

Hyundai Glovis

TCFD Framework

- 1. Governance**
- 2. Strategy**
- 3. Risk Management**
- 4. Indicators and Reduction Targets**

I. Governance

1. Explanation on the Oversight of the Board of Directors on the Risks and Opportunities Associated with Climate Change.
 - a. At Hyundai Glovis, the CEO is responsible for and oversees climate change issues within the board of directors. The Hyundai Glovis Board of Directors is the company's highest decision-making body, and consists of 9 members including 3 inside directors, 5 outside directors, and 1 other non-executive director. The CEO has the significant decision-making and responsibility for the continued growth of the company. As climate change issues intensify, Hyundai Glovis operates the Business Risk Management Committee (BRMC) supervised by CEO in order to respond quickly and systematically to the issues. The BRMC, which the CEO leads and all the Inside Directors join, makes a decision on important issues related to climate change affecting the company.
 - b. In the event of significant business issues, including climate change, decisions are made on the agenda by the BRMC chaired by the CEO. In cases where it is difficult to make a decision due to its seriousness, the final decision is made through the Board of Directors. In addition, major decision-making issues are shared with the board of directors through business performance reports, and the direction of response to major climate change issues is established through relevant departments in line with the decision-making process.
 - c. Hyundai Glovis' Environment Management Team and the CRO reports the major action plans and achievements to the CEO through weekly company-wide business reports. When establishing a climate change action plan, issues related to domestic and international laws and agreements are covered, and the work is carried out after reporting to the CEO every year. The amount of greenhouse gas emissions is calculated quarterly and the performance compared to the emission target is analyzed and then, the achievement is reviewed. The emissions and major performance are reported to the Board of Directors through the business performance report, and then, the final result is published in the business report. The Hyundai Glovis Environment Management Team monitors and manages issues related to climate change, and when issues arise, a materiality test is conducted and reported to the CRO. The CRO reports the material issues to the BRMC run by the CEO, and the decision-making results are reflected in the weekly company-wide work report conducted by the CRO and the Environment Management Team leader and reported to the CEO, who is an inside director.
2. The Role of Management in Assessing and Managing Risks and Opportunities Related to Climate Change
 - a. Since Hyundai Glovis is greatly affected by physical climate changes, its related laws and market changes, there is a large risk from climate change. In order to respond promptly, the Environmental Management Committee was formed, and the CRO makes the decisions on climate change-related issues as the Chairman of the Environmental Management Committee. The CRO manages the risk factors for quality, safety and health, and the environment, and plays roles as the head of safety and health management in the Industrial Safety Act and the head of the Environmental Management Committee. Furthermore, the CRO takes the position to communicate directly with the CEO and the Board of Directors in the event of a significant risk.
 - b. The Environment Management Team regularly monitors environmental issues that may occur in related departments. Climate change issues, risks, and opportunity factors are intensively monitored by the team along with greenhouse gas emissions, and work progress is monitored according to the risk management manual. For low-material risks, the CRO makes decisions according to relevant regulations, and matters classified as significant risks are reported to the CEO.

II. Strategy

1. Description of the Risks and Opportunities Associated with Climate Change that the Organization has Identified over the Short, Medium and Long-Term

a. Emissions Trading Scheme (Short-Term Risk/Opportunity)

Hyundai Glovis has been designated as a target of the emission trading system from 2021, and is exposed to the risk of being financially affected by greenhouse gas emissions from domestic vehicles and buildings. On the other hand, there are also financial opportunity factors due to greenhouse gas reduction.

b. International Regulations on Ship's GHG Emissions: IMO DCS, EU MRV (Short-Term Risk)

The main content of the IMO DCS is to make it mandatory for all ships of 5,000 GT or more to measure greenhouse gas emissions, verify by a third party and submit them to IMO. If the regulation is not enforced for two consecutive years, all ships will be banned from operation, and as the shipping business becomes impossible, there will be a decrease in sales.

c. Short-term Changes in the Physical Environment: Typhoons (Short-Term Risks)

