



**WE
CARRY
THE
FUTURE**

HMM SUSTAINABILITY
REPORT 2020



About This Report

Overview

HMM is publishing its second sustainability report in 2020. Through this report, the company is sharing with its stakeholders the activities and performance it has pursued to achieve its sustainability goals, as well as economic, social and environmental value. This report consists of a 'Special Page' focusing on ESG (environmental, social and corporate governance), which is a non-financial element, and features HMM's activities and performance on core ESG issues as 'Sustainable Focus Area'. HMM promises to communicate more actively with stakeholders by publishing a sustainability report every year in the future.

Report Principles

This report has been prepared in compliance with the Core Option of Global Reporting Initiative (GRI) Standards, which is an international standard guideline for sustainability reports. The financial performance in the report has been documented on a consolidated basis according to the Korean International Financial Reporting Standards (K-IFRS).

Report Scope and Period

This report covers the activities and performances of HMM headquarters as well as all domestic and overseas branches and affiliates, including the activities of its affiliates related to vessel and terminal operations. Footnotes are included where there is a need for particular attention to the scope and boundary of the report. In addition, the performance from July 1st, 2019 to December 31st, 2020 is included, and the quantitative performance makes sure to identify the trend of more than three years. Some qualitative achievements include activities until April 2021.

Report Reliability

To ensure the reliability of the report content, it has been verified based on the AA1000AP (2018) and by a third party assurance provider, and the results of this verification can be found in the third party's assurance statement (pages 122~123).

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COVER STORY

As in its slogan 'We carry the future', HMM's commitment to create sustainable future values is symbolically expressed through connected lines. This also represents that HMM is a global company operating on the global stage.

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Message From Our CEO



HMM will become the world's leading shipping company that provides sustainable value to all stakeholders.

Dear Stakeholders,

In 2020, we at HMM publish our second Sustainability Report following the first one in 2019. In this Sustainability Report, we seek to give you an overview of the overall shipping industry landscape, what we at HMM have done and achieved, and the company's top priorities with the aim to provide greater value to its stakeholders. In particular, this report contains full details on our ESG (environmental, social, governance) performance and mid- to long-term goals, which have implications for corporate value and sustainability as shown in the latest managerial trends.

In 2020, we embarked on an exciting journey under the new company name of "HMM." And we witnessed achievements in many new challenges.

First, we have a fleet of twelve 24,000 TEU containerships, which are the world's largest containerships to date. We had them fully laden on 36 of their first 37 voyages. With this important milestone, we firmly positioned ourselves as the world's eighth largest shipping company. On the back of the full-scale moves of the global shipping alliance, "THE Alliance," we could stabilize our business activities and strengthen our service competitiveness by improving our cost structure and diversifying routes.

Second, we are reinforcing our environmental management activities to achieve the 70% greenhouse gas reduction goal by 2030 and attain carbon neutrality by 2050. In particular, with the installation of scrubbers, a device for reducing sulfur oxide emissions, onto 75% of our fleet, now we are fully prepared for the stricter international environmental regulations.

Third, we have migrated the majority of our business systems to the New GAUS 2020, HMM's proprietary, cloud-based IT system. The transition to the cloud system allowed us to build systems at data centers both home and abroad, thereby ensuring hassle-free service provision without interruptions even in disaster situations. Our global network is

powered by the industry-leading IT system and skilled professionals.

Owing to this remarkable performance in 2020, we not only marked a turnaround for the first time in 10 years but also achieved the record-high operating profits of KRW 980.8 billion. Of course, these achievements would not have been possible without the support and encouragement of our stakeholders around the world.

Aiming to deliver sustainable value to our stakeholders, we continue to improve our services, strengthen relationships with consigners, and develop new markets. And we will further investment in researching eco-friendly ships and facilities, opening new routes, expanding our fleet, and advancing our IT systems. In addition, as a true partner to our stakeholders, we are willing to share not only our experience and knowledge but also build solid and cooperative partnership with dear stakeholders.

We, being executives and employees that are customer-oriented and faithful to the corporate ethics, will also do our best to respond more proactively to the diverse needs of our customers. We will remain committed to becoming a trusted and beloved company by taking the lead and making examples in each field of ESG.

At HMM, we are always set for new voyages to meet the expectations of those who long for the revival of the Korean shipping industry and the demands of various stakeholders for the creation of sustainable values. We are looking forward to your continued support and sincere affection.

Thank you.

CEO of HMM
Jae Hoon Bae

Message From Our Management

Chief Container Business Officer
Senior Executive Vice President
Jin Ki Park

In 2021, we will maintain the strategic direction of 2020, preparing for flexible and rapid response to the market situation.



HMM confirmed its full membership in THE Alliance in 2019 and has been making efforts to improve its high-cost structure, while the container business division aimed to complete its turnaround into profitability with the introduction of new large ships in 2020. In order to achieve the goal, we tried to cut down on the cost, drastically and quickly rationalized the operating routes, and endeavored to establish a profit-oriented business strategy. As a result of these efforts, we believe, our most significant achievement of 2020 was that the reasons for the existence of a national flagship shipping company have been clearly identified both internally and externally.

A market with multiple stakeholders does not move according to forecasts. In early 2020, there were numerous negative predictions following the advent of the COVID-19 pandemic, but they were disproven by the market moving in the opposite direction. In a time of rapid market change like now, it is important to respond quickly to the situation rather than relying on uncertain forecasts. In 2021, maintaining the strategic direction of 2020, we will prepare a response appropriate to the market situation, while also devising a motivating plan for employees.

Chief Financial Officer
Executive Vice President
Yoon Seong Choi

Based on financial growth, HMM promotes ESG management systematically and preemptively as well, contributing to the company’s sustainable growth and making efforts to advance into a company strongly trusted by its stakeholders.



In 2020, HMM confirmed its financial sustainability. We have improved our profits significantly by introducing new ships and reorganizing service networks. What is even more encouraging is that we have not only enhanced our short-term performance, but also improved our cost structure so that we can effectively respond to future market fluctuations.

In addition to achieving financial stability, HMM is reorganizing the company’s management system to proactively respond to the needs of society and stakeholders. As a result, in 2019, the first Sustainability Report was published and the ESG vision was disclosed internally and externally. In addition, we received the Minister of Trade, Industry and Energy’s Award in the environmental sector in recognition of our merit in sustainable management, achieved an integrated A grade on ESG evaluation by the Korea Corporate Governance Service and were awarded a silver grade on the EcoVadis sustainable management evaluation. In this report, the mid- to long-term objectives related to ESG (climate change, cooperation in the supply chain, social contribution, board of directors, ethical management, etc.) were specified and quantified to be more measurable.

This report represents HMM’s commitment to various stakeholders. We will strive for sustainable management in a virtuous cycle in which ESG management leads to financial growth, and we will transparently share the results. We will continue to respond with interest in new systems and demands related to ESG. Through ESG management, we will strive to grow into a company that builds solid trust in its relationship with its employees, customers, service providers, shareholders, investors, and local communities.

1. Jong Chul Choi Chief Maritime Officer Executive Vice President	2. Jin Seok Jang Head of Legal Affairs Office Executive Vice President	3. Yong Baek Lee Head of Public Relations Office Senior Vice President	4. Jung Hwan Shin Head of Human Resources Division Senior Vice President
5. Shin Kim Head of Key Account & Special Business Division Senior Vice President	6. Joon Jung Head of Bulk Business Division Senior Vice President	7. Ki Tae Kim Head of Container Business Supporting Office Senior Vice President	8. Young Min Lee Head of Finance Division Senior Vice President

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5 6 7 8



Chief Maritime Officer
Executive vice president
Jong Chul Choi

We continue to strive to become a global leading shipping company, actively contributing to solving the problem of climate change.

In 2020, the main role of the Chief Maritime Office was to respond to the IMO sulfur oxide regulation and the COVID-19 pandemic. Since 2020, IMO 2020 sulfur oxide emission regulations have been enforced, and scrubbers EGCS (Exhaust Gas Cleaning System) have been installed onto 75% of the entire fleet, and the conversion to fuel oil with a sulfur content of 0.5% or less completed for ships without scrubbers. In addition, by implementing strict infection preventive management for seafarers, we have achieved zero cases of infection, even in the COVID-19 situation. From 2023, IMO’s short-term GHG reduction measures such as EEXI and CII will be enforced, which creates the great challenge of GHG reduction for the global shipping industry. Shipping companies that lack effective responses to global environmental regulations and de-carbonization will face a crisis and may not survive. HMM will establish an integrated strategy and countermeasures to respond to this and participate in national projects such as research and development promotion, the demonstration of vessels fueled by bio-fuel, and active cooperation in the research and development of eco-friendly vessels along with developing strategies to reduce greenhouse gases from a mid- to long-term perspective and expanding external cooperation. In addition, we will make continued efforts to renew ourselves as a global shipping company in actively tackling climate change by setting our core KPI to reduce GHG emissions by 60% by 2025 and 70% by 2030 compared to 2008, and to achieve 80% of all ships as eco-friendly ships.

Head of Legal Affairs Office
Executive Vice President
Jin Seok Jang

We will strengthen our compliance management system by aligning our compliance personnel and organization with strict compliance by 2025.

The Legal Affairs Office has been playing a leading role in minimizing the legal risks related to company operation by providing accurate legal risk reviews including contract reviews and legal advice as well as guidance on business teams. In 2020, HMM achieved the desired results pertaining to two major legal disputes, thus eliminating uncertainty. The Legal Affairs Office is in charge of managing major disputes, litigation, and arbitration continuously. It also aims to promote fair and transparent business performance through in-house compliance training and compliance checks, continue the sound development of the company and secure customer trust. As 2020 was the year of striving to comply with the competition law through compliance implementation, compliance training, and white paper publication and of implementing sanctions imposed by the international society and anti-corruption efforts, we will strengthen our compliance management system by aligning our compliance personnel and organization with strict compliance by 2025.

Head of Public Relations Office
Senior Vice President
Yong Baek Lee

We set a core task of expanding the capacity to make social contributions suitable for the compcom’s growth. We will promote strategic social contribution activities addressing local communities and global society.

Under the theme of 2020 being our ‘first year for a new leap forward’, the Public Relations Office created an opportunity for change by promoting the change of the company name from ‘Hyundai Merchant Marine’ to ‘HMM’ to create new business opportunities beyond the limits of merchant shipping. Within HMM, which has been transformed into a more dynamic organization due to the large-scale confluence of new employees, the Public Relations Office facilitated communication between domestic and overseas and marine employees in 2020, promoted communication by sharing important information inside and outside the company, and contributed to enhancing the company’s image by securing mega container ships and promoting the successful turnaround in profitability. While the goal of the past was to normalize the corporate image, in 2021, we will position HMM as a company that contributes to the country and society and creates profits under any circumstances. To establish our future-oriented vision, we will promote strategic social contribution activities addressing local communities and global society. By 2025, the Public Relations Office aims to increase the social contribution execution budget by 200% compared to 2020 under the core task of expanding the capacity to make social contributions suitable for the company’s growth. In the future, we will strive to create shared values to realize a happy society where we live in harmony together.

Head of Human Resources
Division
Senior Vice President
Jung Hwan Shin

Human Resources Division (“HR Division”) seeks to listen to employee voice and stay future-oriented in facing the challenges of possible future changes. We aim to equip ourselves with an advanced HR management system by improving and enhancing our corporate HR/institutional infrastructure.

In 2020, HR Division supported the company in successfully joining THE Alliance, the launch of new 24K ships, and adopting a new IT system through timely provision of human resources and essential work environments. In addition, through communication and cooperation we are maintaining a firm and stable labor-management relations so as not to be pitched into a national crisis of massive logistics challenges. In fighting the COVID-19 Pandemic, we adopted safety measures for infection prevention and added flexibility to working hours. Due to these measures, we recorded zero infection cases so far. We believe the year 2021 calls for an action for change and innovation as we face the new era of Non-Contact and the rise of Generation MZ. HR Division seeks to listen to employee voice and stay future-oriented in facing the challenges of possible future changes. We aim to equip ourselves with an advanced HR management system by improving and enhancing our corporate HR/institutional infrastructure. We will continue to communicate with Sales and Business departments and provide necessary personnel and material support for a successful promotion of our company’s ESG management and sustainable growth. We will make every endeavor to establish a desirable work environment and contribute to creating a healthy, flexible and efficient organization underpinned by stable labor-management relations. We further aim to play a part in reviving the Korean shipping industry through enhanced efforts for employee talent development backed by increased annual investments in employee training of 3% up to the year 2025.

Head of Key Account & Special
Business Division
Senior Vice President
Shin Kim

In 2021, in order to provide more stable shipping capacity to customers, we plan to increase the flexibility of fleet operation including multi-purpose fleet, secure new sales volume for U.S. Gulf service, and make efforts to provide tailored services required by customers.

The Container Strategic Management Division selects key customers of our company and strengthens business relationships to establish a stable profit base and promote long-term, win-win growth. In 2020, our division expanded contracts with customers for the developmental direction from “Friendship” to “Partnership” to ensure stable logistics. In 2021, we plans to be more involved in strategic section marketing including new services (Gulf of Americas) to meet customer demand and respond smoothly. In addition, we are expanding the high-value-added reefer business by ordering additional reefers and providing special-purpose reefers such as CA (Controlled Atmosphere) and UF (Ultra Freezer) to customers in a timely manner for the transport of sensitive frozen items. In addition, we are maximizing customer satisfaction by providing differentiated services that can safely transport super heavy cargo or break bulk cargo to destinations using multi-purpose vessels and special containers. In 2021, we plan to improve the visibility of logistics by providing a more stable and flexible transportation system and make every effort to improve service quality so that customers’ needs can be satisfied by proactively responding to changes.

Head of Bulk Business Division
Senior Vice President
Joon Jung

In 2021, we aim to achieve three goals: improving the high-cost business structure, building a foundation of growth, and strengthening risk response capabilities followed by increased uncertainty.

As a starting point for a new leap forward, 2020 was a meaningful year marked by the rebuilding of the sluggish bulk business centering on crude oil line sales, including five new VLCCs delivered in 2019, and the establishment of the foundation for growth in earnest. The Bulk Business Division aims to secure a fleet dedicated to cost-competitiveness, improve market forecasting and risk management capabilities, and reinforce cargo sales capabilities. In 2020, even in the highly volatile bulk market, we achieved operating profits through mid- to long-term cargo development focused on strategic shippers and succeeded in maintaining high profitability compared to the market. In 2021, we aim to achieve three goals in line with last year’s goals. The first is to improve the high-cost business structure. In a year when the redelivery of high charterage ships is starting in full swing, we will reinforce the cost competitiveness of the fleet by updating to cost-competitive ships in case of redelivery. The second is to build a foundation of growth. Through the development of strategic shippers, we will increase the proportion of long-term contracts and use cost-competitive ships to expand sales and improve profitability. The third is to reinforce our risk response capabilities due to increased uncertainty. We will proactively respond to market fluctuations, the environment, oil prices, and counterparty risks by upgrading our risk management system. We believe 2021 is the year of another leap forward. Breaking away from the stagnation of the past, just as the efforts of all executives and employees and the fruits of full-fledged investment have been the foundation for the growth of 2020, we will do our best to make 2021 a year for significant progress.

