISMS: Express service ISMS-P: Relocation installation service
TAPA FSR 	• Transportation Asset Protection Association (TAPA) Facility Security Requirements (FSR) certification • Ensuring the continuous improvement of the effectiveness and efficiency of the security management system	Incheon Airport Logistics Center

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

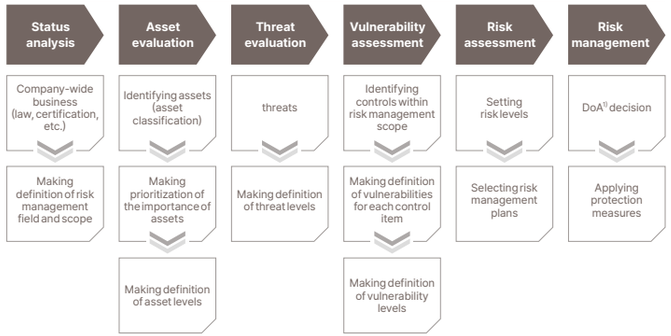
Information Security

Risk Management

Information Security Risk Management

LX Pantos carries out information security risk assessments, identifying and eliminating potential threats to our information assets through our systematic approach to managing these assets with ongoing risk management. Moreover, recognizing the specific demands of the logistics sector, we are elevating the security standards for consignees by auditing their personal data handling practices and implementing corrective actions for the personal data we collect.

Data Protection Risk Analysis

Category	Details
Purpose	• Systematic information asset management • Identification of potential hazards • Continuous risk management
Methodology	

1) Degree of Acceptance

Inspection of Personal Data Processing Status of Consignees and Follow-up Measures

Category	Details
Purpose	• Raising awareness of personal information protection at consignees and preventing personal data leakage accidents
Inspection target	• A total of 93 consignees • Companies entrusted with handling personal information of the company's customers and employees
Inspection method	• Verification of evidence and provision of guidelines for personal data protection compliance status • Inspection by type of personal information processing • Follow-up measures for deficient items
Follow-up measures	• Follow-up measures for non-compliant consignees (request for improvement and provision of guidelines)

Metrics and Targets

Performance and Data on Information Security

Investment in Data Security

Category	Unit	2021	2022	2023
Investment amount for information security	KRW	961,681,822	1,096,122,041	1,036,974,190

Violations Regarding Information Security

Category	Unit	2021	2022	2023
No. of information security accidents	Case	0	0	0
No. of violations of information security laws	Case	0	0	0
Total amount of fines caused by information security violations / accidents	KRW	0	0	0

Complaints Regarding Infringement of Customer Privacy or Personal Information

Category	Unit	2021	2022	2023
No. of complaints received from external parties and substantiated by the agency	Case	0	0	0
No. of complaints filed by regulatory agencies	Case	0	0	0

Certified Information Security Management System (ISMS)[1]

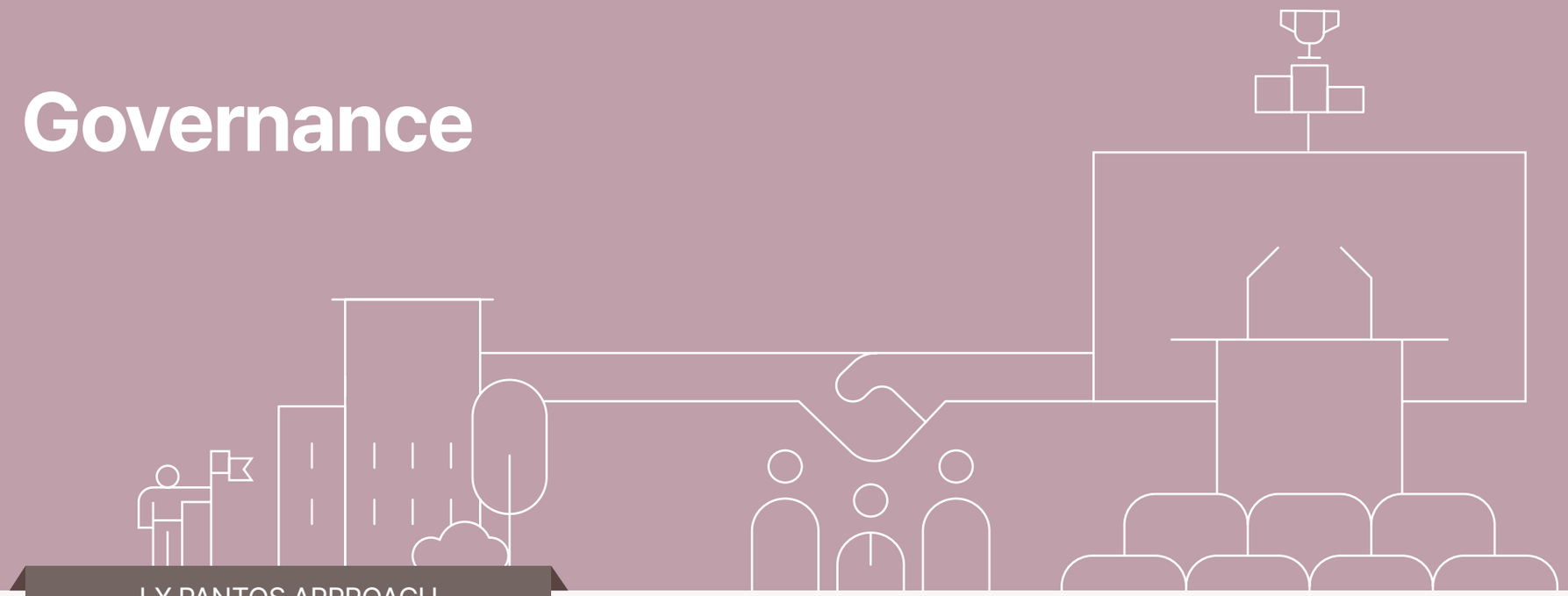
Category	Unit	2021	2022	2023
Ratio of ISMS certified business sites with ISO 27001	%	-	-	3.8
Ratio of ISMS certified business sites with ISO 28000	%	-	-	1.9

1) The ratio of business sites with certification was calculated from 2023

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Customer Value Management
Supply Chain Sustainability Management
Social Contribution
Human Resource Management
Safety and Health
Information Security
Governance
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Governance



LX PANTOS APPROACH

At LX Pantos, we place a strong emphasis on the independence, diversity, and expertise of our board, ensuring that there is no discrimination on the grounds of gender, religion, or political orientation. The Board of Directors is tasked with overseeing and deciding on pending management issues, and it convenes regular board meetings to make key decisions on management and other important affairs. Furthermore, the board aids its employees and suppliers in carrying out Jeong-do management, based on their pledge to uphold this practice. We will persistently strive to adhere to regulations and laws, thus fully embodying Jeong-do management.