The frequency of typhoons has increased due to extreme weather which have a direct impact on Hyundai Glovis. A Hyundai Glovis ship was damaged by a strong typhoon while carrying out maritime logistics in the UK, which caused considerable damage to the ship and logistics products. Furthermore, hurricanes damage accompanied by strong winds and heavy rain was huge that exterior walls and external facilities (lighting, circuit breakers, entrance gates, signboards, etc.) of a number of business sites were damaged. As such, typhoons are classified as a physical risk due to climate change as they affect the finances causing damages to life and assets and a risk response plan has been established.

d. Changes in Consumer Behavior (Short-Term Risk)

As consumers' awareness of the environment is growing and the preference for eco-friendly companies' increase, manufacturing industries such as OEMs and consumer goods companies are making efforts to introduce eco-friendly transportation methods. Global automobile OEMs are declaring carbon neutrality and there are demands for eco-friendly transportation in the transportation industry. These companies require CSI (Clean Shipping Index) certification even during contract signing and transportation transactions, or more recently, requirements for documents proving eco-friendly transportation such as CDP ratings and average shipping efficiency data continue to arise. If this is not properly dealt with, it may lead to a reduction in transport volume.

e. Use of New Technologies (Short-Term Opportunities)

Hyundai Glovis regards greenhouse gas reduction as an important business opportunity and considers and analyzes the reduction projects various impacts (i.e. financial and market). We searched for new technologies to save energy using greenhouse gas reduction technology, and thus introduced Eco-driving. Eco-driving is a technology that provides real-time information to the driver by analyzing the driver's driving habits, and improves the driver's driving habits by monitoring the vehicle's fuel efficiency in real time to improve fuel efficiency and reduce greenhouse gas emissions. If the technology is introduced, it is possible to reduce both greenhouse gas emissions and energy use which can also decrease operating costs.

f. Utilization of Public Incentives (Short-Term Opportunities)

The Korean Ministry of Land, Infrastructure and Transportation has been striving to carry out many reduction activities such as inducing GHG reduction through subsidies to reduce GHG

emissions in the transportation sector. The company implemented the project of air conditioners and heaters without car engine running to join the government's GHG reduction policy. Although the project was partially supported by government subsidies, the company's investment costs were involved. Therefore, after conducting a materiality assessment on risks and opportunities, the CRO's approval was obtained and the project was implemented. Though the project was partially supported by government subsidies, but it did not significantly affect the investment cost. However, as a number of opportunities arose, such as energy saving, strengthening cooperation with the government, and increasing reputation through eco-friendly transportation, the corresponding greenhouse gas reduction project was implemented.

g. Reduced Investor Investments in Companies with Low Environmental Evaluations ` (Medium-Term Risk)

As interest in climate change increases, companies are being asked to transparently disclose their policies and response capabilities related to climate change from various stakeholders, which is directly related to the company's reputation and growth. Disclosure of non-financial information is used as an important criterion for judging the company's investment value by external investors along with the company's financial information. The National Pension Service, one of the representative institutions making socially responsible investments, is a major shareholder with 9.64% of Hyundai Glovis shares as of the 2021 business report. There is a risk of a decrease in the market value of the stock price that may be caused by a decrease in investment by the NPS.

h. Use of Efficient Means of Transportation (Medium-Term Opportunity)

Korea introduced greenhouse gas regulations to reduce greenhouse gas emissions, and had set a fairly significant greenhouse gas reduction target. Accordingly, in order to achieve the reduction target, it is necessary to convert to an eco-friendly car, and in addition, to reduce greenhouse gas by changing the means of transportation. The most representative method for reducing greenhouse gas by changing the means of transportation is the Modal Shift being promoted by the Ministry of Land, Infrastructure and Transportation. Modal Shift is a project that converts land logistics into maritime logistics. It is a project to reduce greenhouse gas emissions through high-efficiency transportation methods.

i. Changing Consumer Preferences (Medium-Term Opportunities)