Head of Container Business
Supporting Office
Senior Vice President
Ki Tae Kim

The Container Business Support Office will do its best to meet the various needs of shippers and actively respond to the rapidly advancing IT environment to help HMM grow further.

The Container Business Support Office plays a key role in developing effective guides and services and maximizing sales so that container sales can respond quickly amid rapidly changing market trends. In 2020, we focused on standardizing work procedures based on an advanced system and laying the foundation for progress towards our turnaround, with on/offline training provided for practical understanding of and adaptation to the changed environment. The training was implemented and a manual was prepared to improve work efficiency in the field and contribute to the reinforcement of customer satisfaction. Moving forward, 2021 is the year to jumpstart change. The Container Business Support Office will do its best to meet the various needs of shippers and actively respond to the rapidly developing IT environment to help HMM grow further. Accordingly, we will continue to rationalize business procedures and improve our systems and speed up the rationalization and automation of major tasks based on the Compass completed earlier this year. In addition, to improve internal work efficiency through the use of platforms suitable for the fourth industrial era (Compass, website, mobile) and to increase customer satisfaction, more than 95% of the total documents will be digitized by 2025.

Head of Finance Division
Senior Vice President
Young Min Lee

With the aim of contributing to maximizing corporate value by enhancing transparency and efficiency of the company through strengthening the “governance” section, we are considering additional measures to improve our corporate governance structure in accordance with the corporate governance codes and guidelines.

Currently, as a large-scale listed corporation, more than half of the Board of Directors consists of independent directors, and the Audit Committee consists of only independent directors with independence and expertise. In addition, as committees under the Board of Directors to comply with relevant laws and regulations, we have organized the independent director Candidate Recommendation Committee, the Risk Management Committee, and the Finance and Economy Committee. Furthermore, with the aim of contributing to maximizing corporate value by enhancing the transparency and efficiency of the company through strengthening the ‘governance’ sector, the company is planning to review additional governance improvement plans by complying with the corporate governance model standards and guidelines presented by the Korea Corporate Governance Service and the Korea Exchange. Among them, from a mid-to long-term perspective, as part of improving governance structure, HMM will continue improving work on evaluation and compensation system for the members of the board of directors, establishment and operation of a succession policy for the CEO, separation of the CEO and the chairman of the board and changing the composition of specific genders etc. Separately, we seek to enhance the sustainable management capabilities of our suppliers through cooperation, evaluation, and education in terms of CSR (Corporate Social Responsibility). To this end, we plan to conduct periodic evaluations on the current status of CSR practices and due diligence through site visits to suppliers. In addition, we will continue to strive to achieve shared growth with suppliers by conducting education through our commitment to practicing sustainable management.

Head of Auditing Office
General Manager
Seong Hoon Cho

With the aim of stably operating the fraud risk management system established in 2020, we will constantly managing the fraud risk in a computerized and advanced way by reconstructing the fraud risk monitoring system throughout 2021.

The main achievement of the Auditing Office was to lay the foundation for the company-wide fraud risk management system, which was set as a major goal in 2020. The Auditing Office has newly established the ‘Fraud Risk Management Regulations’ and introduced the ‘Fraud Risk Checklist’ system so that all organizations can respond effectively with a focus on preemptive prevention of fraudulent and unethical behavior. We have recognized the risk factors of fraud and facilitated employees at overseas subsidiaries to systematically check fraud risks. With the aim of stably operating the fraud risk management system established in 2020, we will constantly managing the fraud risk in a computerized and advanced way by reconstructing the fraud risk monitoring system throughout 2021. To effectively respond to fraud risk factors, it is necessary to raise awareness within the company on ethical management. Therefore, we plan to conduct a variety of educational and promotional activities such as sending newsletters to employees. In addition, in order to continuously strengthen the ethical management system, one of the pillars of ESG management, we will operate a system that can preemptively check potential unethical behaviors, while establishing a culture where employees are always doing business ethically by expanding customized training for each target, including overseas regions.



The Value Creator

As Value Creator, we maximize the value of our stakeholders



Customer Satisfaction

- Provide a wide range of services as a full member of THE Alliance
- Provide accurate and prompt information on cargo transportation through Fleet Control Center
- Strengthen the Key Account Team

Supply Chain Shared Growth Management

- Spread a sustainable purchasing environment by implementing the pledge of the code of conduct for partners
- Certified Excellent Shipping Company and Shipper
- Provide temporary ships to support domestic export difficulties and signed win-win cooperation agreement

Employees

- Establish Learning Center for highly targeted, customized employee training
- Build a flexible work environment by revitalizing telecommuting
- Promote labor-management communication and operate an employee counseling and grievance handling center to spread a health organizational structure

Digitalization

- Launch next-generation shipping/logistics system
- Cooperate on next-generation smart ship technology development
- Join DCSA, an IT technology standardization committee of global container carriers

Environment & Safety

- Declare 'carbon neutrality by 2050', establish climate change response system and strengthen of all-round environmental response
- Establish a timely response system in the environment and safety sector by forming the Environmental Safety Committee/Advisory Committee/Emergency Countermeasure Committee

Governance Ethics/Human Rights

- Strengthen the independence and expertise of the board of directors, such as increasing the proportion of independent directors
- Build an ethical corporate culture by enacting the ethics charter and strengthening the pledge of ethical management by employees
- Pursue global-level human rights policy and a culture of respect for diversity

Social Contribution

- Implement balanced local community development and sharing activities
- Expand social contribution activities to fulfill global social responsibility

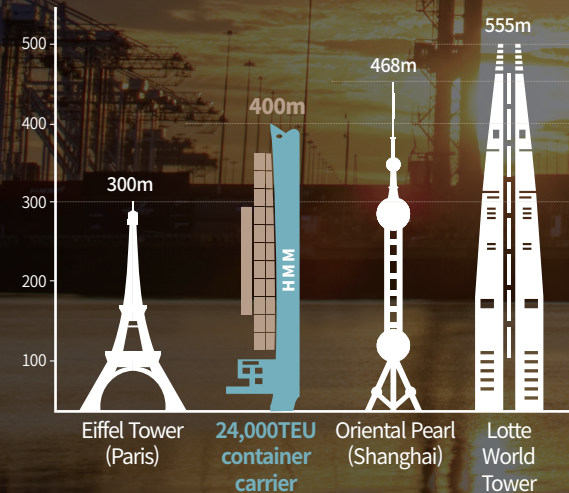
The Great Voyages

The world's largest 24,000TEU '12 Container ships'

HMM 24,000TEU Megaships



How big is it?



How much does it carry?



“With the naming ceremony for the HMM Algeciras, we herald to the world the rebuilding of the Republic of Korea’s shipping industry. Just as Admiral Yi Sun-sin helped surmount a national crisis with only 12 vessels some 400 years ago, these ‘12 super-sized containers’ will help revive the stature of our shipping industry.”

HMM ALGECIRAS Naming Ceremony,
April 23, 2020

Message by President **Jae In Moon**



01 OVERVIEW

HMM is the global integrated shipping and logistics company that provides the highest quality transport services with a variety of ships

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OVERVIEW

Introduction

Value Chain

Business Introduction












Economic Value

Global Report

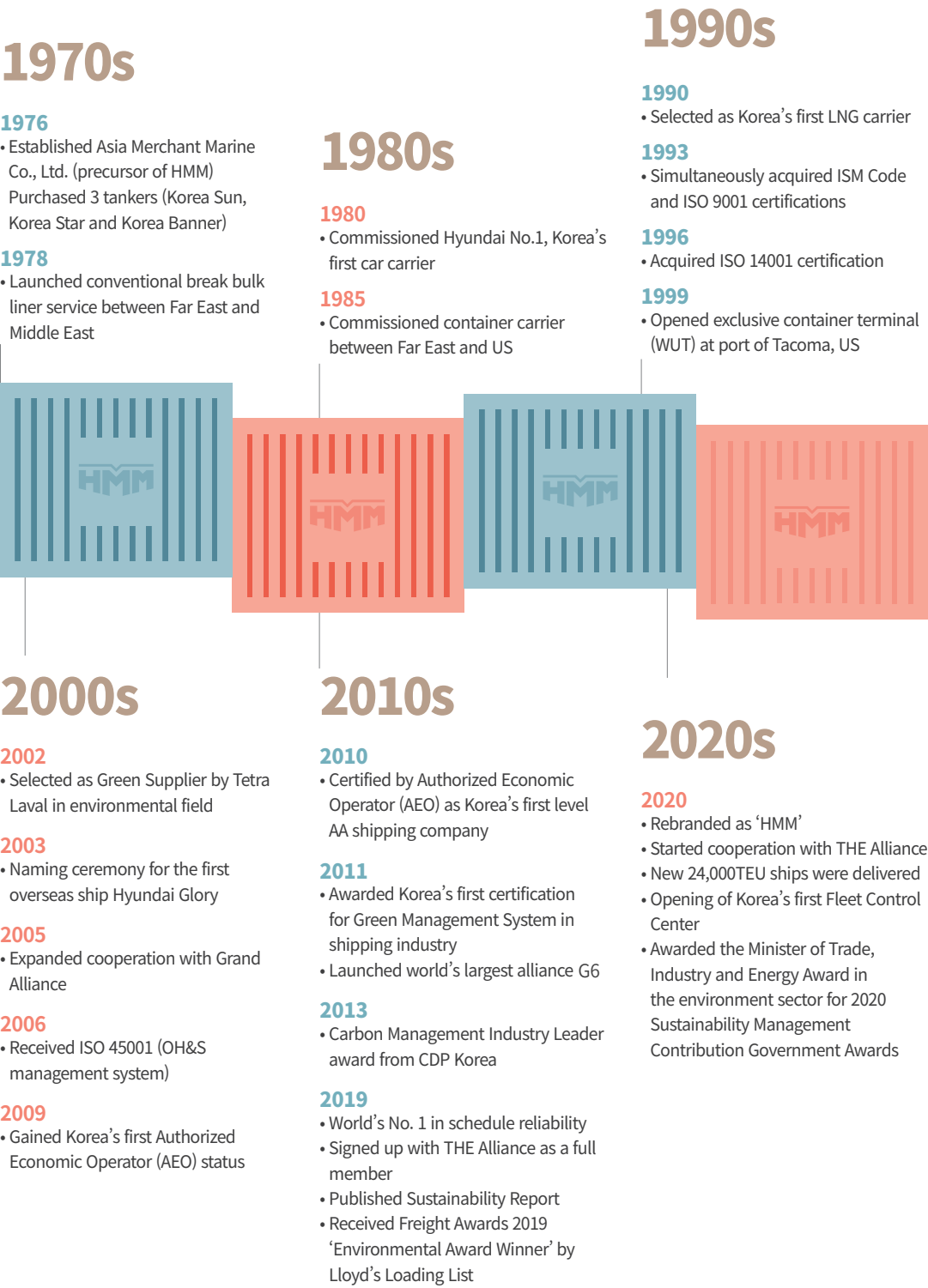
Introduction

HMM is South Korea’s national flagship carrier with more than 40 years of experience within the shipping industry. As one of the world’s leading container shipping companies, HMM operates world-class transportation services with a global fleet of over 100 state-of-the-art vessels. HMM strategically collaborates with customers to develop custom-ised supply chain solutions for dry, refrigerated, and other specialised cargo.

General Status

 Name of Company HMM Co., Ltd.	 Date of Establishment March 25, 1976	 CEO Jae Hoon Bae
 Main Business Marine transportation	 No. of Employees 3,715	 Assets 7,227,894 million KRW
 Issued Capital 1,633,632 million KRW	 Outstanding Stock 326,726,323 shares (common share)	 Major Shareholder Korea Development Bank (12.61%)
 Location 194, Yulgok-ro, Jongno-gu, Seoul, Korea	 Organization Domestic 7 directly under CEO, 3 Chief Offices, 1 Business division, 1 C-level, 11 Divisions, 61 Teams, 4 Offices Overseas 6 Divisions, 24 Subsidiaries, 60 Branches, 5 Overseas offices, 3 Terminals	

History

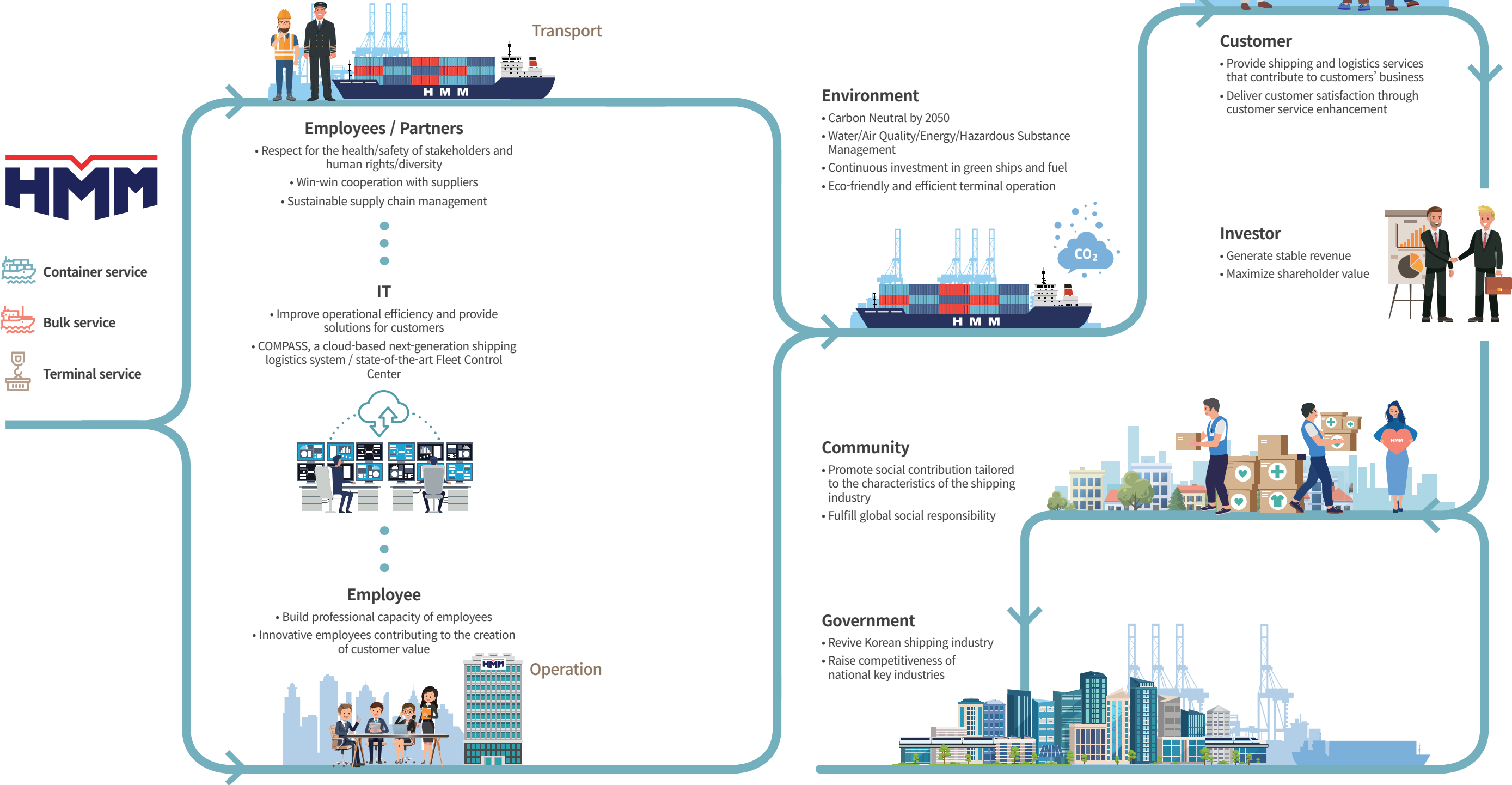


Value Chain

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HMM’s innovative and professional employees are striving to deliver sustainable value to stakeholders based on cutting-edge information technology. Through a more efficient operation system, more eco-friendly vessels and terminal operation, and more customer-friendly services, HMM aims to become a company that creates value in both financial and non-financial fields. In addition, HMM will continue to grow as a trusted company that faithfully fulfills our responsibilities to the local community and conducts fair transactions with our business partners.