Board of Directors 086
Jeong-Do Management 088

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Governance
Board of Directors
Jeong-Do Management
APPENDIX

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com

Board of Directors

Governance

Our Board of Directors

Pursuant to the Articles of Incorporation and pertinent laws, our Board of Directors consists of a total of five directors, which includes two inside directors and three non-executive directors. Directors are appointed through a comprehensive assessment that focuses on independence, diversity, and expertise. And we ensure that there is no discrimination in the appointment process on the ground of gender, race, religion, political orientation, and other cultural backgrounds. In accordance with Article 6 of the Regulation for Board of Directors Operation, our CEO assumes the role of Chairman of the board. Simultaneously, the CEO is entrusted to lead task implementation, which is not specified as matters driven by the board, meaning that the CEO also takes on the role of overseeing directors' performance. According to the Commercial Act, directors who have a special interest are not permitted to exercise their voting rights. Representing a wide range of stakeholders, the board supervises the pressing business agenda and makes resolutions on them. It also makes decisions on overarching matters, including those specified in the Articles of Incorporation, those entrusted by general shareholders' meetings, those related to our fundamental management policies, and those regarding task implementation.

Board Composition (As of the end of 2023)

Name	Gender	Roles	Main Career	Tenure
Choi Won-hyok[1]	Male	CEO / Chairman[2]	CEO of LX Pantos	~Mar. 2024
Bae Su-han	Male	Inside director	CEO 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[3]	Female	Non-executive director	Head of Investment Banking, Mirae Asset Securities	~Mar. 2026

1) Lee Yong-ho was appointed as the new CEO in March 2024, succeeding Choi Won-hyok
2) The CEO also serves as the Chairman, leveraging their deep understanding of the organization and efficient decision-making skills
3) In January 2024, Park Gwang-cheong took over the position of non-executive director from Kim Mi-jeong

Board Independence

To ensure the independence of the board, we have appointed three non-executive directors out of a total of five, thus constituting the majority. We empower the directors to freely set forth their opinions on all agenda items reported to the board, engage in discussions, and make their own decisions. Furthermore, in accordance with Article 398 of the Commercial Act and the Fair Trade Act, we strictly restrict trades between directors and the company, and also limit their voting rights when they have a special interest.

Strategy

Board Operation

According to the Articles of Incorporation and the Regulation for Board of Directors Operation, LX Pantos convenes regular board meetings to address key agenda items related to management and business. We ensure that our board operations meet the standards of listed companies, and we continually enhance the board's execution and supervisory functions. Article 10 of the Regulation for Board of Directors Operation stipulates that directors and auditors should be notified of the convocation one day before the meeting. However, we notify them of the meeting convocation at least six days in advance to allow sufficient time for reviewing agenda items. This is part of our commitment to enhancing the professionalism of the board. In addition to agenda discussions, we have also prepared social gatherings to bond with each other. The Legal and Compliance Support Team is responsible for supporting the board, striving to ensure the board operates in a lawful manner

• Seven board meetings convened in 2023, with the directors maintaining a 100% attendance rate

Board Convocation and Resolution

Board meetings are scheduled to be held once a quarter, but additional meetings can be convened as necessary. For a resolution to be passed, a majority of the directors must be present at the meeting and a majority of those present must vote in favor. Attendance through video conferencing is considered as in-person attendance. In 2023, seven meetings were held with full attendance from all directors, and all agenda items were unanimously approved by all directors.

Discussions on ESG Agenda Items

At LX Pantos, ESG-related agenda items are regularly reported to ensure proactive responses to expected or highly likely risks related to ESG management. Every January, the issue of 'occupational safety and health plans' is discussed at the regular board meeting while the issue of 'internal trade among affiliates / transaction for oneself' is discussed at the regular board meeting every November. In addition, financial or non-financial matters considered to have a significant potential risk, as well as issues closely associated with ESG material issues, are reported to the board. In 2023, there was one significant matter of concern reported to the board, which was about the approval for the occupational safety and health plan in January.

Internal Transaction Review Committee

The primary function of the Internal Transaction Review Committee, which operates under the division heads and the CFO, is to enhance the transparency and appropriateness of internal transactions. The committee decides whether to review transactions with LG and LX customer companies based on projected sales. The internal transaction review is divided into two categories: 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 based on the size and characteristics of the business so that the transactions of a larger scale and higher risk undergo more in-depth reviews. In the case of insider transaction reviews, a total of four subcommittees are convened to appropriately review each business based on the total sales of each business opportunity. In the coming years, we plan to facilitate the operation of the committee to ensure autonomous compliance with fair trade and to reduce inside transactions.

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Governance
Board of Directors
Jeong-Do Management
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Board of Directors

Metrics and Targets

Board-related Performance and Detailed Data

Unitary Board of Directors

Category	Unit	2021	2022	2023
Inside directors (executive directors)	Person	2	2	2
Non-executive director	Person	3	3	3
No. of non-executive directors surpassing the minimum legal requirement	Person	3	3	3

Gender Diversity

Category	Unit	2021	2022	2023
Male	Person	5	5	4
Female[1]	Person	0	0	1
Total	Person	5	5	5
Ratio of female directors	%	0	0	20

1) One female director was appointed in 2023

Board Activities and Remuneration

Category	Unit	2021	2022	2023
No. of board meetings convened	Time	10	10	7
No. of ESG-related agenda items[1] reviewed	Time	2	2	2
No. of material issues[2] reported	Time	1	1	1
Total remuneration[3]	KRW	0	0	0
Per capita remuneration[3]	KRW	0	0	0

1) ESG-related agenda items: Agenda items that are regularly reported to the board to proactively respond to potential ESG risks
2) Critical issues reported: Agenda items that are considered to have a significant potential risk
3) Non-occurrence of payments for the board's performance of duties

Compensation for CEO and Executives

Category		Unit	2021	2022	2023
Employee remuneration	Median value of total employee remuneration, excluding the CEO	KRW	49,188,000	54,012,000	57,054,000
	Average value of total employee remuneration, excluding the CEO	KRW	54,586,100	58,568,370	61,125,829
	Yearly rate of increase or decrease compared to the median value of total remuneration	%	4.9	9.8	5.6
	Ratio of the CEO's remuneration of total employee remuneration excluding the CEO – median value	%	6.6	7.0	7.2
	Ratio of the CEO's remuneration of total employee remuneration excluding the CEO – average value	%	7.3	7.6	7.7

Internal Transaction Review Committee

Category	Unit	2021	2022	2023[1]
No. of Internal Transaction Review Committee meetings held	Case	-	-	8

1) From 2023, disclosure of the number of reviews under the Internal Transaction Review Committee operating regulations

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Governance
Board of Directors
Jeong-Do Management
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Jeong-Do Management

Governance

Jeong-Do Management Organization

With an aim to make Jeong-Do Management systematic and standardized, LX Pantos has established a dedicated Jeong-Do Management organization responsible for executing pertinent activities. In addition, persons dedicated to management diagnosis and enhancement address market barriers and bolster the performance and competitive edge of our internal organization.