As consumers' awareness of the environment grows and their preference for eco-friendly companies increases, manufacturing industries such as OEMs and consumer goods companies are making efforts to introduce eco-friendly transportation methods. Global automobile OEMs are declaring carbon neutrality and there are demands for eco-friendly transportation in the industry. As the demand for eco-friendly transportation increases in the future, we have established a non-financial information response system to secure competitiveness and are systematically responding to customers' request for information. If the market continues to change in the future, there are expectation that the company will be able to gain an edge over competitors and further expand sales.

j. Long-Term Average Temperature Rise (Long-Term Risk)

Due to climate change and the earth's temperature rising, the number of cases of heatwave damages has been increasing worldwide. Hyundai Glovis also suffers damages from the heat waves thus a systematic response was required. CARS (Climate Change Risk Assessment System) was used to diagnose and minimize the financial damages caused by heat waves.

2. Description of the Impact of Climate Change-Related Risks and Opportunities on the Organization's Business, Strategic and Financial Plans

a. The Effect of Climate Change-Related Risks and Opportunities on the Business and its Strategies

As consumers' awareness of the environment changes and preference for eco-friendly companies increases, manufacturing industries such as OEMs and consumer goods companies are making efforts to introduce eco-friendly transportation methods. Recently, global auto OEMs have declared carbon neutrality and are requesting emission reduction plans and transportation efficiency improvement plans from not only transportation production companies but shipping companies as well. Failure to adequately respond to the requirements may result in significant disadvantages such as reduction in transportation volume and contract termination. Therefore, since 2016, Hyundai Glovis has established separate organizations dedicated to environmental management and ship technology, and is responding preemptively by improving transportation efficiency for vehicles carrying ships, establishing mid- to long-term greenhouse gas reduction goals, and establishing reduction strategies.

b. How Climate Change-Related Risks and Opportunities Effect Financial Planning

As domestic and foreign climate change regulations, government energy efficiency policies, and demands for eco-friendly logistics increase, it is applied as a risk and opportunity factor to corporate reputation and investment. Hyundai Glovis strives to actively discover and respond to opportunities and risks related to climate change. The Environment Management Team monitors climate change-related risks and opportunities every week, and if identified, reported to the CRO after conducting a materiality assessment. The CRO reviews the report and makes direct decisions on non-material issues. Significant climate change-related risks and opportunities are reported to the CEO, and decisions are made through the Business Risk Management Committee lead by the CEO. The Chief Executive makes the decisions based on the materiality assessment result, and when a decision is made, a response plan is established to reflect in the business strategy. Once a business strategy is established, the necessary budget is calculated, a detailed business plan and the final budget is set in consultation with the finance team.

c. Scope of Time Effectuated

If the customer's needs for eco-friendly transportation increase and an appropriate response is not taken, the proportion of the quantity allocated to Hyundai Glovis will decrease due to the decline in the shipper's supply chain evaluation reputation and it is expected to cause significant damage to sales for more than 3 years in the short term and 15 years in the long term. In the worst scenario, the customer may be lost, so the risk is very serious, so it is necessary to respond systematically and proactively.

d. Identified Risks and Opportunities and Examples of Significant Strategic Decisions

As consumers' awareness of the environment and preference for eco-friendly companies' increase, leading global companies are requesting CSI certification, CDP rating, average shipping efficiency data. Therefore, the company reports to the CDP every year to receive Leadership level grading and continuously monitors the average shipping efficiency data of ships. Additionally, by acquiring the CSI (Clean Shipping Index) certification, we were able to meet the requirement to participate in bidding and sign a mid- to long-term shipping contracts. In the event the certification is revoked, the volume may be adjusted or the contract terminated. Initially it was reported to the CEO to promote the acquisition of certification and currently the vessels are managed to maintain the certification. In addition, we established an information response system to systematically provide our non-financial information (environmental, social, etc.) to customers who value eco-friendly logistics.