Business Introduction

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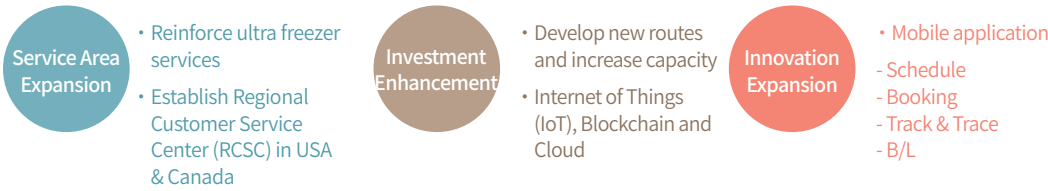
Container Service



HMM’s container service connects more than 100 ports through over 60 service routes and transports cargo to its designated location at the desired time. As a global business free from the barriers between countries, we provide more strategic services with major shipping companies around the world.

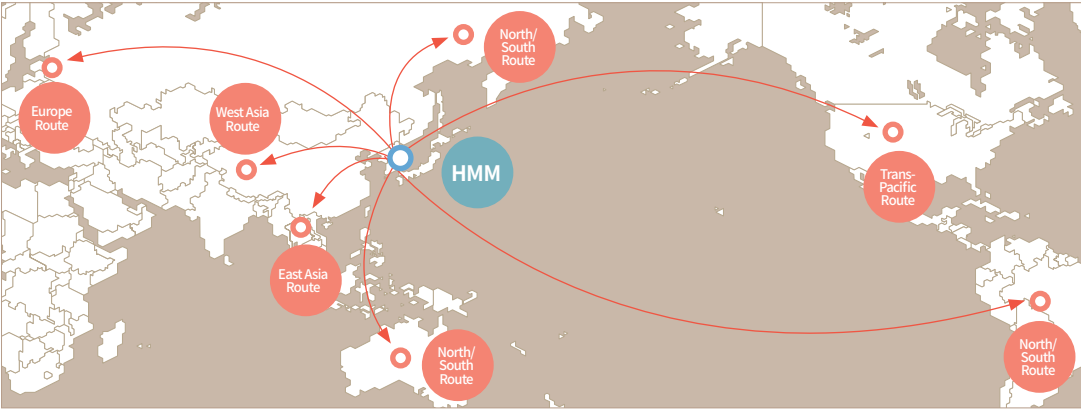
HMM provides services to major routes including the Americas, Europe and Asia and has expanded its service targets to emerging markets such as South America, Australia and Russia. We are expanding our service area, continually strengthening our relationships with shippers and expanding our innovative services.

Container Service Focus Area



In order to strengthen competitiveness, HMM plans to deliver 20 eco-friendly and high-efficiency megaships in 2020 and 2021 to service major trunk routes. In order to actively respond to competition with leading global shipping companies, we will continue securing high-efficiency green vessels in the mid to long term. In addition, we are preparing for IMO 2020 regulations by installing scrubbers - FGD(Flue Gas Desulfurization) - at an industry-leading ratio.

ciency green vessels in the mid to long term. In addition, we are preparing for IMO 2020 regulations by installing scrubbers - FGD(Flue Gas Desulfurization) - at an industry-leading ratio.



HMM Algeciras call to London Gateway Port



HMM Algeciras call to Port of Hamburg



HMM Algeciras call to Port of Rotterdam

Bulk Service

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VLCC Universal Leader

Since HMM launched its tanker business with VLCCs in 1976, we have been operating a variety of fleets including crude tankers, oil product carriers and LNG carriers. In addition, based on long-term contracts with domestic and overseas refiners, we have been generating stable profits by transporting crude oil from the Middle East / West Africa / Caribbean Sea to the Far East / US / Europe. HMM launched Korea's first ore & coal carrier in 1981 and since then, provided maritime transportation services for

coal, grains and various bulk cargoes in cooperation with the world's major ironworks, power companies and raw material suppliers. Equipped with expertise, HMM has been optimizing the profit structure by organizing a competitive fleet formation, efficient operation management, and maintaining stable long-term contracts, and has been continuously improving its sales competitiveness by actively responding to changes in the external environment.

Tanker

Crude Oil Tankers

Provide stable and high-quality services with competitive fleets centered on VLCCs based on sales operations with excellent domestic and overseas refiners.

Product Tankers

Improve profitability in the petroleum product market by providing oil product transportation services to major customers such as global refiners and petrochemical companies, mainly with 50,000DWT MR tankers.

LNG Carriers

Transport stable and long-term liquefied natural gas through a 20-year long-term contract with Korea Gas Corporation, a major domestic shipper.

Trampers

Cape & Panamax

Provide services on various routes around the world through long-term exclusive ship contracts and short-term transportation contracts for domestic and overseas large steel companies, power generators, and grain traders.

Supramax & Handy

Provide transportation services for various bulk cargoes including fertilizer, cement, coal, grain, raw sugar, and minerals through various routes.

Bulk liner

Deliver stable services for steel products, wooden goods and general cargoes from Korean and overseas steel manufacturers, trading companies, and various major shippers with more than 40 years of accumulated know-how.

Terminal Service



Busan HPNT – HMM PSA New-port Terminal

HMM is building its reputation as a terminal operator with state-of-the-art facilities, excellent operational efficiency and thorough safety management while operating its own terminals in Busan, Korea, Tacoma, US, Kaohsiung,

Taiwan, and Algeciras, Spain. In addition, we are striving to become a global terminal operator by acquiring additional terminal stakes as well as existing terminals such as Long Beach, US and Rotterdam, the Netherlands.



Korea	Busan	HPNT - HMM PSA New-port Terminal	Own
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HMM reclaimed the operational rights of HPNT in January 2019 to lay the foundation for improving ship productivity, loading/unloading services and shipper services. With the joining of THE Alliance in 2020, we plan to make continuous efforts to increase transshipment cargo at Busan Port.



USA	Tacoma	Own	Long Beach	Staked
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WUT - Washington United Terminals

Located in Tacoma, one of the major gateways in the United States, WUT has been providing quality services to shipping companies and shippers since its opening in 1999. In particular, it has been realizing fast inland freight services based on the highest level of rail facilities. Since joining THE Alliance in 2020, we have been promoting profit growth by securing stable quantities.

TTI - Total Terminals International

In January 2017, HMM acquired a 20% stake in TTI, the largest terminal in US west coast, providing stable services in Long Beach, the largest gateway in the country. Recently, we have been committed to achieve zero emissions by 2030 in order to become an eco-friendly terminal.



Taiwan	Kaohsiun	HPC - HMM Pacific Corporation /KHT - Kaohsiung HMM Terminal	Own
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Since the acquisition of the entire stake in HPC in April 2017, HMM has operated a total of two terminals in Kaohsiung, Taiwan, including the existing KHT, providing stable loading/unloading services to client shipping companies and shippers by utilizing the maximized capacity.



Spain	Algeciras	TTIA - Total Terminal International Algeciras	Own
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TIA serves as a bridgehead for transshipment to the Mediterranean, North Africa, and Europe and HMM expects that this terminal will expand its base of operations and secure market competitiveness in the region for the mid-and long-term. In addition, TTIA operates the majority of its terminal equipment with electricity as a semi-auto terminal and therefore contributes to air quality improvement with 40% less GHG emissions.



Netherlands	Rotterdam	RWG - Rotterdam World Gateway	Staked
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RWG, located at the first and the last stop of the Trans-Siberian Railway and in a major gateway in Europe, is a fully automated terminal operated by state-of-the-art computer control. RWG maximizes efficient operation, connecting the sea, road and rail-roads. In addition, it is operated with 100% green energy as an eco-friendly terminal, designed with safety and stability as the top priority.

Economic Value

OVERVIEW

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- Value Chain
- Business Introduction
- Economic Value
- Global Report

Economic Performance

Operating profit turned to profit-making for Q2 2020 in 21 quarters

HMM succeeded in turning to a surplus in the Q2 of 2020, signaling Korea’s shipping industry recovering from crisis. Both the container and bulk business recorded operating profit surplus due to improved cost structure and increased freight rates through rationalization of routes and reduction of freights cost, and the efforts to collect high yield cargo etc. In November 2020 the Shanghai Contain-

erized Container Freight Index (SCFI), which is a barometer of sea freight rates posted a record high since the start of its counting, making positive impact on our earnings. Continuous profitability improvement in the bulk business is also expected due to the increase in the volume of crude oil, iron ore, etc., following the resumption of global economic activities in the aftermath of COVID-19.

Financial Performance		(Unit: KRW million)		
		2018	2019	2020
Sales		5,222,124	5,513,089	6,413,270
Category	Container	4,613,321	4,768,039	5,661,438
	Bulk	420,833	545,077	542,376
	Others*	187,920	199,973	209,456
Operating profit		-558,656	-299,694	980,781

*Consolidated company performance (terminal operation business, rental business, etc.)

Distribution of Economic Performance to Stakeholders

HMM is striving to distribute economic performance created from its resources and expertise to stakeholders and return to society.

	2018	2019	2020
Corporate tax	11,671	3,120	3,827
Social contribution to Local community	17	13	30
Partner_Purchase	320,854	727,443	569,401
Employee_Salary	88,959	86,989	94,876
Total	421,401	817,565	668,134

Twelve 24,000TEU ships fully laden with containers

In 2018, HMM signed the contracts with three domestic shipbuilders to build 20 megaships worth about KRW 3.5 trillion, and in 2020, it received twelve 24,000TEU ships from Daewoo Shipbuilding & Marine Engineering and Samsung Heavy Industries. ‘HMM No. 1 World’s Largest Container Ship’ was born under the name of ‘HMM Algeciras’ at the naming ceremony held on April 23, 2020. All 24,000TEU ships delivered by HMM have made their maiden voyage with a full load of cargoes. Despite the sharp decline in world traffic due to COVID-19, HMM Algeciras set the record for the largest number of shipments

in the history of global liner shipping with a full capacity of 19,621TEU, and after that, 4th HMM Dublin broke the record with a shipment of 19,943 TEU. HMM St. Petersburg recorded full shipments, resulting in the achievement of “12 full megaships in a row”. HMM recorded 36 full ships out of the 37 voyages, achieving fleet capacity increase and efficiency through megaships, and regaining its global core route, laying the foundation for a bigger leap forward. From mid-March 2021, we plan to receive eight new 16,000TEU ships from Hyundai Heavy Industries.



HMM Algeciras’s Naming Ceremony, April 23, 2020 | God Mother: First Lady Jung Sook Kim



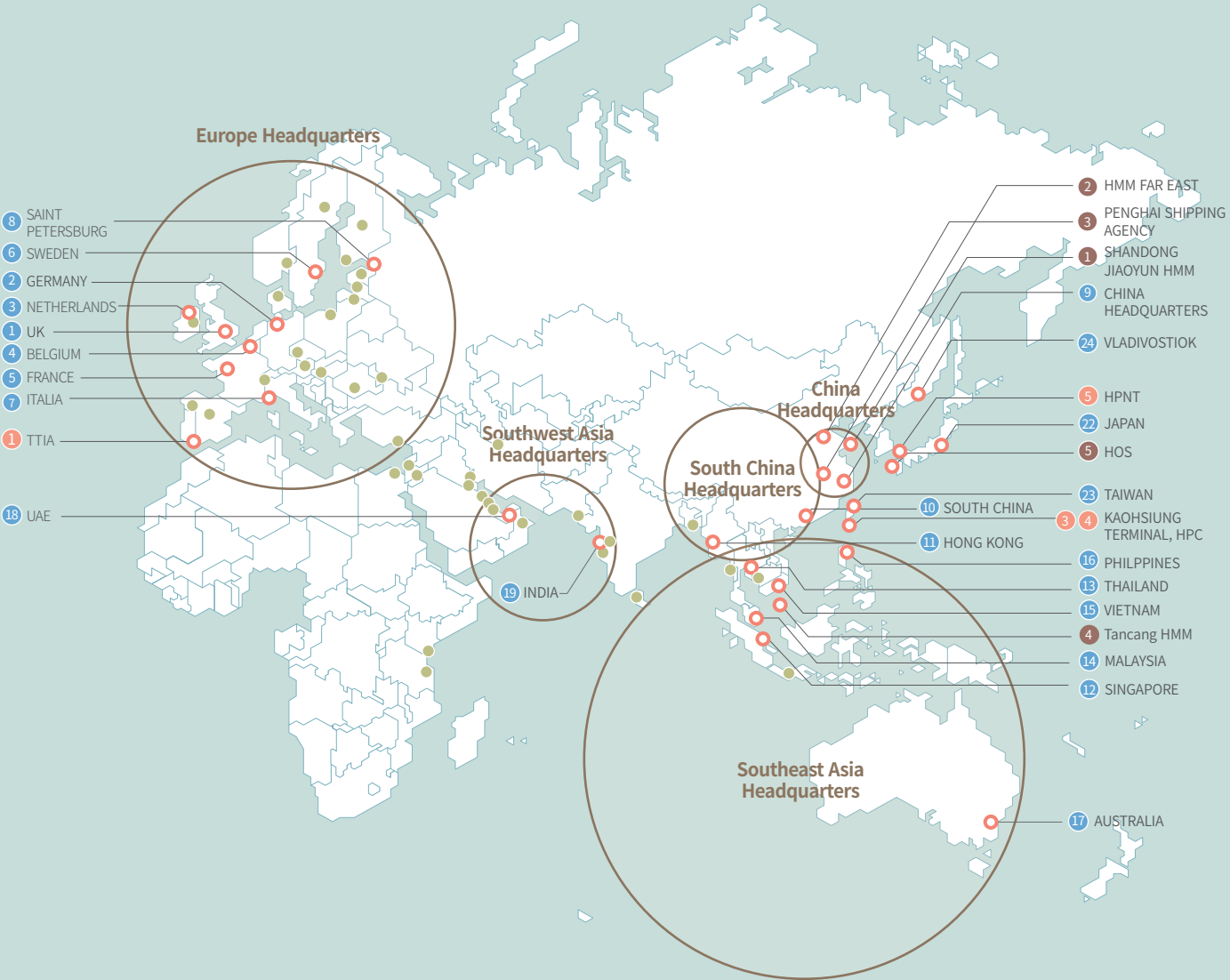
HMM Hamburg’s Naming Ceremony, July 1, 2020 | God Mother: Associate Min Ji Kim

Global Report

OVERVIEW

- Introduction
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- Global Report

HMM strengthens its competitiveness with a broad global network including 27 overseas subsidiaries including three terminals, 65 branches and offices, 4 JVs (Joint Ventures) and 55 third-party agencies under six overseas headquarters around the world. In the shipping industry, where borderless fierce competition takes place, we want to leap forward as a global terminal operator by constructing world-class competitive power. HMM is operating its own terminals including those in Busan of Korea, US Tacoma, Kaohsiung of Taiwan, and Algeciras in Spain while engaging in operation of terminals as a shareholder by acquiring stake such as Long Beach of US California and Rotterdam of Netherland. We will rise up as a global terminal operator by providing the best environmental and safety management, excellent operational efficiency, optimal customer service and securing state-of-the-art facilities.