Organizational Structure for Jeong-Do Management

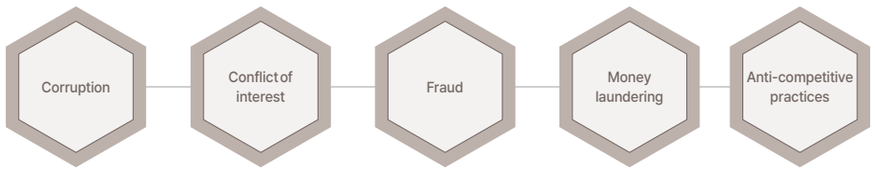


Jeong-Do Management Policy

Our decision-making and actions are guided by the Code of Ethics, which forms the cornerstone of our ethical management framework. The Code of Ethics encompasses guidelines for conduct that underpin our decision-making processes, along with anti-corruption measures to ensure fair trading and competition, and it is the duty of every employee of LX Pantos to adhere to this.

LX Code of Ethics

Major Components of LX Code of Ethics



Strategy

Jeong-Do Management Activities

Pledge to Practice Jeong-Do Management

Our employees and partner companies sign the 'Pledge to Practice Jeong-Do Management' every year, pledging to comply with the LX Code of Ethics and practice Jeong-Do Management.

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.

Prevention of Corruption and Bribery

At LX Pantos, employees are strictly prohibited from accepting gifts, entertainment, or monetary favors from any stakeholders, including partner companies to foster equitable and transparent partnerships with partner companies. We also have stringent approval protocols for sensitive dealings like gifts and business excursions, governed by the guidelines of the Control and Budget White Paper.

In instances where the acceptance of funds or valuables is unavoidable, we have implemented a reporting system to facilitate the return of such assets post-reporting. In case returning them is not possible, we donate them to charitable causes. Our policy strictly forbids any employee from accepting cash, gifts, or any form of tribute or sympathy contributions. Additionally, we inform our partner company representatives of division-specific instructions, and in the event of an improper solicitation, we provide clear directives on reporting these incidents either to the department in charge of management diagnosis and improvement and the way to report through Ethics Hotline on our website.

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Governance
Board of Directors
Jeong-Do Management
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Jeong-Do Management

Strategy

Jeong-Do Management Activities

Jeong-Do Management Training

We offer a variety of Jeong-Do Management training programs designed to be completed regularly for our employees. We customize the training based on the participants' positions and specific situations, both at domestic and overseas business sites. For sales personnels, we provide sales integrity management training in regard to partner company selection and entertainment expenses. We also address business operation and organizational issues concerning dispatched corporations with overseas expatriates.

With an aim to enhance educational effectiveness, we apply various methods, including quizzes and web drama production to our training content, which focuses on real-world cases related to Jeong-Do Management violations. These cases cover topics such as workplace abuse of power, information security, pursuit of private interests, unfair practices, attendance, corruption, anti-bribery measures, and money laundering.

Moving forward, we plan to expand the scope and variety of our training programs. Our goal is to ensure that all our employees, regardless of their location, receive Jeong-Do management training so that we can proactively prevent ethical risks such as corruption and bribery, disseminating a culture of fair trade and anti-corruption.

Promotion for Jeong-Do Management Internalization

For the purpose of establishing Jeong-Do Management as an organizational culture, we provide related training and carry out promotional activities. For instance, we distribute a multilingual newsletter featuring webtoons translated into Korean, English, Chinese, Spanish, and Indonesian. Our employees at both domestic and overseas business sites can access this resource to learn about Jeong-Do Management topics and real-world violations. On top of that, we share a monthly publication called 'words that give me strength' to encourage positive changes among our employees.

Our Activities for Jeong-Do Management

Target	Major theme	Activity type	Frequency
All domestic employees	Jeong-Do management in practice	Online post, company-wide distribution of an e-mail	Once a month
	Cases of violation of Jeong-Do Management 'This is not it'	Web drama distribution	Ongoing
Persons in charge of an organization in and outside Korea	Response process when Jeong-Do management issues occur	company-wide distribution of an e-mail	Upon any issue occurrence

Risk Management

Ethical Risk Management

Operation of Reporting System

Through the Jeong-Do Management portal, we operate a reporting channel for workplace accidents, including sexual harassment, discrimination, information leaks, unfair transactions, and partner company grievances. In 2023, a total of 44 reports were received, comprising 30 employee reports and 14 partner company complaints, and we diligently investigated all reports. Cases confirmed to be true are handled according to our internal standards, and we prioritize preventing recurrence. In addition, we do not disclose any information that exposes or implies our identity without the consent of the informant, and we fully commit to restoring the situation to its original state and taking corresponding responsibility for any disadvantages caused by failure to comply with this.

Ethics Hotline System

We operate a reporting system that enables executives and employees to report Jeong-Do Management violations or corruption cases, and we continuously upgrade systems and work processes. Anyone, including our employees, can submit reports through public channels using methods such as online forms, postal mail, or fax.

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	: https://ethics.lxmdi.co.kr/main/en.do

Corruption Monitoring System

In order to prevent anti-compliance activities, such as corruption, we have implemented a robust monitoring system to detect any abnormalities in overall management and continuously evaluate and control risks. We developed specific abnormal symptom indicators to check sales and profitability metrics, including fund transaction history, disbursement details, and business diagnosis indicators. These indicators are shared and utilized across the company at both domestic and overseas business sites. Through this approach, we provide a dashboard capable of detecting corruption risks promptly while improving profitability, fostering growth, and enhancing operational efficiency.

Compliance

We conduct company-wide compliance activities aligned with relevant laws and compliance control standards every year. Our diverse efforts focus on strengthening integrity and compliance management, proactively assessing compliance risks through monitoring and managing legal violations. Over the past three years, we have recorded zero violations of laws and regulations. Going forward, we will strive to strictly comply with legal requirements, ensuring integrity management through continuous monitoring and control.