3. Explanation of the Responsiveness of Management Strategies in Consideration of Climate Change Scenarios, Including 1.5°C Scenario

a. Reasons for Applying 1.5DS, NDCs Scenarios

Hyundai Glovis is subject to two regulations by Korea and the IMO, and sets greenhouse gas reduction targets in consideration of those regulations. The goal of the Paris Agreement is to keep the global average temperature rise well below 2°C compared to before industrialization and further to within 1.5°C, and based on this, countries participating in the Paris Agreement should submit goals corresponding to this standard. As a result, Korea also declared the National Greenhouse Gas Reduction Goals (NDCs) to reduce greenhouse gases by 40% by 2030 compared to 2018, and announced the 2030 Greenhouse Gas Reduction Roadmap, a detailed implementation plan to achieve this. IMO also announced an ambitious target to reduce 50% of ship GHG emissions in 2008 by 2050 based on the 2DS. As such, regulations affected by Hyundai Glovis are affected by scenarios by 2DS and NDCs, and the Hyundai Glovis climate change scenario set greenhouse gas reduction targets based on the raised standards of 1.5DS and NDCs.

b. Organizational Boundaries and Scope of Time Reflected in Scenario Analysis

Organizational boundaries applied to climate change scenario analysis include domestic vehicles, buildings and all outbound vessels (fleet) owned by Hyundai Glovis. The goal setting for climate change scenario analysis was carried out in 2017. The year 2016 was selected as the base year, which is able to best reflect the current status of GHG emissions and data on vehicles, buildings, and ships that fall within organizational boundaries. 2030 and 2050 climate change scenarios were analyzed in comparison to the base year.

c. Scenario Analysis Result

In order to analyze the climate change scenarios, various variables such as the unit used for vehicles, buildings, ships, reduction potentials and the effect of sales on GHGs were considered and analyzed. From the result of the analysis, it is determined that Hyundai Glovis requires reduction activities due to its continuous growth.

The scope of reduction was set in consideration of Hyundai Glovis' internal reduction potential, domestic and foreign policy trends and the introduction of BAT technology. Mid- to long-term absolute reduction targets were determined in consideration of international trends. Mid-term greenhouse gas reduction goal was set to 37.8% reduced emission compared to 2019 by 2030, and a long-term goal of reducing to 73.77% by 2050 was established.

Plans to achieve reduction goals are reflected in the business plan. The business plan accordingly includes climate scenarios impact on business activities, new business development, and the greenhouse gas reduction goal. Additionally, the budget for the business plan is established in consultation with the finance team.

d. Cases where Greenhouse Gas Reduction Activities Based on Scenario Analysis Affected Business Management Plans

1) Case 1 : Eco-Driving

Hyundai Glovis planned to upgrade the integrated transportation management system in the logistics business in order to reduce greenhouse gas emissions through improved operation efficiency. This project has been reflected in the business plan. After consulting with the finance team to secure an annual budget, the system was upgraded. About 800 Hyundai Glovis trucks were equipped with a digital tachograph (DTG) so the driver was able to monitor the fuel efficiency of the vehicle in real time. GHG emissions were reduced by the improvement of fuel efficiency. For efficient eco-driving system operation, the company bears the monthly communication fee of all DTG terminals in the business plan.

2) Case 2 : Modal Shift

Hyundai Glovis worked Modal Shift onto its business plan to apply a means of transportation with high energy efficiency. In order to proceed with the project, we reviewed the possibility of government cooperation and continued consultation with customers. As a result, we were able to win orders not only from existing customers who transport by vehicle but from the Modal Shift business customers who transport raw steel materials by ship. Although Modal Shift has the disadvantage that it takes a long time compared to vehicle transportation, since it is able to transport large volumes by ship, the number of transport is reduced which also reduces greenhouse gas emission.

III. Risk Management

1. Description of the Organization's Process for Identifying and Assessing Climate Change-Related Risks

a. How to Identify Risks and Opportunities Related to Climate Change

Hyundai Glovis is striving to efficiently respond to risks caused by new regulations, market changes, and natural disasters, and use these opportunities to create new businesses. Accordingly, the company established and operated a risk management manual to identify risks that directly affect the company's business operation or are compulsory. The risk of climate change is monitored weekly by the Environment Management Team based on the risk management manual. Risks and opportunities are identified with short-, medium- and long-term impacts in mind.

b. How to Assess Risks Related to Climate Change

Hyundai Glovis identifies risks based on the risk management manual, and the identified risks are evaluated for materiality using the matrix method. The Matrix method sets the influence on the business on the X-axis and its importance on the Y-axis. When risks such as climate change regulation, physical damage, and stakeholder requirements occur, the impact and importance to the business are evaluated. In addition, the evaluation grade due to the impact on the project and the compulsion is scored, multiplied by each other, and the final score is calculated, and the materiality evaluation is performed based on the calculated final score.