Classification	● Container business agent corporations	● Container terminal corporations	● Other corporations	● Third-party shipping agencies
Overseas	24	4	4	55
Domestic		1	1	



Europe Headquarters

- 1 UK
- 2 GERMANY
- 3 NETHERLANDS
- 4 BELGIUM
- 5 FRANCE
- 6 SWEDEN
- 7 ITALY
- 8 SAINT PETERSBURG
- 9 TTIA

China Headquarters

- 10 CHINA HEADQUARTERS
- 11 SHANDONG JIAOYUN HMM
- 12 HMM FAR EAST
- 13 PENGHAI SHIPPING AGENCY

South China Headquarters

- 14 SOUTH CHINA
- 15 HONG KONG

Southeast Asia Headquarters

- 16 SINGAPORE
- 17 THAILAND
- 18 MALAYSIA
- 19 VIETNAM
- 20 PHILIPPINES
- 21 AUSTRALIA
- 22 TANCANG HMM

Southwest Asia Headquarters

- 23 UAE
- 24 INDIA

America Headquarters

- 25 HMMA
- 26 HASA
- 27 WUT

Other corporations

- 28 JAPAN
- 29 TAIWAN
- 30 VLADIVOSTIOK
- 31 KAOHSIUNG TERMINAL
- 32 HPC

Domestic

- 33 HPNT
- 34 HOS

02 SPECIAL PAGE



HMM will renew itself as a **trusted company** that can deliver **sustainable growth** and **value**

- 32_ HMM STORY
HMM, Fly Again
- 34_ HMM ISSUE 1
Take climate change as an opportunity
- 36_ HMM ISSUE 2
Secure global shipping competitiveness
- 38_ HMM ISSUE 3
Block COVID-19

SPECIAL PAGE

HMM STORY
- HMM, Fly Again

HMM ISSUE 1

- Take climate change
as an opportunity

HMM ISSUE 2

- Secure global
shipping
competitiveness

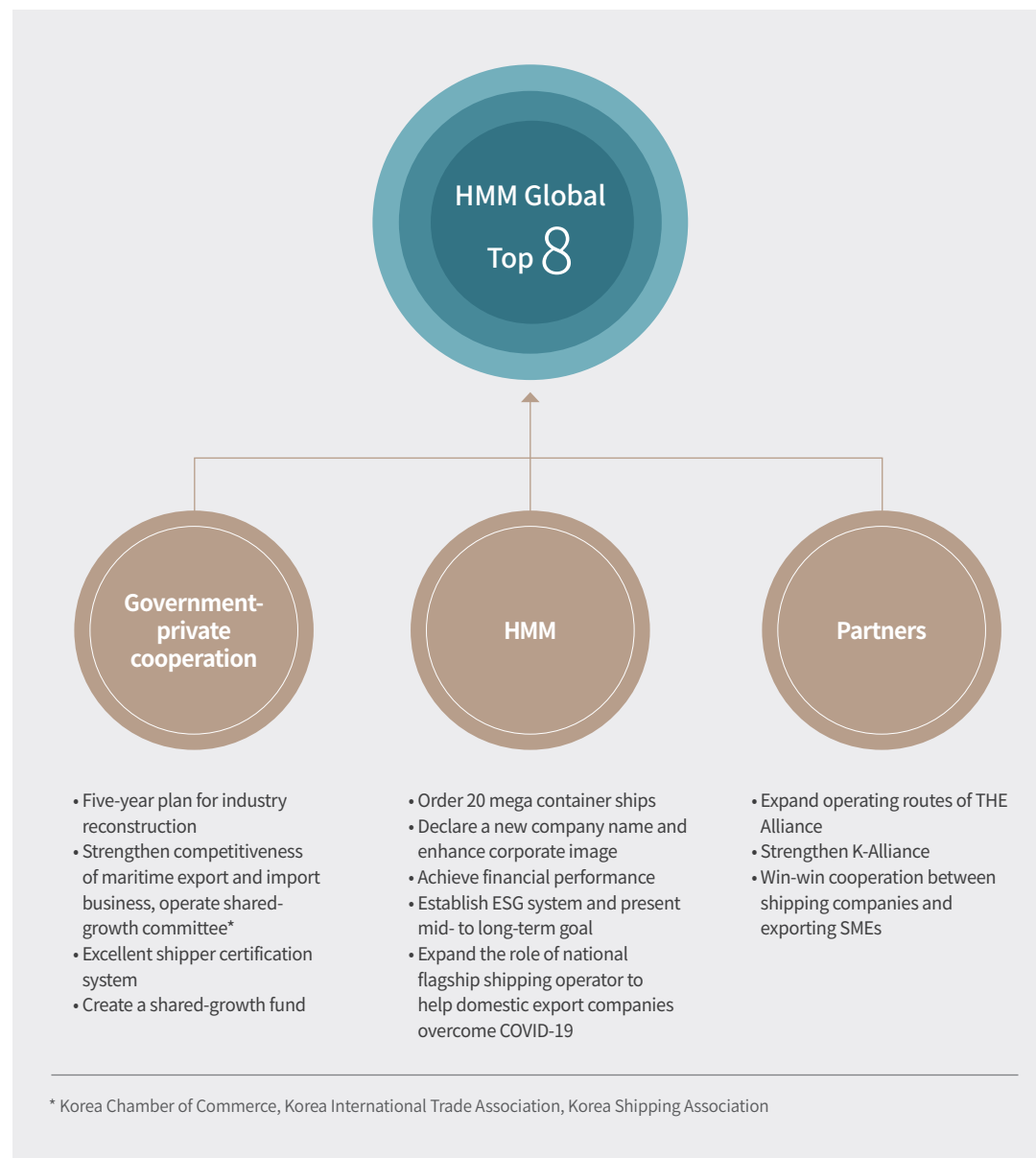
HMM ISSUE 3

- Block out COVID-19

1.

Revival of HMM and Korea's shipping industry
created by Shared Growth

Rebuild Korea's shipping industry by creating industrial ecosystem of shared growth



Declare a new name, embarking on a new voyage

Changed the company name to “HMM” for the first time in 37 years since its founding in 1976

Changing its name to HMM, promoted to provide a focal point for various newly recruited members and to create a new shipping corporate culture, is to help us not just to be remembered as a shipping company but also to open the possibility of expanding the business area further. In addition, we aim to become a global top-notch company, and plan to make HMM a global leading brand based on our accumulated strength.



*Expressing the front of a huge ship advancing into the horizon at sunrise.

** Implying HMM's ambition and vision for the future, and HMM's strong will to dream of shared growth with customers



Achieving record high performance in 2020

HMM achieved an operating profit of KRW 980 billion in 2020 beyond its successful turnaround in 10 years, recording the highest performance ever. Difficulties persisted as the deficit remained for a long period of time, but this success is attributable to support and assistance of the government, related organizations, partners, and people, and the efforts of employees. The cost structure is expected to improve further this year as it plans to acquire eight 16,000TEU mega container ships. Accordingly, we will focus on improving profitability through efforts to secure additional cargo, strengthen internal capabilities, and improve sales structure.

Targeting 1 million TEU of ship capacity by 2022 “to become a global top-class shipping company”

In April 2020, HMM's first 24,000TEU container ship ‘HMM Algeciras’ was delivered. The naming ceremony was attended by President Jae In Moon and First Lady Jung Sook Kim took the role of the godmother. Twelve world's largest 24,000TEU container ships that have been delivered sequentially since then have recorded 36 fully laden voyages out of 37 voyages despite COVID-19 pandemic, proving the power of a megaship. As HMM's fleet capacity exceeded 720,000TEU as of April 2021, it rose to the 8th place in the global shipping company ranking, taking a leap forward as a global top-class shipping company.

HMM Issue 1 Take Climate Change As Opportunity

SPECIAL PAGE

HMM STORY

- HMM, Fly Again

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- Take climate change as an opportunity

HMM ISSUE 2

- Secure global shipping competitiveness

HMM ISSUE 3

- Block out COVID-19

1. Put Carbon Neutral as Critical Management Value

Declare Carbon Neutral by 2050

- Declared long-term goal “Carbon Neutral by 2050”
– Second to Maersk among global shipping companies
- Mid-term goal ‘GHGs reduction of 50% in all fleets and 70% in container fleet by 2030 (Emission Intensity)’
– 46.7% reduction of all fleets in progress
– 58.4% reduction of container fleet in progress
- About KRW 92 billion in eco-friendly equipment investment
- Completed SOx Scrubber in 75% of all ships



2. Recognized as Sustainable Green Company

Selected as the best global eco-friendly shipping company

- The only Asian shipping company selected as the best shipping company in the environmental sector by the leading UK shipping magazine ‘Lloyd’s Loading List’



December in 2020

- Sustainable Management Government Awards
– Awarded by the Minister of Trade, Industry and Energy in the environment sector



3. Obtain competitiveness through next-gen. eco-friendly technology research

Conclude MOU for Eco-friendly & Smart-ship Joint Research

- Business agreement with Samsung Heavy Industries
- Joint research on utilization of vessels and smart ship solutions
- Mutual exchange of professional manpower, academic and technical information
- Joint use of educational and research facilities



- Major technology development with Korean Register of Shipping (KR)
- Technology related to eco-friendly alternative fuels including liquefied natural gas (LNG)
- Ship operation fuel efficiency improvement and smart ship solution-related technology using information technology
- Cooperation in technology related to operation of gas fueled ships



4. Take one step closer to Eco-friendly Company

Alternative Maritime Power(AMP) Pilot Project

- Prevention of environmental pollution including PM reduction
- Realization of ‘Clean port’
- Shore power supply method when berthing at Busan Port
- Possible reduction of gas emitted during engine operation to maintain the temperature of the reefer container.



Agreement for Bio-fuel Demonstration

Korea Bioenergy Association, Hyundai Heavy Industries, Korea Shipbuilding & Marine Engineering, Korea Register of Shipping

- Agreement to demonstrate the use of eco-friendly fuels to reduce GHG emissions from ships
- Bio-fuel as an alternative fuel made from unused resources such as animal and vegetable oil and biodiesel process by-product, similar properties to existing marine fuels.



HMM Issue

2 Secure Global Shipping Competitiveness

SPECIAL PAGE

HMM STORY

- HMM, Fly Again

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HMM ISSUE 3

- Block out COVID-19

1.

New Partnership with 'THE Alliance'

Join as a full Member in 2019 Kick off official activities in 2020

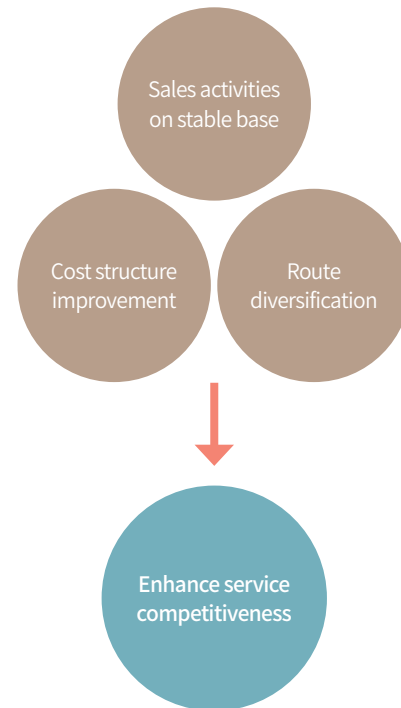
Join 'THE Alliance' as a full member through support of the government in its shipping reconstruction policy

- 10 years of competitive service along with Hapag-Lloyd in Germany, YANG MING in Taiwan, and ONE in Japan



- In April 2020, called at 78 ports worldwide, commencing a total of 33 service cooperation
 - Servicing three new routes in Asia-Middle East
 - Commencing services on about 27 out of 33 routes in total
- Service expansion after joining THE Alliance
 - East-West route increase (20 → 27)
 - Increased weekly fleet capacity (11.3%)

- Restore trust in the global shipping market
- Grow into a national flagship shipping company with global competitiveness



2.

New IT powered-innovation to internal work productivity

Open COMPASS, Cloud-based next-generation shipping logistics System

- Launch the next-generation shipping logistics system independently developed since 2018 (November 2020)
- Integrate management of all information such as ship operation information including, operation, contract, reservation, and transportation, as well as vessel, personnel, management, etc.
- Reduce costs and provide quick and uninterrupted service even in disaster situations with cloud-based system
- Improve services for large shippers and internal work productivity
- Respond actively to changes in business environment and customer needs through the introduction of new technologies such as blockchain, RPA, and big data



3.

Maximize ship's operational safety & performance efficiency with differentiated information technology

Build Korea's first state-of-the-art Fleet Control Center

What is Fleet Control Center?

- Control center that can monitor detailed information of smart ships navigating around the world

What is its function?

- Provide high-accuracy transportation schedule considering cargo loading status, real-time location, weather and vessel routes
 - ⇒ Ensure cargo safety and enhance customer trust about cargo quality
- Share real-time information of all ships
 - ⇒ On-Offshore real-time collaboration enables rapid business support and effective decision-making

What is expected effect?