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Governance
Board of Directors
Jeong-Do Management
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Jeong-Do Management

Metrics and Targets

Performance and Data on Jeong-Do Management

Jeong-Do Management Training

Category	Unit	2021	2022	2023
No. of people taking the training program	Person	1,845	1,924	1,910
Program completion rate	%	100	100	100

Ethics-related KPI

Category		Unit	2021	2022	2023
No. of reports related to whistleblower procedure		Case	21	21	30
No. of confirmed corruption cases[1]	Cases in which employees were fired or disciplined due to corruption-related violations	Case	4	6	8
	Cases where contracts with partners were terminated or not renewed due to corruption-related violations	Case	2	2	2
	Public legal cases related to corruption brought against an organization or employee	Case	0	0	1
	Total	Case	6	8	11

1) Breach of trust and embezzlement, information leakage, sales adequacy investigation, abnormal business transactions related to bribery or unjust entertainment, etc.

Operation of Reporting System

Category	Unit	2021	2022[1]	2023
No. of reports received	Case	40	41	44
No. of valid reports	Case	40	41	44

1) 2022 data revised due to the changed calculation standard

Law Violation and Fines Imposed

Category		Unit	2021	2022	2023
Unfair trade practices such as anticompetitive behavior and monopoly	Amount of fines	KRW	0	0	0
	No. of violations	Case	0	0	0
Violations regarding domestic marketing activities	Amount of fines	KRW	0	0	0
	No. of violations	Case	0	0	0
Violation of legal regulations and self-regulations regarding the safety and health impacts of products and services	Cases that resulted in fines or punishments	Case	0	0	0
	Cases that resulted in a warning	Case	0	0	0
	Cases that violate self-regulations	Case	0	0	0
Other Socioeconomic Violations	Amount of fines	KRW	0	0	0
	No. of violations	Case	0	0	0
	The number of non-monetary sanctions	Case	0	0	0

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
Environmental
Social
Governance
Board of Directors
Jeong-Do Management
APPENDIX

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

APPENDIX



092 Financial Performance
094 GRI Content INDEX
097 SASB INDEX / WEF INDEX
098 UNGC
099 UN SDGs
101 Certificates & Awards
102 Third-party Assurance Statement
104 GHG Assurance Statement

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com

Financial Performance

Consolidated Financial Statement

(Unit: KRW)

	2021	2022	2023
I. Assets			
(1) Current Assets	1,806,998,692,259	1,748,009,514,078	1,573,040,604,515
1. Cash and cash equivalents	232,957,933,961	465,704,442,685	430,243,217,837
2. Short-term financial instruments	686,252,860	9,653,885,494	15,385,534,867
3. Accounts receivable	1,268,330,959,700	1,080,807,872,924	945,817,780,638
4. Contract assets	56,512,948,880	21,476,471,060	25,855,850,881
5. Notes receivables	5,585,356,964	27,059,961,398	25,356,380,412
6. Unrealized gain	217,829,763	515,067,731	659,847,855
7. Advance payments	14,773,048,123	5,787,758,114	5,207,977,784
8. Prepaid expenses	203,972,659,690	99,025,674,101	77,631,917,778
9. Other current assets	19,975,315,300	36,837,219,307	44,507,015,809
10. Inventory	2,870,017,318	1,141,161,264	2,375,080,654
11. Non-current assets held for sale	1,116,369,700	-	
(2) Non-current assets	600,319,284,846	978,879,738,714	1,131,041,509,950
1. Investment assets	9,141,384,912	104,247,382,066	191,531,723,941
2. Investments in subsidiaries and associates	36,747,309	35,776,970,342	44,017,876,305
3. Premises and equipment	247,537,991,120	288,021,264,622	275,410,464,293
4. Intangible assets	125,762,957,115	247,806,706,356	260,780,024,709
5. Deferred tax assets	7,325,294,763	8,393,170,778	9,878,758,785
6. Other non-current assets	26,923,719,268	25,089,757,702	29,349,935,025
7. Right-of-use assets	183,591,190,359	232,127,783,444	300,989,402,615
8. Retirement payment assets	-	37,416,703,404	19,083,324,277
Total assets	2,407,317,977,105	2,726,889,252,792	2,704,082,114,465

	2021	2022	2023
II. Liabilities			
(1) Current liabilities	1,342,754,038,368	1,123,125,319,212	1,083,944,647,201
1. Short-term borrowings	43,824,016,757	51,684,317,837	5,317,643,351
2. Accounts payable	827,496,403,545	644,534,375,602	601,885,561,367
3. Non-trade payables	39,512,617,717	81,911,553,366	55,403,319,522
4. Advance received	5,371,918,046	2,423,640,743	2,643,241,860
5. Withholdings	13,636,118,515	11,675,923,732	13,676,586,274
6. Current tax liabilities	63,300,271,715	37,131,040,575	16,692,607,194
7. Accrued expenses	80,937,177,234	73,840,664,285	51,002,243,492
8. Current portion of long-term debt	16,666,640,000	24,866,189,600	156,378,408,800
9. Contract liabilities	173,104,048,213	84,697,166,755	62,156,948,692
10. Deposits received	8,402,647,946	5,074,987,086	5,156,892,935
11. Other current financial liabilities	4,185,641,153	3,363,984,609	2,860,180,800
12. Current lease liabilities	66,316,537,527	87,499,445,151	104,014,423,169
13. Current provisions	-	14,422,029,871	6,756,589,745
(2) Non-current liabilities	172,237,482,917	541,431,877,718	472,703,054,890
1. Bond	-	69,881,059,083	69,911,876,847
2. Long-term borrowings	23,381,381,618	292,081,413,400	145,980,536,400
3. Retirement payment liabilities	5,303,210,957	5,437,236,677	6,521,004,188
4. Deferred tax liabilities	4,467,557,131	10,124,634,906	30,562,296,797
5. Provision	11,349,324,668	9,696,268,990	11,365,727,840
6. Long-term deposit	161,443,350	-	
7. Other non-current liabilities	5,603,261,963	4,726,821,812	5,918,051,628
8. Lease liabilities	121,971,303,230	149,484,442,850	202,443,561,190
Total liabilities	1,514,991,521,285	1,664,557,196,930	1,556,647,702,091
III. Equity			
1. Capital stock	10,000,000,000	10,000,000,000	10,000,000,000
2. Capital surplus	4,573,104,191	5,389,954,952	5,411,750,185
3. Other equity	-12,928,449,873	-12,928,449,873	-12,928,449,873
4. Accumulated other comprehensive income	-20,118,681,819	-71,153,640,484	11,185,034,491
5. Retained earnings	907,935,445,097	1,127,777,583,324	1,130,172,781,816
Controlling interest	889,461,417,596	1,059,085,447,919	1,143,841,116,619
Non-controlling interest	2,865,038,224	3,246,607,943	3,593,295,755
Total equity	892,326,455,820	1,062,332,055,862	1,147,434,412,374
Total liabilities and equity	2,407,317,977,105	2,726,889,252,792	2,704,082,114,465