2. Description of the Organization's Processes for Managing Climate Change-Related Risks

a. How to Identify Risks and Opportunities Related to Climate Change

Hyundai Glovis strives to efficiently respond to risks caused by new regulations, market changes, and natural disasters, and use these opportunities to create new businesses. We have established and operated a risk management manual that is used to identify risks that directly affect the company's business operation or are compulsory. The risk of climate change is monitored weekly by the Environment Management Team based on the risk management manual. Risks and opportunities are identified with short-, medium- and long-term impacts in mind.

b. Cases Where Physical Risks and Opportunities are Reflected in the Process

Hyundai Glovis recognizes global warming as an important issue, and in order to minimize damage caused by physical risks such as heat waves and heavy rain, the Environment Management Team has obtained the CRO's approval and is promoting the "Climate Change Adaptation Risk Assessment Support Tool (CRAS)". CRAS evaluated the financial impact of physical risk factors up to the year 2100, and large-scale damage was expected due to heavy rain and heat waves. Therefore, to minimize the risk, we have insurance against natural disasters every year, building an emergency response process and training people in charge. In addition, from 2019, in order to minimize the physical risk damage caused by climate change, the SHEQ (Safety, Health, Environment, Quality) regulatory guidelines were upgraded and established reflecting all recently strengthened climate change standards. In addition, not only physical risks caused by climate change, but also opportunity factors are being reviewed.

c. Examples of Transition Risks and Opportunities Reflected in the Process

As climate change becomes more serious, consumers' perceptions of the environment are changing and preference for eco-friendly companies is increasing, so manufacturing industries such as OEMs and consumer goods companies are introducing eco-friendly transportation methods. Global leading automotive OEMs are taking a firm stance on Green Logistics during transportation, and the requirements for environmental response status are increasing when selecting a transportation company. Some leading companies require CSI certification at the time of contracting, but if eco-friendly ship certification is not properly managed, issues such as

reduction of current customers' volume and contract suspension may occur, which can affect sales. Having found that eco-friendly transportation certification related to CSI certification was a significant risk, the decision to pursue CSI certification was made.

3. Description of How the Processes for Identifying, Assessing and Managing Climate Change-Related Risks are Integrated into the Organization's Overall Risk Management

a. Climate Change-Related Risks and Opportunities Response Process

Based on the weekly risk management manual, the Environment Management Team reviews risks in consideration of short-term, medium-term, and long-term perspectives, along with opportunity factors. When risks and opportunity factors arise, a materiality test is conducted and the evaluation results are reported to the CRO. As a result of the materiality assessment, the CRO directly makes decisions on risks and opportunity factors with low materiality, and reports high materiality risks and opportunity factors to the Business Risk Management Committee, which includes all internal directors, including the CEO and the CFO. The Business Risk Management Committee makes decisions on significant risks and opportunities, and the Board of Directors makes final decisions on more difficult issues. In addition, the decision-making results on significant risks and opportunities are shared with the BOD through the BOD business performance report. When decisions on climate change risks and opportunities are made, the results are notified to the relevant departments, and the relevant departments establish a direction of response and implements the plan in consideration of financial and technical aspects.

b. Integration into the Company-Wide Issue Management

Climate change risk has been reflected in the company-wide risk management process and is managed as a core risk according to the sensitivity analysis result. In addition, changes in eco-friendly trends are selected and managed separately as potential risks. These key and potential risks are assessed as financial and non-financial risk factors and are reported integrally to the working-level consultative body of the Business Investment Review Committee, which is managed across the enterprise in accordance with the decisions of the Transparent Management Committee.

c. Integration into Materiality Assessment

In accordance with the materiality methodology presented by the GRI Standards guideline, important issues are identified and reported every year. According to the matrix method, a total of 15 important issues were evaluated. Eco-friendly logistics service provision was selected as an important issue because of high stakeholder interest, energy consumption management and greenhouse gas emission reduction were also reported as important issues.