- Cost reduction and safety improvement of ships through remote diagnosis of ships



HMM Issue 3 Block COVID-19

SPECIAL PAGE
HMM STORY
- HMM, Fly Again
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- Take climate change as an opportunity
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- Secure global shipping competitiveness
HMM ISSUE 3
- Block out COVID-19

1. Prevent COVID-19 from Spreading to Ships

Management of owned/charter ships to respond to COVID-19

Protection of crew members from COVID-19 risks and planning & procedures for the safe boarding of crew members

- 1. Including exposure of potential infection risks to On Land personnel and outsiders, and actions to be taken in case of suspicion while on board
- 2. Includes guidance and information on COVID-19 symptoms, basic quarantine/protection measures, masks, gloves, and personal protective equipment such as face shields from WHO (World Health Organization) and ICS (International Chamber of Shipping)



Boarding Management

Boarding

- Prior to boarding, quarantine and health check for at least 14 days
- PCR (polymerase chain reaction, COVID-19 test) test within 4 days of boarding or a few hours before arrival at the port scheduled, within 2 hours by car from the place of residence
- If self-driving is not possible while traveling for PCR testing, self-quarantine at a hotel near the PCR test venue
- Wearing PPE while on the move and following social distancing
- Captain requests new crew to fill in 'App3. Crew Passenger Health Declaration Form'

On Boarding

- Monitor symptoms and infection risk at the time of boarding through health monitoring of crew members and maintenance of Shipboard Self-Distance (SSD)
※ Shipboard Self-Distance (SSD)
 - Maintain a minimum of 1 meter of social distance while working
 - Refrain from all unnecessary contact or proximity situations with other crew members while working
 - If possible, use external stairs, escape routes, etc., on foot
 - Disinfection of work places and equipment
 - Avoid using public places such as restaurants, laundry facilities, and restrooms
 - Immediately move to the bedroom after on-call and work
 - Rest in the bedroom when there is no suitable place to rest during work
 - If possible, eat in a private bedroom
- New crew shall implement SSD for the first 14 days after departure
- When maintaining adequate distances and minimizing close contact is difficult or impossible, the captain requires the crew to wear PPE
- The captain considers the crew without COVID-19 symptoms to be safe after the SSD enforcement period has elapsed

Disembarking

- Require careful management to minimize the risk of COVID-19 infection when disembarking crew and passengers
- After disembarking, crew shall notify the company of suspected symptoms of COVID-19 within 14 days after disembarkation
- In the event of a COVID-19-like case on a ship, the relevant facts will be disclosed to those leaving the ship within 14 days

2. Protect HMM Employees

COVID-19 Response Process in Korea

- | | |
|---|--|
| 1. Advance notice | • Visit the screening clinic and notify the PCR test |
| 2. Pre-classification of close contacts | • Secure a list of close contacts in the last few days
• Minimize unnecessary movement and contact |
| 3. Confirmed case | • Receive the confirmed case |
| 4. Within one hour | • Delivering the status to other tenants and leaving the office and closing the office building
• Basic epidemiological investigation
• Relocating all staff and essential equipment
※ In the case of non-working hours, business is on hold and work suspended to stay at home until a specific notice (transition to telecommuting) |

- | | |
|-----------------------|--|
| 5. Within two hours | • Early leaving from work and telecommuting
• Alternative office setup complete
• Notification of the person in charge of the situation room |
| 6. Within three hours | • Leaving and notifying travel outcome |
| 7. Within four hours | • Report on the summary of the status of all teams
• Disinfection of the entire office |
| 8. Post-outbreak | • Follow-up monitoring
• Support business site |

COVID-19 Emergency Response Manual

- 1. Establishment of countermeasures for each scenario through the emergency response manual
- 2. Frequent monitoring of those with symptoms and those completing diagnostic testing and real-time status report and maintenance of regular response posture

- 3. Telecommuting, separate work, time-varying work, and work system expansion and active distancing
- 4. Efforts to resolve difficulties with IT systems, frequently receive difficulties and conduct surveys

COVID-19 Response of Overseas subsidiaries

1. Telecommuting, flexible operation of the time-varying work system

HQ & Subsidiaries	Work Pattern
America HQ	US HQ and DCSC: 2-shifts Other areas: 2 shifts/3 shifts/ All employees work from home
Europe HQ, Germany, Belgium, India subsidiaries, TTIA	Excluding required personnel, all work from home
Southeast Asia HQ, Malaysia, Philippines subsidiaries, Southwest Asia HQ	25,30,50,31% or less working from home
Italy subsidiary	60% regular work, 40% come to office 3 days per week
Sweden and Russia subsidiaries	Excluding some people, all working in the office
Japan subsidiary	Execute flex-time work
Netherlands subsidiary, France subsidiary	2-shift work

2. Installation and disinfection of quarantine facilities

- Europe HQ and Netherlands subsidiary: Installation of acrylic screens in the office
- Disinfecting offices per subsidiary whenever necessary

3. Procurement of masks for subsidiaries in countries with insufficient masks

- Donated masks from Shekou Terminal in South China to China HQ (10,000 pieces)
- Delivered Vietnam subsidiary producing masks to all overseas HQs and subsidiaries (25,600 pieces)
- Masks at HQ to be delivered to Southwest Asia HQ and India HQ (2,800 pieces)

3. Global Cooperation in Blocking COVID-19

Based on responsible implementation and cooperation, participation in Neptune Declaration About Neptune Declaration

- 1. Signature on crew welfare and crew shift
- 2. Recognizing seafarers as key personnel in the maritime industry and prioritizing them for the COVID-19 vaccine
- 3. Establishing the best standard protocol for crew health through existing best practices
- 4. Increasing cooperation among stakeholders in the maritime industry to facilitate crew shifts
- 5. Ensuring the formation of consensus between major maritime centers

03 SUSTAINABLE IMPACT

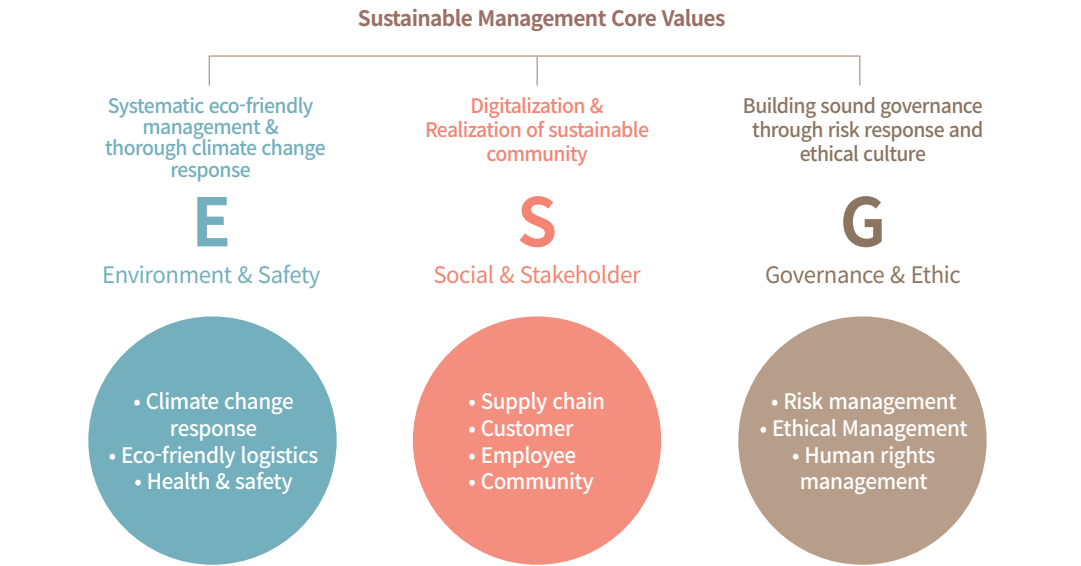
HMM renews itself as **leader in the global shipping and logistics industry**, creating sustainable future values through **ESG focused sustainable management**

- 42_ Sustainable Management System
- 43_ Sustainable Management Initiatives
- 44_ Materiality assessment

SUSTAINABLE IMPACT
Sustainable Management System
Sustainable Management Initiative
Materiality Assessment

Sustainable Management System

After establishing the sustainable management system in 2019, HMM improved it to an ESG-focused system in 2020. HMM's declaration of realizing sustainable management is made through its mission, vision, and core values, and the company has set goals for each field of ESG until 2025, focusing on the three pillars of environment, social, and governance. HMM is intended to share its positive commitment and efforts for sustainable management with all of our stakeholders. Through ceaseless innovation, we will renew our company as a "leader in the global shipping and logistics industry that creates sustainable future values".



2025 ESG Goals					
	Core value	Promoted projects	Management indicator	2025 Goal	Remarks
E Environment	Response to climate change	GHG emissions reduction	GHG emission reduction ratio	60% compared to 2008 *Based on container ship (Emission intensity)	IMO GHG reduction roadmap (Emission intensity) 40% by 2030
	Eco-friendly logistics	Securing eco-friendly ships	Ratio of securing eco-friendly ships (Scrubber installation, LNG fueled ship)	80% of all ships	* Establishing more ambitious targets than IMO
	Health and safety	Health and safety impact management	No. of catastrophic accidents (More than KRW 1 billion in loss cost)	0	0 cases in the last 3 years, and 0 case continuously maintained
			LTIF (Lost Time Injury Frequency)	0.5	Aim to make 60% improvement compared to 1.26 in 2020
S Social	Supply chain	Cooperation with up- & downstream partners in the value chain	Supply chain ESG assessment coverage (Performance ratio)* *The implementation rate is based on the cost of the business partners	80% or above	52% in 2020 (Based on fuel supplier) *For the first time checking issuance of the supplier CSR report and the status of implementation for 2020
	Customer	Customer satisfaction (Maximization of internal and external customer satisfaction)	Digitalized document (e-Booking and e-B/L Ratio)	95% or above	New tasks to improve customer satisfaction
			VOC process rate	100%	100% in the last 3 years, and aim to keep 100%
	Employees	Talent development	Talent development training investment (Based on domestic onshore employees)	3% increase over the previous year	About 410 million KRW based on 350 million KRW in 2020
	Commitment to society	Expansion of out social contribution	Social contribution budget expansion ratio	200% compared to 2020	Target to increase to 60 million KRW from 30 million KRW in 2020
G Governance	Board of directors	Strengthening the expertise of the board of directors	Board evaluation and compensation system establishment	System building	Building a system in accordance with the guidelines for corporate governance report of the Korea Exchange
	Ethical management	Strengthening ethical management system (Including anti-corruption)	Customized education program (Including overseas)	100% implementation rate	About 100% in 2020 and aim to keep 100%

Sustainable Management Initiative

UN SDGs Implementation

The UN Sustainable Development Goals (SDGs) are objectives that the international community should implement by 2030 to realize sustainable development around the world, and HMM has been participating in the implementation of the 17 goals. In particular, we are intensively managing 10 highly relevant targets in consideration of the business characteristics and the direction of sustainable management.

HMM Implementation Goal

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

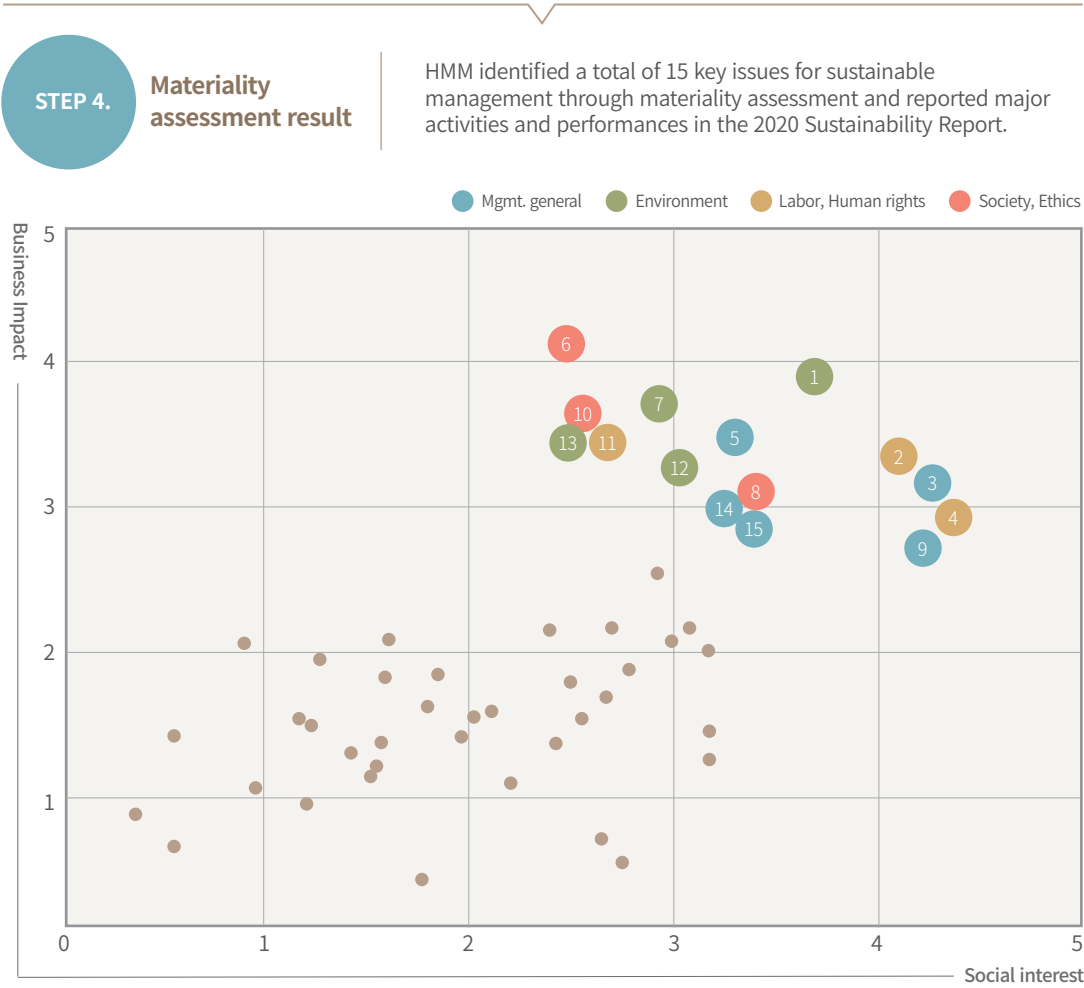
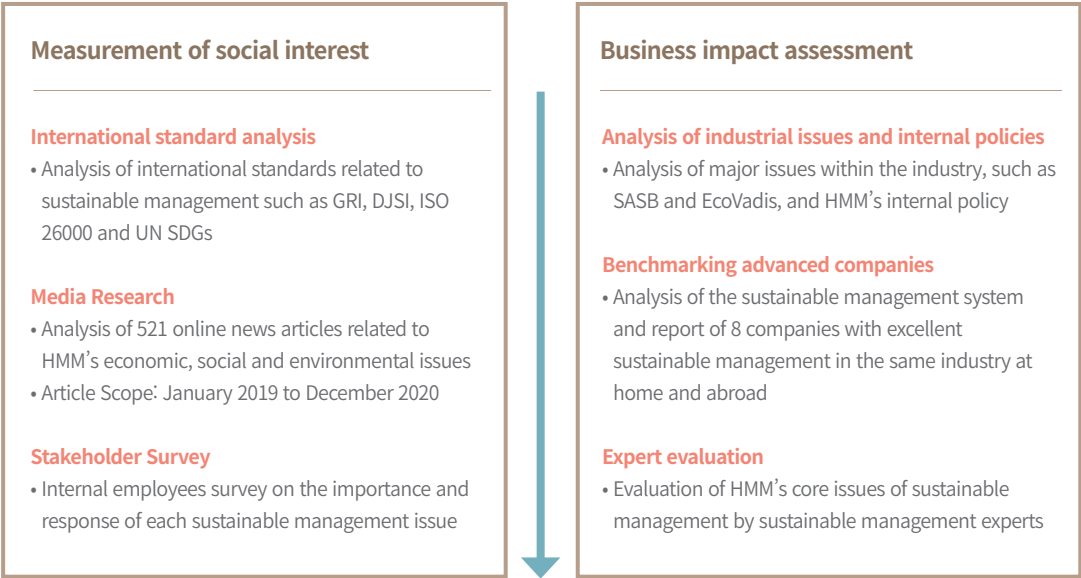
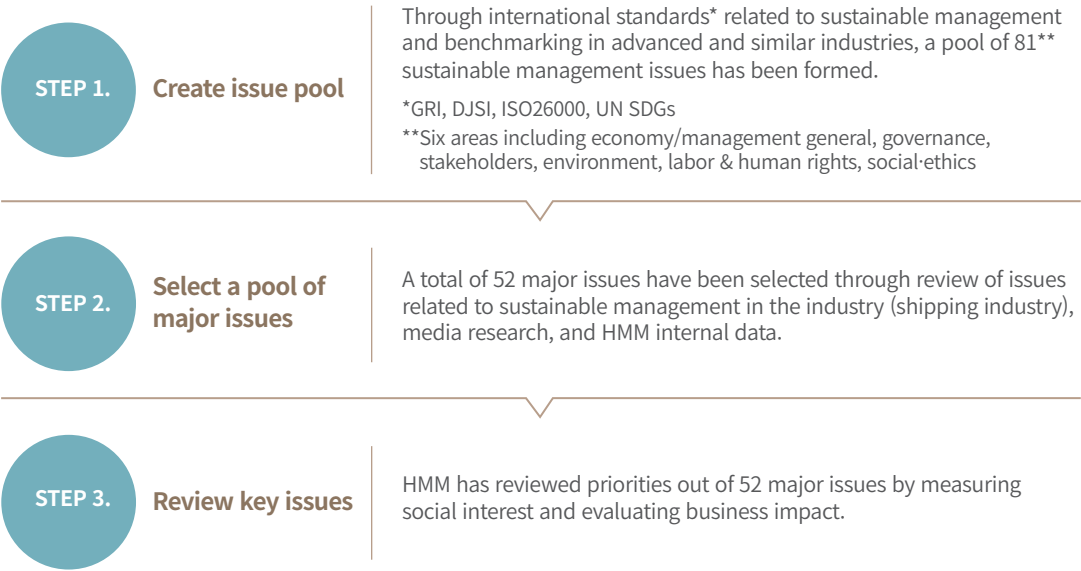
THE GLOBAL GOALS