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX
- Financial Performance
- GRI Content INDEX
- SASB INDEX / WEF INDEX
- UNGC
- UN SDGs
- Certificates & Awards
- Third-party Assurance Statement
- GHG Assurance Statement

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Financial Performance

Consolidated Income Statements

(Unit: KRW)

	2021	2022	2023
I. Sales	7,817,729,253,666	10,672,172,829,783	6,879,346,838,527
II. Cost of sales	-7,062,979,022,844	-9,844,361,515,124	-6,220,616,718,699
III. Gross profit	754,750,230,822	827,811,314,659	658,730,119,828
IV. Selling, general, and administrative expenses	-394,368,497,949	-453,347,045,589	-502,713,165,329
V. Operating income	360,381,732,873	374,464,269,070	156,016,954,499
VI. Non-operating income	2,597,123,564	23,371,562,499	-11,057,094,419
1. Finance income	95,537,296,314	282,739,106,257	135,190,486,281
2. Finance costs	-95,557,513,506	-273,669,136,106	-152,558,455,126
3. Income related to associates and subsidiaries	-634,674,910	10,595,996,115	5,585,164,460
4. Other non-operating income	3,252,015,666	3,705,596,233	725,709,966
VII. Continuing operations income before income tax	362,978,856,437	397,835,831,569	144,959,860,080
VIII. Income tax expense	-95,438,359,836	-108,780,217,022	-48,645,454,640
IX. Net income	267,540,496,601	289,055,614,547	96,314,405,440
Net income attributable to:			
Equity attributable to owners of parent	266,935,302,257	287,690,574,042	95,882,062,800
Non-controlling interest	605,194,344	1,365,040,505	432,342,640
Earnings per share of owners of parent			
Basic and diluted EPS	133,468	143,845	47,941

Consolidated Statements of Comprehensive Income

(Unit: KRW)

	2021	2022	2023
Net income	267,540,496,601	289,055,614,547	96,314,405,440
Other Comprehensive Income:			
Items that will be reclassified to profit or loss			
1. Unrealized gain on equity securities under equity method	-4,258,683	2,008,872	6,401,303
2. Share of associates' other changes in net assets	-	1,420,312,492	-
3. Profit or loss from foreign exchange transaction	16,628,078,235	-3,622,611,054	13,319,375,566
Total	16,623,819,552	-2,200,289,690	13,325,776,869
Items that will not be reclassified to profit or loss			
1. Financial assets at fair value through profit or loss	274,088,780	-49,001,289,000	68,928,161,500
2. Remeasurements of the net defined benefit liability	-1,925,926,600	12,251,564,185	-7,065,988,022
Total	-1,651,837,820	-36,749,724,815	61,862,173,478
Total comprehensive income	282,512,478,333	250,105,600,042	171,502,355,787
Profit attributable to:			
Equity attributable to owners of parent	281,696,631,882	248,907,179,562	171,133,873,467
Non-controlling interest	815,846,451	1,198,420,480	368,482,320

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX
- Financial Performance
- GRI Content INDEX
- SASB INDEX / WEF INDEX
- UNGC
- UN SDGs
- Certificates & Awards
- Third-party Assurance Statement
- GHG Assurance Statement

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

GRI Content INDEX

Statement of use	In accordance with the GRI Standard 2021, LX Pantos reports its data regarding its sustainable management from January 1, 2023, to December 31, 2023 (including some critical data from the first half of 2024).
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not available (as of May 00, 2024, the standards applicable to the logistics industry, under which we fall, have not been presented)

GRI Standard 2021	Indicators	Indicators	Page	Remarks
General Disclosures				
GRI 2: General Disclosures 2021	2-1	Organizational details	2, 6	
	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	24, 73, 90	2-8, 2-13, 205-3
	2-5	External assurance	102-103	
	2-6	Activities, value chain, and other business relationships	7-21	
	2-7	Employees	73	
	2-8	Workers who are not employees	73	
	2-9	Governance structure and composition	86	
	2-10	Nomination and selection of the highest governance body	86	
	2-11	Chair of the highest governance body	86	
	2-12	Role of the highest governance body in overseeing the management of impacts	24, 86	
	2-13	Delegation of responsibility for managing impacts	24, 86	
	2-14	Role of the highest governance body in sustainability reporting	24	
	2-15	Conflicts of interest	N/A	Not reported. Not subject to data disclosure under the Commercial Act since we are unlisted
	2-16	Communication of critical concerns	24, 86	
	2-17	Collective knowledge of the highest governance body	24, 86	
	2-18	Evaluation of the performance of the highest governance body	N/A	Not reported. Not subject to data disclosure under the Commercial Act since we are unlisted
	2-19	Remuneration policies	N/A	Not reported. Not subject to data disclosure under the Commercial Act since we are unlisted
	2-20	Process to determine remuneration	N/A	Not reported. Not subject to data disclosure under the Commercial Act since we are unlisted
	2-21	Annual total compensation ratio	87	
	2-22	Statement on sustainable development strategy	5	
	2-23	Policy commitments	43, 55-56, 66-67, 82, 86, 88	

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX
Financial Performance
GRI Content INDEX
SASB INDEX / WEF INDEX
UNGC
UN SDGs
Certificates & Awards
Third-party Assurance Statement
GHG Assurance Statement