IV. Indicators and Reduction Targets

1. Indicators Used to Evaluate Climate Change-Related Risks and Opportunities in Accordance with its Business Strategy and Risk Management Process
 - Hyundai Glovis uses the Matrix method to evaluate the materiality of climate change risks. The X-axis of the matrix is set as the impact on the business and the Y-axis as the importance. Matrix's X-axis and Y-axis are evaluated for materiality by considering both the financial impact and the impact on the business strategy.
 - a. X-axis (Business Impact)
 - 1) Materiality assessment is carried out only in cases where the business strategy is affected by legal requirements, at the request of stakeholders or have financial impact of under 10 million won, 10 to 1 billion won, or 1 billion won or more.
 - 2) X-axis (impact on business) Materiality Evaluation Criteria (classified into three grades: High, Medium, and Low)
 - a) In the event that it affects business strategy, such as legal regulations or stakeholder requirements, and financially effect of more than KRW 1 billion: High
 - b) In the event that it affects business strategy but has a financial effect of more than 10 million won and less than 1 billion won: Medium
 - c) If it does not affect business strategy or financially has an effect of less than 10 million won: Low
 - b. Y-axis (Importance)
 - 1) When identifying and evaluating climate change risks, a materiality assessment is carried out based on the Y-axis (importance), deeming mandatory observances or the existence of penalties. In case of non-compliance with the mandatory requirements, it is reflected in the business strategy as it affects the business considerably, such as the company's reputation and or eligibility for market entry.
 - 2) Y-axis (Importance) Materiality Evaluation Criteria
 - a) If there are mandatory compliance with legal regulations or if there are stakeholder requirements (which effects business strategy), and if there is a penalty for non-compliance: High
 - b) Necessary compliance (which effects business strategy) such as legal regulations or stakeholder requirements, and if there are no separate penalties: Medium
 - c) Legal regulations and stakeholder requirements are not mandatory: Low
 - c. The Company implements a criticality assessment using the Matrix method and classifies the significance of risk by considering the criticality assessment criteria of each of the X and Y axes. Critical risks are those in which both the X and Y axes are rated High, or one of the X and Y axes is rated High and the other is rated Medium. The Company conducts a materiality assessment of climate change risks every year.
2. Scope 1, 2 and Scope 3 (if applicable) GHG Emissions and Related Risks Disclosure
 - a. Hyundai Glovis Scope 1 Emissions (2021): 3,854,998 tCO₂eq
 - 1) Domestic Vehicles: 67,098 tCO₂eq
 - 2) Domestic Buildings: 2,046 tCO₂eq

- 3) International operation Vessels (Fleet): 3,785,854 tCO₂
 - b. Hyundai Glovis Scope 2 Emissions (2021): 10,710 tCO₂eq
 - 1) Domestic Buildings: 10,710 tCO₂eq
 - c. Hyundai Glovis Scope 3 Emissions (2021): All Scope 3 Emissions have been verified by a third party
 - 1) Domestic Coastal Shipping by Partner Companies : 51,071 tCO₂
 - 2) Business Trips for Domestic and Overseas Employees: 356 tCO₂eq
 - 3) Other GHG emissions from product sales, product disposals, purchase of capital goods and energy production-transportation are disclosed through the CDP report
 - d. Risks Associated with Greenhouse Gas Emissions
 - 1) Current Regulations