For Sustainable Development

Materiality Assessment

SUSTAINABLE IMPACT
Sustainable Management System
Sustainable Management Initiative
Materiality Assessment

HMM conducted a materiality assessment to identify and select key issues related to 2020 sustainable management based on the Global Reporting Initiative (GRI) Standards, the world’s most widely used standards for sustainability reporting. Through international standard analysis, industry issue analysis, benchmarking of advanced companies, media research, and stakeholder survey, we select a pool of major issues related to HMM’s sustainable management activities, and organize key issues derived based on social interest and business impact as the key reporting subject of the 2020 Sustainability Report. In addition, we are actively carrying out risk management by identifying the priority of issues based on materiality assessment.



Area	Key Issues	Page
Environment	1. Greenhouse gas emission management and reduction	34-35, 43, 48-49, 51-52, 59, 61, 106
Labor-Human Rights	2. Strengthening the safety and health management system for employees	38-39, 43, 62-65, 103
General	3. Expanding the global market and strengthening competitiveness	28-29, 36-37, 66-72
Labor-Human Rights	4. Providing high-quality training programs to strengthen employee competencies	43, 79-82
General	5. Profitability improvement	26-27
Social-Ethics	6. Cooperation with up-& downstream companies in the value chain	20-21, 43, 73-76
Environment	7. Increased waste management and recycling	49, 56, 107
Social-Ethics	8. Strengthening the ethical management system	43, 96-100
General	9. Innovation such as digitalization	67-70
Social-Ethics	10. Anti-corruption system operation and reinforcement of measures	43, 96-100
Labor-Human Rights	11. Non-discrimination and respect for diversity	103-104
Environment	12. Air pollutant management	55-56, 59, 107
Environment	13. Efforts to manage energy consumption and increase efficiency	53-54, 60-61, 106-107
General	14. Response to the new era of cooperation	36, 68-69
General	15. Differentiation and expansion of high-quality services	37, 68-69, 77-78



04 SUSTAINABLE FOCUS AREA

HMM is maximizing stakeholder value by **systematically managing environmental, social, and governance (ESG) performance**

48_ Environment & Safety

66_ Society & Stakeholders

91_ Governance & Ethics & Human Rights

Environment & Safety

ENVIRONMENTAL
MANAGEMENT
APPROACH

Issue Importance

Responsible action to global warming and organic growth as a low-carbon eco-friendly company are tasks that must be implemented at a global level. In accordance with the Paris Agreement, the international community demands all parties to submit reduction targets and to verify their implementation and strengthens regulations to minimize environmental impacts from sea transportation.

Opportunity & Risk

HMM is taking part in responding to climate change issues and preparing countermeasures to tackle climate change. We intend to reduce the potential impact of climate change and maximize business opportunities through active responses such as building a comprehensive greenhouse gas management system and establishing strategies.

HMM Approach

HMM strives to fulfill its environmental responsibilities by minimizing the impact on the environment and climate caused by operations at sea and on land. We have established an environment and safety management system with the goal of being carbon neutral by 2050, responding to climate change, regulations, and reinforcing environmental and safety responsibilities, and systematically manages performance through a dedicated environment organization.

2020 Key Performance

Greenhouse gas reduction rate*	Scrubber installation
46.7%	75%

*Based on HMM owned ships, Bare Boat Charter Hire Purchase (BB-CHP) and Bare Boat Charter (BBC)

10 issues of environmental and safety policy

1. Reduction of GHG
2. Energy efficiency improvement
3. Air pollutant management (SOx, NOx, etc.)
4. Waste & Hazardous Substance Management
5. Community ecosystem and biodiversity protection
6. Ship recycling
7. Prevention of human life loss and serious accidents
8. Enhancing the health and safety of customers and employees
9. Prevention of diseases including infectious diseases
10. Building a sustainable supply chain

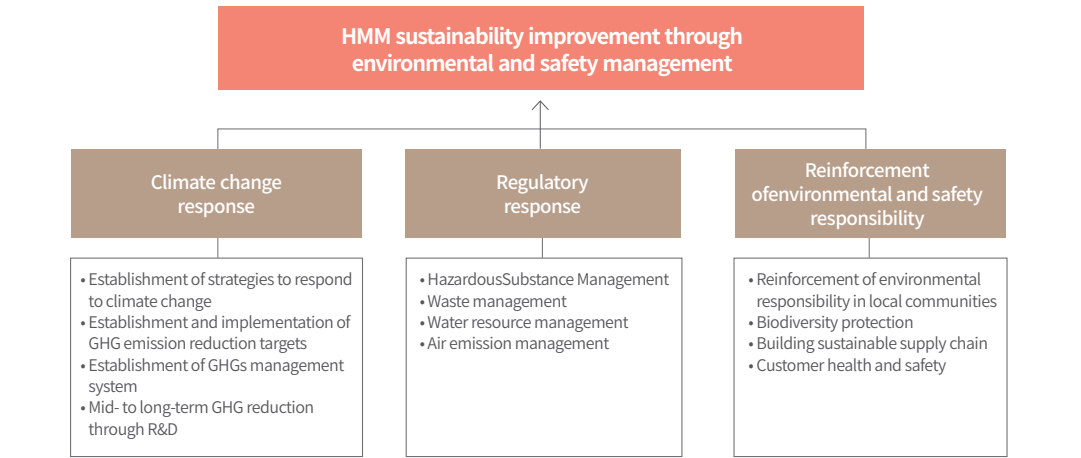
Environment · Safety Management

Environment & safety management system

Promotion of environment & safety management

With the goal of “improving the sustainability of HMM through environmental and safety management,” HMM has established a direction to minimize environmental impact and prevent safety accidents in maritime transportation and business activities and is pursuing systematic activities based on this.

Environment & safety management system



Environment and safety promotion organization

HMM has formed the “Environment & Safety-quality Committee” with the CEO as its chairman to establish mid- to long-term and detailed goals for environmental management, and periodically evaluate and improve its performance. The Environment & Safety-quality Committee monitors environmental issues affecting the company, such as climate change, biodiversity protection, regional pollution prevention, and sustainable supply chain, and establishes comprehensive measures for safe operation of ships and accident prevention and develops policies for accident prevention. It is responsible for deliberating the feasibility and suitability of the management system, and has advisory committee, emergency response committee and shipboard Environment & Safety-quality Committee.

Promotion system of Environment management



Environment and safety management operation

Environment, Energy, Health, Safety & Quality Management Integrated System (HMM-ESQS) Operation

HMM is the first Korean shipping company to achieve customer satisfaction through environmental management, safety and health security, and transportation service quality improvement, based on the existing environmental management system (ISO 14001), a safety and health management system (ISO 45001), and a safety management system (ISM CODE), quality management system (ISO 9001) and energy management system (ISO 50001)

were integrated. We also comply with the requirements of international standards and other requirements agreed by domestic and foreign laws, regulations, and organizations, appoint an environmental safety manager and safety management officer for proper implementation and continuous improvement of the integrated system with resources and means provided and give them independence to the work being carried out.

Environment, Energy, Health, Safety & Quality Management Integrated System(HMM-ESQS)



Environmental impact assessment

HMM conducts its own environmental impact assessment with the aim of identifying significant environmental risks that have or may have a significant impact on the environment in relation to the company's activities, products and services, and assess the severity of the environmental impact. In terms of waste, air, water quality, noise and vibra-

tion, biodiversity, resources and energy consumption, the master of each ship and each team leader conduct and review environmental impact assessment at the beginning of December every year, notify the Quality assurance team leader and communicate significant environmental aspects with various levels and teams of the company.

Climate Change Response



Climate change response system

Climate change response strategy

To respond to climate change, HMM has established a GHG management system (GEEMS) to monitor and analyze GHG emissions in real time. In addition, through the application and development of energy efficiency improvement facilities of ships, we intend to improve energy efficiency by installing energy-efficient facilities on ships being built. In addition, we plan to continuously analyze the energy efficiency of ships to optimize operation and

performance, and we will reinforce external activities in response to climate change by producing greenhouse gas inventory reports and booklets related to environmental regulations in the shipping sector. In line with the government's declaration of "2050 carbon neutral," HMM will actively contribute to realizing a safe, low-carbon society by 2050 by reducing greenhouse gas emissions.

GHG reduction target and performance

With the goal of 2050 carbon neutrality, HMM has established and implemented GHG reduction targets for the

entire fleets and container ships (which accounts for more than 80% of the company's GHG emissions).

GHG management status*

	Unit	2018	2019	2020
GHG emission intensity	gCO ₂ /DWT-km	3.8	3.1	2.7
Greenhouse gas reduction rate	%	25.2	39.8	46.7

*Based on HMM owned ships, Bare Boat Charter Hire Purchase, BBCHP, Bare Boat Charter, BBC

GHG reduction target

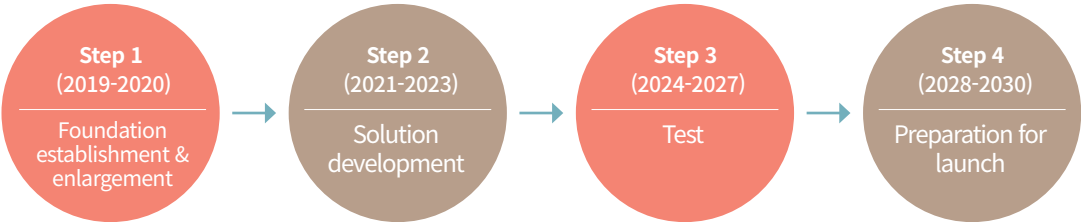
(Compared to 2008, Emission Intensity)

	2030	2050
All fleets	50%	Carbon Neutral
Container fleet	70%	
Reference IMO GHG Roadmap	40%	70%

Getting to Zero 2030 Coalition

HMM intends to prepare for the post-carbon era beyond efforts to increase energy efficiency to prevent climate change. The decision to participate in the "Getting to Zero Coalition," which was formed with the aim of commer-

cializing Zero Emission Vessels (ZEVs) for world wide trade by 2030, is a step toward this post-carbon era. HMM will continue to prepare for the era of energy transformation through various cooperations with a long-term strategy.



GHG management

Greenhouse gas management system

HMM monitors and analyzes GHG emissions in real time through a comprehensive GHG management system and secures objectivity of emissions and calculations by conducting a third-party verification every year in accordance with the ISO14064 (voluntary GHG emissions verification

GHG Inventory

HMM applies the GHG Inventory, an operating system that systematically manages GHG emission sources by equipment, process, and business site to statistically manage GHG emissions. Through this, we are systematically managing both direct GHG emissions from fuel used in ships, terminals and office buildings and indirect GHG emissions from electricity use. In addition, HMM manages not only greenhouse gases, but also NOx, SOx, PM, etc., constantly

SCC(Carbon emissions, Supply Chain Carbon) Calculator

HMM operates and manages a system that automatically calculates greenhouse gases generated from the point of departure to the destination of cargo, encompassing inland transportation such as ships, trucks, and railroads. This system was created for the purpose of providing the carbon footprint of HMM ships requested by shippers,

Application of International Maritime Organization’s Ship Greenhouse Gas Reduction Roadmap (IMO GHG)

We are actively responding to environmental issues by adopting the ‘Initial Strategy for IMO Ship Greenhouse Gas Reduction’, which is the first step of the International Maritime Organization’s ‘IMO GHG Reduction Roadmap’. In line with the shipping industry’s step-by-step response plan, HMM is also planning to reinforce energy efficiency

standard) verification principle. In addition, we provide information on GHG emissions to customers as well as on low-emission solutions and use it for national GHG-related systems.

and systematically monitoring the emission status of air pollutants and based on this it is possible to accurately aggregate the status of greenhouse gas emissions in real time which helps the company establishes reduction plan by identifying potential reductions. HMM’s GHG Inventory has been verified by the Korean Register of Shipping (KR) that its calculation conforms international standards such as ISO and IPCC.

which is available at the company website. The Supply Chain Carbon Calculator was developed according to the methodology proposed by CCWG, but HMM has increased its reliability by using its own calculation for GHG emissions.

management for ships currently in operation and convert it to eco-friendly fuel. In addition, we will increase the energy efficiency of new shipbuilding and actively respond to the GHG emission regulations of the shipping industry through the emission trading system.

Energy efficiency management

Energy Efficiency Improvement & Monitoring System

98% of the energy used by HMM is used by ships. The energy efficiency of ships is on the improvement and is providing more efficient means of maritime transportation.

We have developed a system that can accurately monitor the energy efficiency of ships in real time and applied them to ships.