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

GRI Content INDEX

GRI Standard 2021	Indicators	Indicators	Page	Remarks
GRI 2: General Disclosures 2021	2-24	Embedding policy commitments	43-48, 55-59, 65-75, 82-84, 86-87, 88-89	
	2-25	Processes to remediate negative impacts	88-90	
	2-26	Mechanisms for seeking advice and raising concerns	72, 88-90	
	2-27	Compliance with laws and regulations	90	
	2-28	Membership associations	101	
	2-29	Approach to stakeholder engagement	26	
	2-30	Collective bargaining agreements	65	
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	27	
	3-2	List of material topics	28	
Material Topic 1: Climate Change				
GRI 3: Material Topics 2021	3-3	Management of material topics	31-42	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	40	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	40-42	
	305-2	Energy indirect (Scope 2) GHG emissions	40-42	
	305-3	Other indirect (Scope 3) GHG emissions	37, 40	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	Due to the nature of the center, there are no emissions of major atmospheric pollutants such as sulfur oxides and nitrogen oxides, and there is no legal obligation for measurement and disclosure.
GRI 306: Waste 2020	306-3	Waste generated	48	
Material Topic 2: Green Logistics Services				
GRI 3:Material Topics 2021	3-3	Management of material topics	11-13, 35	
GRI 201 : Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	38	
Material Topic 3: Occupational Health and Safety				
GRI 3:Material Topics 2021	3-3	Management of material topics	76-81	
GRI 403: Occupational Health & Safety 2018	403-1	Occupational health and safety management system	77, 79, 80	
	403-2	Hazard identification, risk assessment, and incident investigation	80-81	
	403-3	Occupational health services	79	
	403-4	Worker participation, consultation, and communication on occupational health and safety	78-77, 79	
	403-5	Worker training on occupational health and safety	78	
	403-6	Promotion of worker health	79	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	79-81	
	403-9	Work-related injuries	81	

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX
Financial Performance
GRI Content INDEX
SASB INDEX / WEF INDEX
UNGC
UN SDGs
Certificates & Awards
Third-party Assurance Statement
GHG Assurance Statement

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

GRI Content INDEX

GRI Standard 2021	Indicators	Indicators	Page	Remarks
Material Topic 4: Jeong-Do Management				
GRI 3:Material Topics 2021	3-3	Management of material topics	88-90	
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	88, 89	
	205-3	Confirmed incidents of corruption and actions taken	90	
Material Topic 5: Human Rights				
GRI 3:Material Topics 2021	3-3	Management of material topics	65, 66, 72, 75	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	73, 87	
	405-2	Ratio of basic salary and remuneration of women to men	74	
GRI 408 : Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Not applicable	
GRI 409 : Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not applicable	
Material Topic 6: Customer Value Management				
GRI 3:Material Topics 2021	3-3	Management of material topics	50-54	
Non-GRI Topics		Customer satisfaction	54	
Material Topic 7: Talent Management				
GRI 3:Material Topics 2021	3-3	Management of material topics	65-75	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	73	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	74	
	401-3	Parental leave	75	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	75	
	404-2	Programs for upgrading employee skills and transition assistance programs	67-68	
	404-3	Percentage of employees receiving regular performance and career development reviews	73	
Material Topic 8: Fair Trade and Shared Growth				
GRI 3:Material Topics 2021	3-3	Management of material topics	57-58	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	90	
Material Topic 9: Information Security				
GRI 3:Material Topics 2021	3-3	Management of material topics	82-84	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	84	
Material Topic 10: New Growth Engines and Business Diversification				
GRI 3:Material Topics 2021	3-3	Management of material topics	10-21	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	92-93	
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts (including positive and negative impacts)	61-63	

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX
Financial Performance
GRI Content INDEX
SASB INDEX / WEF INDEX
UNGC
UN SDGs
Certificates & Awards
Third-party Assurance Statement
GHG Assurance Statement

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com

SASB INDEX

SASB(Sustainability Disclosure Topics & Accounting Metrics)

This report encompasses data pertaining to the air freight and logistics industry, which falls under the transportation sector according to the SASB Industry Standards.

Topic	Code	Accounting Metric			Page	Remarks
Greenhouse Gas Emission	TR-AF-110a.1	Gross global Scope 1 emissions	Quantitative	tCO_2eq	40	
	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	Quantitative	-	40	
Air Quality	TR-AF-120a.1	Air emissions of the following pollutants: (1) NOx (2) SOx, and (3) particulate matter (PM10)	Quantitative	ton	48	
Labor Practices	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	%	81	
Supply Chain Management	TR-AF-430a.2	Total greenhouse gas (GHG) footprint across transport modes	Quantitative	tCO_2eq	N/A	To be disclosed
Accident & Safety Management	TR-AF-540a.1	Description of implementation and outcomes of a Safety Management System	Quantitative	-	76-81	

WEF INDEX

WEF Stakeholder Capitalism Metrics

We engage with stakeholders by disclosing the main agenda contents in our reports, aligning with the Stakeholder Capitalism Metrics of the World Economic Forum (WEF).

Pillar	Theme	Core Metrics	Reporting Page
Principles of governance	Governing purpose	Setting purpose	24, 25
	Quality of governing body	Governance body composition	86-87
	Stakeholder engagement	Material issues impacting stakeholders	26-28
	Ethical behaviour	Anti-corruption	88-89
		Protected ethics advice and reporting mechanisms	86-89
	Risk and opportunity oversight	Integrating risk and opportunity into business process	36, 37, 44, 50, 51, 56, 69, 77, 78, 81, 86
Planet	Climate change	Greenhouse gas (GHG) emissions	40-42
		TCFD implementation	31-42
		Paris-aligned GHG emissions targets and impact of Greenhouse gas emissions	32, 40-42
	Nature loss	Land use and ecological sensitivity	45, 64
	Freshwater availability	Water consumption and withdrawal in water-stressed areas	48
People	Dignity and equality	Diversity and inclusion	73
		Pay equality	74
		Wage level	74, 87
		Risk for incidents of child, forced or compulsory labour	66, 75
	Health and well-being	Health and safety	77-81
	Skills for the future	Training provided	66-68, 75
Prosperity	Employment and wealth generation	Absolute number and rate of employment	74
		Economic contribution	92, 93
		Financial investment contribution	-
	Innovation of better products and services	Total R&D expenses	-
	Community and social vitality	Total tax paid	-

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX
Financial Performance
GRI Content INDEX
SASB INDEX / WEF INDEX
UNGC
UN SDGs
Certificates & Awards
Third-party Assurance Statement
GHG Assurance Statement

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

UNGC

UN Global Compact

As part of our social responsibility, we actively support and adhere to the 10 principles of the United Nations Global Compact (UNGC) that encompass four core values; human rights, labour, environment, and anti-corruption.