As the proportion of ships among greenhouse gas emission sources increased, separate greenhouse gas regulations for ships were newly enacted. IMO has implemented the IMO DCS regulation since 2019, and the regulation obligates all ships in excess of 5,000 tons to submit a monitoring plan, greenhouse gas emission measurement and third-party external verification. If fuel economy reporting is not conducted for two consecutive years, all ships will be banned from operation, causing the stoppage of the shipping business leading to a decrease in sales.
 - 2) New Regulations
 - a) The Korean government has been implementing the emission trading system since 2015, and the system is being implemented for each planned period. The first and second planning periods are implemented every three years, and from the third planning period, they are implemented every five years. The 3rd planning period (2021 ~ 2025) was implemented. The company was not previously subject to the emission trading system, but was incorporated into the emission trading system as the 3rd planning period was implemented. The reason being that it exceeds the standard of 25,000 tCO₂eq for workplaces subject to the emission trading system, and the transportation industry, which was previously excluded, had also been included in the emission trading system. It is expected that not only will it be subject to paid quotas, but it will also reflect the excessive reduction rate in the transportation sector promoted by the government, resulting in huge damages.
 - b) According to the incorporation into the emission trading system during the 3rd planning period, if we analyze the financial impact of the greenhouse gas reduction burden taking into account the reduction rate, adjustment factor, and paid allocation, it is estimated that a financial loss of at least KRW 460 million to a maximum of KRW 980 million can occur.
3. Description of the Performance of the Goals Used by the Organization to Manage Climate Change-Related Risks and Opportunities
- a. Hyundai Glovis has established a target to reduce the absolute amount of greenhouse gas and is pursuing it to achieve it. The goal was established by considering a combination of 2DS, NDCs scenarios. The National Roadmap for Greenhouse Gas Reduction and IMO 2050 Reduction Goals were applied, and for overall complex scenario, absolute volume reduction goals were established.
 - 1) 2030 Reduction Target: 37.8% reduction in absolute amount compared to 2019 GHG emissions
 - 2) 2050 Reduction Target: 73.77% reduction in absolute amount compared to 2019 GHG emissions
 - b. Hyundai Glovis internally evaluates climate change-related performance through CDP, DJSI, and ESG evaluation by the Korea Corporate Governance Service. In particular, the CDP recognizes companies that respond effectively to climate-related issues and contribute to greenhouse gas reduction and energy efficiency improvement projects positively. Therefore climate-related issues, energy and

greenhouse gas reduction targets, and energy efficiency improvement projects are key components of graded performance.

TCFD Framework

Division	TCFD Recommendation	Remarks	
Governance	a) Explanation on the Oversight of the Board of Directors on the Risks and Opportunities Associated with Climate Change	CDP	C1.1a, C1.1b
	b) The Role of Management in Assessing and Managing Risks and Opportunities Related to Climate Change	CDP	C1.2, C1.2a
Strategy	a) Description of the Risks and Opportunities Associated with Climate Change that the Organization has Identified over the Short, Medium and Long-Term	CDP	C2.2a, C2.3a, C2.4a
	b) Description of the Impact of Climate Change-Related Risks and Opportunities on the Organization's Business, Strategic and Financial Plans	CDP	C2.3, C2.4, C3.1, C3.2, C3.3, C3.4
	c) Explanation of the Responsiveness of Management Strategies in Consideration of Climate Change Scenarios, Including Scenarios Below 2°C	CDP	C3.2
Risk Management	a) Description of the Organization's Process for Identifying and Assessing Climate Change-Related Risks	CDP	C.1.2a, C2.2
	b) Description of the Organization's Processes for Managing Climate Change-Related Risks	CDP	C2.2
	c) Description of How the Processes For Identifying, Assessing and Managing Climate Change-Related Risks are Integrated into the Organization's Overall Risk Management	CDP	C2.2, C2.3
Indicators and Reduction Targets	a) Indicators Used to Evaluate Climate Change-Related Risks and Opportunities in Accordance with its Business Strategy and Risk Management Process	CDP	C2.1b
	b) Scope 1, 2 and Scope 3 (if applicable) GHG Emissions and Related Risks Disclosure	CDP	C2.2a, C6.1, C6.3, C6.5
	c) Description of the Performance of the Goals Used by the Organization to Manage Climate Change-Related Risks and Opportunities	CDP	C4.1, C4.2, C4.3