Ship Energy Efficiency *			Unit: annual consumption of fuel oil(g/DWT*km)
2018	2019	2020	
1.2158	0.9771	0.8647	

*Based on HMM owned ships, Bare Boat Charter Hire Purchase(BBCHP) and Bare Boat Charter(BBC).

EEDI(Energy Efficiency Design Index)

HMM operates a system that calculates the energy efficiency index of ships with the same concept as the fuel economy of automobiles. At the 62nd IMO MEPC meeting,

it was decided to apply to new ships built after 2013, but HMM is striving to increase energy efficiency by developing a system that can calculate the EEDI of existing ships.

EEOI(Energy Efficiency Operational Indicator)

HMM is calculating the energy efficiency indicator, an indicator that calculates how efficiently a vessel is operated. As this is a very important indicator for shipping

companies as it shows the actual efficiency of a ship, we have built a sophisticated calculation system on our own to effectively respond to energy efficiency analysis.

Energy Efficiency Management, Energy Efficiency Management Plan (SEEMP) Guidelines

HMM is managing in accordance with the SEEMP (Ship Energy Efficiency Management Plan), a management guideline to induce an increase in the energy efficiency of ships. Since 2013, all ships have been required to keep this guideline in place, but HMM has already developed its SEEMP and implemented it on all ships in operation. HMM’s

SEEMP specifies various methods and technologies to reduce greenhouse gas based on experience and manages individual ships through each ship’s PDCA (reduction target setting, implementation, measurement, and evaluation) cycle.

Activities to improve energy efficiency

Ballast water management

In addition to optimizing trim, ship operators can minimize hull resistance by considering various operational aspects such as sailing speed, displacement, and weather based on SEEMP and minimizing possible ballast water. In

addition, we are reducing the operating time of the ballast water pump as much as possible when berthing at the port. In this way, we are reducing fuel consumption and actively improving the energy efficiency of our ships.

Water resistance reduction method

Since frictional resistance is the largest factor among the total resistance of a ship, HMM has introduced a method for reducing hull resistance in SEEMP developed by itself. In order to prevent the increase of the resistance of the hull due to contamination by organisms attached to the hull such as barnacles, seaweed, and microorganisms, we

are steadily improving the ship energy efficiency by using technologies that reduce hull resistance such as silicon paint, ship bottom cleaning, and propeller cleaning. In addition, we are minimizing hull resistance by optimizing the ship's trim.

Speed Optimization, ‘Energy Consumption Optimization System’

HMM increases ship efficiency and optimizes ship speed through SEEMP. The optimal economic speed to minimize fuel consumption can be determined through a voyage plan that considers key information such as weather,

route and schedule. In addition, bulk carrier and container ship operators can optimize their vessel operations using the Energy Consumption Optimization System (ECOS) or Total Fleet Management System (TFMS), respectively.

Route optimization, ‘Vessel Insight’ IT system construction

In line with the era of the 4th industrial revolution, HMM applies cutting-edge IT technologies such as artificial intelligence (AI), big data, cloud, and blockchain to the entire business process and shipping industry, while developing Vessel Insight, a deep learning system that analyzes

the optimal route through AI. By saving energy for ships, collecting and analyzing a wide range of data, and presenting the optimal trim and optimal route, it is possible to make optimal decisions that reduce fuel consumption and operating costs.

Cargo loading optimization

HMM is using the latest cargo loading program “Hi-stow” SW by a specialized vessel planner to ensure the safety of the cargo on board and the efficiency at the port. Through

this, we are effectively responding to customer needs by efficiently loading cargo on ships to increase space utilization and reduce cargo transportation time.

Air quality management

Response to environmental regulations on air emissions

Worldwide, regulations on air pollutants emitted by ships are expanding. Regulations on SOx and NOx are being strengthened, and in Hong Kong and China, additional

regulations are being implemented to prevent air pollution in each port. Accordingly, HMM is actively investing and carrying out activities to reduce pollutants.

Air emission management activities

HMM expands the use of scrubbers, SCR, and various air emission reduction filters to comply with the Air Pollution Conservation Act and to reduce air emissions from work-

places/ships, and thoroughly manage pollutants that directly affect local communities below the legal standard.

SOx emission management	<ul style="list-style-type: none">• Installation and operation of scrubbers (Sulfur Oxide (SOx) emission reduction device) in preparation for the IMO environmental regulations to be implemented from 2020 (75%)• Implementing emission reduction by installing scrubbers and using low-sulfur oil
NOx emission management	<ul style="list-style-type: none">• Applied to diesel engine installed in ships• Improving fuel efficiency by converting fuel injection valves to the sliding type and installing engine control system while S elective Catalyst Reduction (SCR) technologies loaded to some new ships, which dramatically remove NOx.
PM emission management	<ul style="list-style-type: none">• Ship energy consumption management to proactively respond to fine dust regulations
VOC emission management	<ul style="list-style-type: none">• Protecting the air environment and creating a pleasant environment by installing a device on all the oil tankers to recover harmful oil vapor generated when loading cargo oil to an oil tanker

Respond to IMO’s sulfur oxide regulations- 75% scrubber installation completed

The scrubber is a device that flushes out sulfur oxides in exhaust gas with seawater and is one of the countermeasures under the IMO environmental regulations that took effect in 2020. HMM has installed scrubbers on virtually all container ships except for short-term charter ships since they have many benefits such as not causing engine failure despite high installation costs. Considering that among global major shipping companies, ships with scrubbers in the world account for 20%, HMM’s share of ships with scrubbers is overwhelming. In addition to responding to environmental regulations, we intend to further respond to climate change, reducing sulfur oxides, main culprit of air pollution.



Scrubber (FGD) installed in HMM ST PETERSBURG

Selected as an excellent eco-friendly shipping company to reduce air pollutants (Auckland Port, USA)

HMM has been selected as an eco-friendly excellent shipping company in the Port of Oakland, USA, awarding a shipping company that has contributed to reducing air pollutants and protecting the local environment by using 100% On Alternative Maritime Power (AMP) at the Port of Oakland. In order to prevent the discharge of pollutants (exhaust gas) in the port, HMM installs an On Alternative Maritime Power (AMP) so that all ships calling through the port of Auckland can turn off the engine with electricity generated on land and receive electricity. HMM will do its best to prevent environmental pollution by proactively preparing and responding to the prospect of further strengthening environmental regulations and securing eco-friendly ships.



Waste management

Garbage management plan

HMM establishes and implements a “Garbage management plan” for efficient garbage management, and manages all garbage collection, storage, treatment, and disposal in accordance with the annex V of the MARPOL convention. We monitor the entire process from garbage generation to

discharge, transport and treatment, and through this, we are striving to reduce the amount of garbage generated and to activate recycling (separate collection, use of plastic/can compressors, etc.).

Waste oil management

HMM monitors and records the amount of waste oil (Sludge, Oily bilge water) generated from ships and the amount of treatment (discharging to shore reception facility/recycling)

and establishes targets for each ship to minimize it. In addition, we maintain close partnerships with waste disposal companies to treat them legally and efficiently.

Ship recycling

For safe and eco-friendly ship dismantling, we are applying the ship recycling procedure of HMM as well as the International Maritime Organization (IMO)’s Ship Recycling Convention and EU Ship Recycling Regulations. HMM is

intended to carry out preventive measures in advance to minimize risks to the safety of workers and environmental pollution that may occur during the dismantling process of aging ships.

Procedure of Ship recycling			
1.	2.	3.	4.
Identification and list of hazardous substances (asbestos, PCBs, ozone-depleting substances, etc.)	Selection of place for scrapped ships through preliminary investigation	Dispatching a qualified supervisor for supervising the entire process	After December 31, 2020, keeping on board a list of records of all hazardous substances and related certificates

Hazardous Substance Management

Blocking and handling hazardous chemicals

In order to protect the marine ecosystem and the environment of local communities, HMM reviews the safety of all chemical substances used in all business sites and ships in advance, blocks the use of hazardous chemicals, and systematically manages the chemical substances in use. In particular, the use of paints (TBT paints, etc.)

that adversely affect marine organisms as well as marine organisms are prohibited, and eco-friendly antifouling paints are applied. When washing ships and equipment, eco-friendly materials are used to actively respond to hazardous chemical management.

Hazardous chemical handling process

HMM defines and handles hazardous chemicals (dangerous substances) as substances that pose a direct risk to human life, hull, and cargo due to explosive, flammable, toxic and corrosive properties in accordance with the International Maritime Transport Regulations (IMDG Code). In order to ensure the safety of employees, ships, and

cargoes against hazardous chemicals, we divide and separate them into nine classes, and we disclose restricted and prohibited items on the website. HMM has managed hazardous chemical substances by using material safety data sheets (MSDS) to prevent accidents in accordance with the Occupational Safety and Health Act.

Hazardous chemical handling process



Regular inspection of hazardous chemicals

HMM is essentially carrying out activities including indicating, sticker and labeling hazardous chemicals in order to take precautions and prevent accidents when transporting and storing hazardous chemicals, and to establish appropriate countermeasures in the event of an accident.

When handling and storing hazardous chemicals, durable labels are attached to clearly identify risks according to the IMDG Code, and dangerous materials are thoroughly managed through regular and daily inspections.

Training on hazardous chemicals for customer health and safety

For the health and safety of customers, HMM has been training workers who handle hazardous chemicals transported by ship. Safety training was conducted for 2,288 hours for a total of 143 people in 2020. Through this, we

are striving to spread a safety culture, building a foundation for continuous and systematic management of hazardous chemicals and raising awareness of safety for hazardous chemicals handlers.

Water Management

HMM is striving to reduce environmental pollution by continuously managing the amount of fresh water used by ships and controlling the amount of gray water generated. When the scrubber is operated to reduce the emission of SOx from ship's exhaust gas, washing water is discharged overboard. In case of this, Acidity (pH), Turbidity, PAH, Ni-trate, etc. are continuously measured to comply with conventions and regulations and to minimize environmental

impact. In addition, sewage generated from ships is treated and discharged through a sewage treatment system, or stored and managed in a separate holding tank, and gray water discharged from cabins and galleys is stored in a dedicated holding tank which is newly established so that we are actively responding regulations such as the US Vessel General Permit.

Biodiversity Management

HMM is striving to restore the ecosystem and preserve biodiversity by efficiently utilizing environmental cleaning activities and utilizing natural resources and by-products to preserve the marine water quality and marine ecosystem. In order to prevent disturbance of the marine ecosystem by foreign species attached to the hull, the company applies high grade antifouling paint to ships and periodically manage hull contamination. In addition, to prevent container loss, we use CSM (Cargo Securing Manual) and

loading computer approved by the classification society to manage the shipping and anchoring conditions of containers and introduce preventive maintenance to carry out periodic lashing material maintenance. In addition, (MARPOL ANNEX I REG. 12A), the ship is built by applying a double hull structure to prevent the fuel from leaking out of the ship in case of a collision or aground in accordance with the IMO regulations.

Mandatory Installation of Ballast Water Treatment System

Since September 2019, the International Maritime Organization has made it mandatory for all ships to install Ballast Water Treatment System (BWTS), which is a device that disinfects and purifies ballast water before discharging. HMM has established, approved, and implemented ballast water management plans and strictly complies with the regulations of the Convention.

Moving to mandate biofouling (ship-attached organisms) management

In order to further strengthen the preservation of marine ecosystems, there is a movement to mandate the management of biofouling, which is a pollution phenomenon caused by barnacles, seaweed, and microorganisms attached to the bottom of the ship. Biofouling is the cause of the movement of aquatic organisms, which not only disturbs the marine ecosystem, but has the effect of lowering operational efficiency by increasing friction and weight of the ship. HMM has been managed through periodic and thorough cleaning of the ship floor for improvement purposes.

Underwater Robot, put into hull cleaning operation

HMM has started hull cleaning of all ships in operation by underwater robots from March 2020. By establishing a win-win cooperation system with a domestic underwater robot company and moving the surface of the ship to the onshore purification system through a filtration system connected to the main body, the lower surface of the ship is cleaned, resulting in an effect of 40% reduction in cost, precise cleaning, and reduction of working time.



Community ecosystem protection

HMM complies with the Air Conservation Act to protect the ecosystem of the local community and is investing in clean production technology to reduce pollutants generated at business sites. The company thoroughly manages air, water, and soil pollutants below the legal standards, which directly affect local communities. In addition, we are min-

imizing the emission of air pollutants such as greenhouse gases and fine dust through the use of an onshore power supply (AMP: Alternative Maritime Power) during anchoring. In order to reduce sulfur oxides emitted from ships, Exhaust Gas Cleaning Systems (EGCS) has been installed to help manage air quality in local communities.

Customer health & safety

HMM manages hazardous substances to protect the health and safety of customers in the environment, prepares marine safety rules and conducts related training. In addition,

we have a system in place to provide information about the ship's carbon footprints to share relevant information with our customers.

Evaluating environmental impact of product use

HMM collects data using GEEMS, a system developed in-house, and conducts environmental impact assessments such as sulfur oxides, nitrogen oxides, and greenhouse gas emissions. In addition, to provide the evaluation data as

reliable information, HMM has obtained certification by the certification body and the certified evaluation data is disclosed to ensure that customers can check it.

Eco-friendly Logistics



Creation of eco-friendly terminals

Eco-friendly Transportation System

In order to establish an eco-friendly transportation system, HMM introduced an Automated Transfer Crane (ATC) in the terminals and switched from the engine driving method using fossil fuel to the electric driving method.

This not only significantly reduces the use of fuel oil in the terminal, but also saves the electricity bill (about 5%) by installing a solar system on the roof of the terminal gate.



- Automatic control of multiple cranes from the central control room
- Driving efficiency improvement
- Human error prevention



- Moving two 40ft containers at once
- Increased driving efficiency
- 50% reduction in energy use



- Automatic tracking of container location and movement route in container yard, which is transmitted to the central control room
- Increased operational efficiency by minimizing container movement
- Energy saving effect

Port Automation System

HMM is striving to properly handle pollutants that may occur in ports by introducing an eco-friendly port automation terminal. In addition, through port automation, we are intended to reduce operating costs such as labor and power costs, improve productivity compared to existing ports, and minimize the occurrence of pollutants in the port by using eco-friendly unloading equipment with electric power instead of diesel. With this, we are fully preparing to enhance global competitiveness in the future based on the establishment of eco-friendly port automation facilities.



Investment in eco-friendly equipment

HMM is continuously investing in equipment for eco-friendly ships to increase efficiency in ships and reduce greenhouse gas emissions. We will continue to introduce eco-friendly facilities, such as eco-friendly and highly efficient container facilities and reefers with a low GWP (Global Warming Potential) index. In addition, we have

been striving to minimize carbon dioxide emissions and maximize fuel and energy efficiency by applying energy efficiency improvement facilities such as hull resistance reduction system, propulsion efficiency improvement equipment, and engine efficiency improvement equipment.