Category		Content	Reporting page
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	66
	Principle 2	make sure that they are not complicit in human rights abuses.	65, 66, 68, 72
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	65, 66
	Principle 4	the elimination of all forms of forced and compulsory labour;	66, 75
	Principle 5	the effective abolition of child labour; and	66, 75
	Principle 6	the elimination of discrimination in respect of employment and occupation.	66
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;	32, 38
	Principle 8	undertake initiatives to promote greater environmental responsibility; and	31-48
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.	34, 44, 45
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	88-90

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX
Financial Performance
GRI Content INDEX
SASB INDEX / WEF INDEX
UNGC
UN SDGs
Certificates & Awards
Third-party Assurance Statement
GHG Assurance Statement

LX Pantos
BEYOND LOGISTICS,
BESIDE YOU
www.lxpantos.com

UN SDGs

UN Sustainable Development Goals

Category	Target	Reporting Page
1. No Poverty	1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	60-64
2. Zero Hunger	2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round	60-64
3. Good Health and Wellbeing	3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks	72, 76-81
4. Quality Education	4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations 4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all	61-63
5. Gender Equality	5.1 End all forms of discrimination against all women and girls everywhere 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	65, 68, 73, 74
6. Clean Water and Sanitation	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	48
7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	34
8. Decent Work and Economic Growth	8.5 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	63, 66, 73, 74

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX
Financial Performance
GRI Content INDEX
SASB INDEX / WEF INDEX
UNGC
UN SDGs
Certificates & Awards
Third-party Assurance Statement
GHG Assurance Statement

LX Pantos
BEYOND LOGISTICS,
BESIDE YOU
www.lxpantos.com

UN SDGs

UN Sustainable Development Goals

Category	Target	Reporting Page
9. Industry, Innovation and Infr astructure	9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets	57, 58
10. Reduced Inequalities	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	63
11. Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	31-42
12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	43-48
13. Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.2 Integrate climate change measures into national policies, strategies and planning 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	31-42
14. Life Below Water	14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	34
15. Life on Land	15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species	45, 64
16. Peace, Justice and Strong Institutions	16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children 16.5 Substantially reduce corruption and bribery in all their forms	66, 75, 88-90
17. Partnerships for the Goals	17.14 Enhance policy coherence for sustainable development	23-25

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX
Financial Performance
GRI Content INDEX
SASB INDEX / WEF INDEX
UNGC
UN SDGs
Certificates & Awards
Third-party Assurance Statement
GHG Assurance Statement

LX Pantos
BEYOND LOGISTICS,
BESIDE YOU
www.lxpantos.com

Certificates & Awards

Major Certifications and Awards

	Certificate / Award	Verifier / Host	Expiry Date / Awarded Date
Certifi-cation	AEO (in the freight forwarder category)	Korea Customs Service	~May. 14, 2028
	AEO (in the bonded area operator category)	Korea Customs Service	~May.14, 2028
	ISO9001 (quality management system)	Korean Register of Shipping	~Jul.01, 2026
	ISO13485 (medical device quality management system)	SGS	~Apr.15, 2026
	ISO14001 (environmental management system)	Korean Register of Shipping	~Jul.01, 2026
	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)	BSI	~Oct. 30, 2025
	Excellent green logistics practice company	Ministry of Land, Infrastructure and Transport	~Jan. 03, 2025
	Excellent logistics company	Ministry of Land, Infrastructure and Transport	~Nov. 20, 2025
	first grade excellent shipowner / shipper	Ministry of Oceans and Fisheries	~Jul. 27, 2024
	TAPA (supply chain security and safety certification)	BV	~Dec. 05, 2024
	ISMS (Information security management system)	Korea Association for ICT Promotion	~Sep. 24, 2025
	ISMS-P (Information security and personal data management system)	Korea Association for ICT Promotion	~Sep. 24, 2025
	CEIV Pharama(air transport of pharmaceuticals)	IATA	~May. 31, 2026
	CEIV Fresh(air transport of perishables)	IATA	~Sep. 12, 2025
	CEIV Li-Batt	IATA	~Apr. 12, 2025
	GDP (Good Distribution Practices)	SGS	~Jun. 23, 2025
	Smart logistics center	Korea Transport Institute	~Oct. 12, 2026
Award	'Excellent Company' prize in the 8th Incheon Airport Awards (ICN Awards)	Incheon International Airport Corporation	Mar. 07, 2024
	'Prime Minister Prize' in the 30th Corporate Innovation Awards	Ministry of Trade, Industry and Energy / Korea Chamber of Commerce and Industry	Dec. 07, 2023
	2023 'Seoul Mayor' Award for partnership contributing company	ChildFund Korea	Nov. 30, 2023
	'Silver Tower Order of Industrial Service Merit' in the 30th Korea Logistics Awards	Korea Chamber of Commerce and Industry	Nov. 01, 2022
	'Grand Prize' in the 23rd Korea Logistics Award	Korea Logistics Society	May. 22, 2020

Membership Status

No.	Association	Position
1	Korea Integrated Logistics Association	Vice president
2	Korea Enterprises Federation	Vice president
3	Korea Chamber of Commerce and Industry (Seoul)	Permanent member
4	Korea International Trade Association	Member
5	Korea Customs Logistics Association	Member
6	Korea International Freight Forwarders Association	Member
7	Korea AEO Association	Member
8	International Air Transport Association (IATA)	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

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX
Financial Performance
GRI Content INDEX
SASB INDEX / WEF INDEX
UNGC
UN SDGs
Certificates & Awards
Third-party Assurance Statement
GHG Assurance Statement

LX Pantos

BEYOND LOGISTICS,
BESIDE YOU

www.lxpantos.com

Third-party Assurance Statement

The Stakeholders of LX Pantos Co., Ltd.

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the LX Pantos Sustainability Report 2024 (hereinafter referred to as the "Report"). The Assurer is independent of the LX Pantos and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the LX Pantos report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the LX Pantos and the assurance was carried out under the assumption that presented the information and data were complete and accurate. LX Pantos is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to LX Pantos only. The Assurer is responsible for providing LX Pantos management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of LX Pantos. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than LX Pantos in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with LX Pantos includes the following:

- Reporting contents during the period from January 1st to December 31st 2023 included in the Report, Some data included half of 2024.
- 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.
- In Accordance with the four principles of AA1000 AccountAbility in the Report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the Report.

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 and Annual report.

Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 1 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by LX Pantos.

[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, 203-2, 205-2~3, 206-1, 302-1, 305-1~3, 305-7, 306-3, 401-1, 401-3, 403-1~7, 403-9, 404-1~3, 405-1~2, 408-1, 409-1, 418-1

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;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- 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.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available.
- An assessment of the company's reporting and management processes concerning this report against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the HQ to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

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.

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX
Financial Performance
GRI Content INDEX
SASB INDEX / WEF INDEX
UNGC
UN SDGs
Certificates & Awards
Third-party Assurance Statement
GHG Assurance Statement

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

Third-party Assurance Statement

Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment certification body founded in 1901. BSI 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 globally. 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.

Opinion Statement

The assurer was carried out by a team of sustainability report assurors in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that LX Pantos's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.
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. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

Inclusivity: Stakeholder Engagement and Opinion

LX Pantos implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. LX Pantos conducted benchmarking and media analysis of similar companies, identified financial impact and social/environmental impact, and determined key issues for the reporting year through expert review of the impact. LX Pantos derived 10 material issues through the relevant process, and disclosed GRI topic standards disclosures related to material issues in the Report.

Materiality: Identification and reporting of material sustainability topics

LX Pantos implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. LX Pantos conducted benchmarking and media analysis of similar companies, identified financial impact and social/environmental impact, and determined key issues for the reporting year through expert review of the impact. LX Pantos derived 10 material issues through the relevant process, and disclosed GRI topic standards disclosures related to material issues in the Report.

Responsiveness: Responding to material sustainability topics and related impacts

LX Pantos operated a management process for material issues in the context of sustainability derived from the materiality assessment. LX Pantos established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. LX Pantos disclosed the process including policy, indicator, activity and response performance on material issues in the Report.

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

LX Pantos identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the reported material issues. LX Pantos established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material issues, disclosed mid- to long-term plans and strategic system in the Report.

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- It may be helpful to advance the sustainability management system by establishing consolidated disclosure system and sustainability performance management process of overseas subsidiaries in consideration of key sustainability business contexts proactively.

GRI-reporting

LX Pantos provided us with their self declaration of compliance within GRI Standards. Based on our review, The Assurer confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by LX Pantos and the sector standard was not applied.

Issue Date: 27/05/2024
For and on behalf of BSI (Brithish Standards Institution):

BSI representative





Jungwoo Lee,
Lead Assurer/ACSAP

Seonghwan Lim,
Managing Director of BSI Korea

AA1000
Licensed Report
000-4/V3-CN8GQ

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 785807

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX
Financial Performance
GRI Content INDEX
SASB INDEX / WEF INDEX
UNGC
UN SDGs
Certificates & Awards
Third-party Assurance Statement
GHG Assurance Statement

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

GHG Assurance Statement (Scope 1 & 2)

LX Pantos Co., Ltd.

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by LX Pantos Co., Ltd. (here after "Company") to verify the Company's Greenhouse Gas Inventory Report for the calendar year 2023 ("the report") based upon a reasonable level of assurance. Company is responsible for the preparation of the GHG emissions data on the basis set out within the guidelines on the operation of GHG emission trading scheme ("ETS) (Notification No. 2023-221 of Ministry of Environment)' based on ISO14064-1. Our responsibility in performing this work is to the management of Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Scope of Assurance

The purpose of this verification is to present an independent verification opinion on the company's greenhouse gas emissions, and the scope of verification is as follows;

- Organizational boundary : Domestic business sites of LX Pantos
- Reporting boundary : Direct emissions (Scope 1 emissions) and Energy indirect emissions (Scope 2 emissions)
- Reporting period : 2023.01.01~2023.12.31

Verification Approach

The verification has been conducted by DNV in March 2023 and performed in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG ETS (Notification No.2023-221, Korean Ministry of Environment) and the verification guideline for GHG ETS (Notification No. 2021-112, Korean Ministry of Environment). We planned and performed our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a reasonable verification opinion concerning the completeness of the emission inventory as well as the reported emission figures in ton CO_2 equivalent. As part of the verification process;

- We have reviewed the GHG emissions and energy consumption report for the calendar year 2023
- We have reviewed and verified the process to generate, aggregate and report the emissions data

Conclusions

As a result of the work described above, in our opinion nothing has come to our attention that would cause us to believe that the GHG emissions set out in Company's report are not fairly stated. The GHG emissions of Company for the year 2023 were confirmed as below;

GHG Emissions (Scope 1 & 2) for Yr 2023

(Unit: ton CO_2 equivalent)

LX PANTOS	Direct emissions(Scope1)	Energy indirect emissions(Scope2)	Total emissions
Korea	22,472	10,067	32,538

※In order to report the GHG emissions as an integer, the rounded number on the verification opinion might be different from the number on the calculation tool with ± 1 tCO_2.

24th May 2024
Seoul, Korea

Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX
Financial Performance
GRI Content INDEX
SASB INDEX / WEF INDEX
UNGC
UN SDGs
Certificates & Awards
Third-party Assurance Statement
GHG Assurance Statement

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com

GHG Assurance Statement (Scope 3)

LX Pantos Co., Ltd.

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by LX Pantos Co., Ltd. ("Company") to perform third party verification for the Company's Greenhouse Gas Inventory Report ("the report") in the calendar year 2023. The Company is responsible for the preparation of the GHG emissions data on the basis set out within the WRI/WBCSD's "The Corporate Value Chain (Scope 3) Accounting and Reporting Standard" and the principles set out in ISO 14064-1:2018. Our responsibility in performing this work is to the management of the Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance opinion.

Scope of Assurance

The purpose of this verification is to present an independent verification opinion on the company's greenhouse gas emissions, and the scope of verification is as follows;

- Organizational boundary : Domestic business sites of LX Pantos
- Reporting boundary : Other indirect emissions (Scope 3)
- Reporting categories : 3 Categories (C1, C3 and C6)
- Reporting period : 2023.01.01~2023.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a limited level of assurance. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level, concerning the completeness of the emission inventory as well as the reported emission figures in ton CO_2 equivalent. As part of the verification process, we have reviewed as follows;

- Process to generate, aggregate and report the emissions data
- The data and information supporting the report were based on historical in nature. These may include partially hypothetical and projected data and information (refer to the report for details)

Conclusions

Based on the process and procedures conducted, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information;

- DNV presents an 'Unmodified' opinion on Greenhouse Gas Emissions

Other indirect emissions (Scope 3) for Yr 2023

(Unit: ton CO_2 equivalent)

Reporting year	C1. Purchased goods and services	C3. Fuel and energy not included in scope1 or scope 2	C6. Business travel	Total emissions
2023	2,587	1,747	1,174	5,508

※In order to report the GHG emissions as an integer, the rounded number on the verification opinion might be different from the number on the calculation tool with ± 1 tCO_2.the calculation tool with ± 1 tCO_2.

22nd May 2024
Seoul, Korea

Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

OVERVIEW
VALUE DELIVERER
ESG STORY
ESG FACTBOOK
APPENDIX
Financial Performance
GRI Content INDEX
SASB INDEX / WEF INDEX
UNGC
UN SDGs
Certificates & Awards
Third-party Assurance Statement
GHG Assurance Statement

LX Pantos
BEYOND LOGISTICS, BESIDE YOU
www.lxpantos.com


LX Pantos