Equipment investment items and investment costs for 2020

Category	Description	Investments (KRW)
Operation efficiency	• Weather Routing Service • Trim Optimization • Performance Monitoring System	2,748,500,000
Hull resistance	• Hull Optimization • Hull/Propeller Cleaning • Fuel-saving paint	9,885,000,000
Engine efficiency	• Slide V/V • PMI VIT / Auto-tuning	3,564,000,000
Propulsion efficiency	• Pre-Swirl Stator • Saver Fin • Rudder Bulb	6,875,000,000
Others	• AMP Installation • BWTS Retrofit • SCRUBBER Retrofit • IHM Certification • Intelligent Pump • Pulse Lubricator	68,958,802,000
Total		92,031,302,000



Environment & Safety

HEALTH & SAFETY MANAGEMENT APPROACH

Issue Importance

HMM believes that the essence of its business operations is “employees” and ensures thoroughly that employees can work in healthy and safe workplaces. In addition, the safety management of ships affects corporate competitiveness and trust, so the issue of “safety” is linked to the survival of HMM. Amid the 2020 COVID-19 pandemic, the importance of the safety and health of HMM employees increased even more.

Opportunity & Risk

Since safety accidents are directly related to human life, risks to workplace accidents and employees’ health must be well managed. In addition, ship accidents can lead to maritime accidents and marine pollution, so they must be managed as a worldwide risk. Safe workplace and ship management present opportunities to maximize work efficiency and productivity.

HMM Approach

HMM has established a system to ensure ‘safety and health’ as the top priority and is continuously improving it by applying high standards for laws and regulations. We have implemented safety devices for constant risk management and emergency response and expanded the scope of management of the safety environment to business partners so that they can be operated systematically at the corporate level. In addition, in the event of COVID-19, we quickly enacted an emergency response manual to protect the safety and health of on Land and offshore employees.

2020 Key Performance

Catastrophic accidents / bad weather accident	LTIF
0	1.26



Safety & Health

Safety & Health Management

Health & Safety Status

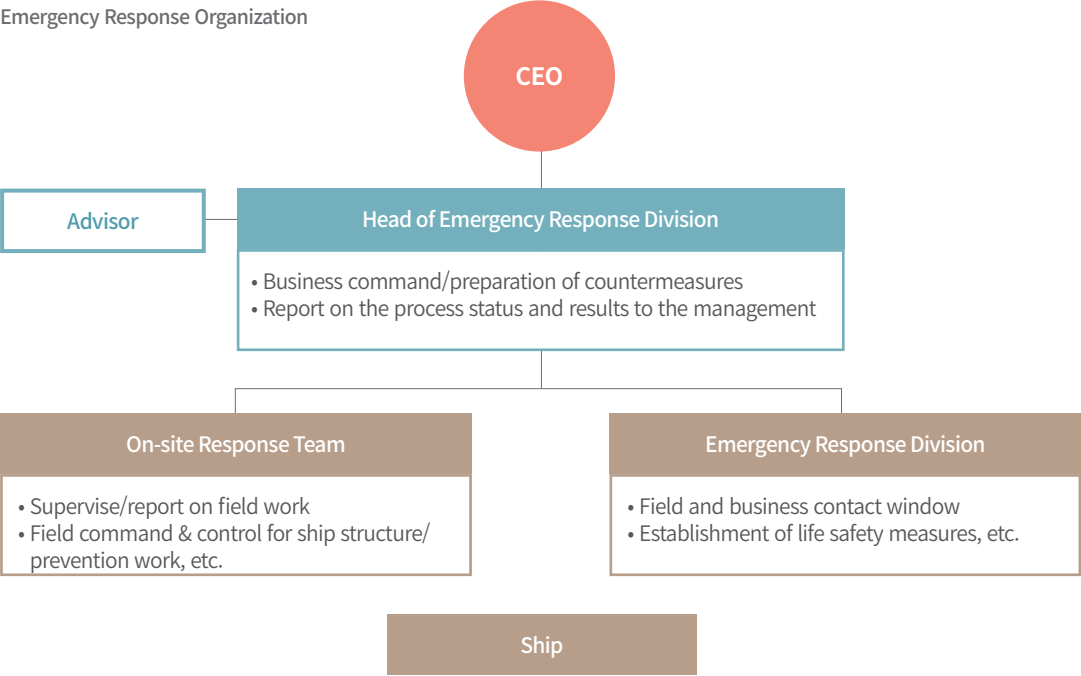
HMM aims to realize a safe workplace and promote employee health. In accordance with the revision of the Occupational Safety and Health Act, it has been proactively responding to the revision of the Occupational Safety and Health Act. In addition, we are continuing to expand investment and improve facilities in the workplace for the health and safety of our employees as well as our custom-

ers and partners. Safety and health management system has been integrated into the HMM-ESQS management system. The company acquired international standards including ISO45001, and ISM related to safety and health management, to prevent industrial accidents and to create an optimal working environment.

Operation of Safety Emergency Response System

HMM seeks to establish a safety culture that adheres to the basics and principles. In order to prevent environmental and safety accidents in advance, we analyze the potential risks of environmental accidents and maintain a 24-hour monitoring system. In the event of an emergency, we

operate an emergency response division and enable rapid spread of the situation and emergency rescue measures in terms of environment, safety and health to prevent accidents and minimize damage.



Safety & Health Audit

HMM conducts regular internal audits at least once a year for effective management of influencing factors in all activities in connection with the operation of the environmental, energy, safety, health and quality management system. The audit is conducted by an internal auditor with qualifications stipulated by the company regulations, and

the audit is divided into shorebased and shipboard audits to enable verification in terms of management and operation. As a result of the audit, problems are immediately corrected to ensure thorough follow-up management of safety and health risks.

SUSTAINABLE
FOCUS AREA

Environment & Safety
Society & Stakeholder
Governance & Ethic &
Human Rights

Land/Marine Severe
Accident
2018~2020

0
cases

No. of dangerous
goods accidents
is zero.

0
cases

Workplace Safety

Workplace Safety Management Activities

HMM finds and improves potential risk factors at work-
place for the health and safety of employees both shore-
based and shipboard. All employees in charge of facility
management, warehouses, ports, and business trips are
trained according to specific requirements, risks, and
safety requirements. In addition, appropriate safety mea-
sures have been implemented to protect employees on

Safety Education & Training

HMM conducts statutory safety training every year, cus-
tomized training for each class, and special training based
on actual accident cases to raise employees’ safety aware-
ness. In addition to regular education and prevention

Spreading of safety culture to Partners

HMM is supporting the spread of a safety culture for part-
ner companies subject to safety management responsibil-
ity. Through a company-wide joint inspection, we conduct
a survey on the implementation of safety support matters

Safety & Health Policy for Employees of Partners (Subcontractors, etc.)

When employees of partners such as subcontractors
board our ships and work on our ships, HMM is respon-
sible for their safety, and HMM’s work manager fully ex-
plains the precautions expected during work. In addition,

board against noise-causing stress, risks due to different
time zone or climate, and accidents related to shift work.
Since an accident at sea in 2017, we have been running a
‘zero hazard campaign of personnel accident’ to prevent
human casualties through reinforced safety education and
permit to work systems.

training, we emphasize safety awareness to our employees
through practical activities such as CPR training and fire
evacuation drills, and conduct experience-oriented train-
ing to help them calmly react to unexpected accidents.

of resident partners at each business site and take correc-
tive measures for any deficiencies found. In addition, the
importance of worker safety awareness is emphasized by
sharing the direction of safety management.

HMM is operating 22 items specified in “Safe Working
Practice” that the ship’s safety manager should explain to
the employees of partner companies.

Ship Safety

Establishing Preventive Measures Against Ship Accidents

HMM checks the annual status of major accidents (human
casualties, collision, aground, fire/explosion, environmen-
tal pollution, machinery accidents, pirates hijacking and
war risk) every year in terms of ship safety management
and the following year thoroughly plans and implements
accident prevention activities. Activities to prevent acci-

dents include establishing, monitoring and managing de-
tailed preventive measures against each type of accident
such as screening, safety management status checks via
boarding, various safety campaign activities, customized
training for each crew level, and thorough preventive
maintenance and repairs.

Dangerous Cargo Management

The most important principle in transporting dangerous
goods that poses a direct risk to people, hulls, cargo due to
explosiveness, flammability, toxicity, corrosiveness, etc. is
not to transport dangerous goods unless all international,
domestic and local laws and regulations are met. HMM’s
dangerous cargo transport volume increased by 7.9% year-
on-year in 2020 to about 13.3 million TEU of containers,
accounting for 3.4% of HMM’s total cargo volume. In order

to prevent and manage dangerous cargo accidents, we
continuously manage international maritime dangerous
goods rules and shipping and port regulations through our
system. We are striving to suppress the occurrence of ex-
ceptions and negligence situations and reduce additional
costs. In the event of a dangerous cargo accident, we are
responding promptly with the relevant team to minimize
time and cost through the efficient accident handling.

Employee Health & Healthcare

Health management system & management

HMM is establishing a health management system for em-
ployees for three factors: work environment, health promo-
tion, and disease prevention. Based on this system, while
operating ships and subsidiary businesses, we manage
health including injuries and diseases, provide a safe work-

ing environment, and continuously identify risk factors and
evaluate risks to implement necessary control measures. In
addition, we are constantly educating employees both on
land and at sea on the importance of health management,
continuously expanding the scope of supporting them.

Health management system and support



- Measuring harmful factors in the working environment
- Investigating harmful factors of the musculoskeletal system
- Stress managing for employees at sea



- Comprehensive health checkup for employees and their family (76% implementation rate)
- Operation of in-house sports facilities
- Health promotion activities: smoking cessation campaign, provision of healthy diet, etc.



- Infectious disease prevention guidelines
- Vaccination to prevent concurrent spread of COVID-19 & flu (free vaccination at company designated hospital, Sept. 14 ~ Oct. 8, 2020, 74% of vaccination rate)
- Paid vacation for up to 14 days in case of quarantine related to infectious diseases

Strengthening Maritime Employee Health Monitoring

HMM conducts continuous monitoring and compliance
with the STCW* agreement and the Maritime Labor
Convention (MLC) for maritime employees who have led

isolated onboard life for a long period of time. We are also
working to expand quality mental health care as well as
physical health care.

*International convention on Standards of Training Certification and Watchkeeping for seafarer

Ship medical service

- Medical support content
- Provision of goods for noise management
- Preventive measures for RSI(Repetitive Strain Injury)

Stress management

- Regular risk assessment
- Treatment and management according to evaluation

Professional service

- Psychological test
- Group counseling
- Group Psychology Education

Society & Stakeholders

INNOVATION & DIGITALIZATION MANAGEMENT APPROACH



Issue Importance

HMM’s goal is to create future growth engines through constant changes and innovation, thereby establishing itself as a world-class shipping company with strong global competitiveness. In the rapidly changing global business environment, digitalization based on the core IT technologies of the 4th industrial revolution, such as blockchain, artificial intelligence, and cloud computing is an essential competency that determines not only the survival of the future shipping industry, but also the competitiveness of shipping companies.

Opportunity & Risk

The shipping industry plays a key role in national competitiveness. Despite the downturn in the shipping market following the economic recession, it is necessary to increase competitiveness in the shipping market by placing orders of large container ships and securing eco-friendly ships. Advanced process innovation and digitalization are endless opportunities for securing trust in customers of Korea’s shipping industry and for new cooperation (THE Alliance) with global shipping companies.

HMM Approach

In order to accelerate PI (Process Innovation) and jumpstart digitalization, HMM has established a smartship system and has strengthened the capabilities of the organization in charge. We aim to improve work efficiency by building a next-generation shipping and logistics system based on public cloud, secure global competitiveness by ordering high-efficiency ships, and provide differentiated services, preemptively introducing advanced IT technology into ship operation and management services.

2020 Key Performance

World ranking	Next-generation shipping and logistics system construction
8th	Public Cloud based ‘COMPASS’

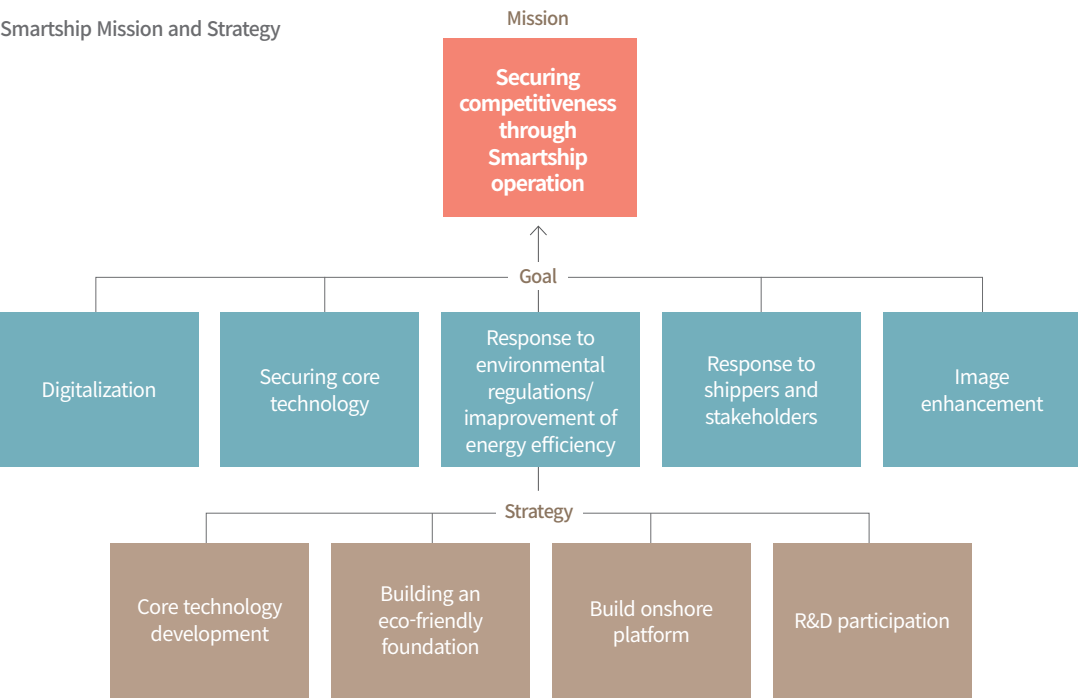
Digitalization



Introduction of Smartship

Enhancement of competitiveness through introduction of smart ships

HMM is concentrating its capabilities on fundamental innovation based on the core technologies of the fourth industrial revolution and is spurring digitalization to improve work efficiency on land, secure ship safety and to create economic value. We are leading the way in smart shipping and digitalization by building smart ships including a 24,000TEU container ship delivered in 2020 and a 16,000TEU ship to be delivered in 2021. Under the mission of ‘Securing Competitiveness through Smartship Management,’ HMM has established and implemented five goals and core strategies.



Strengthening IT and digitalized organization capabilities

In order to firmly lay the foundation for PI (Process Innovation), HMM has established and operated its own IT organization made up of more than 100 dedicated personnel rather than outsourcing IT tasks. In addition, in February 2020, we newly created the position of CDO (Chief Digital Officer) and Digital Logistics Strategy Team to jumpstart digital transformation in February 2020 to enhance corporate competitiveness and improve productivity, establishing a digital-based organization and process, business model development, and corporate culture. The Digital Logistics Strategy Team seeks to reinforce the service for large shippers by capturing opportunities in the digital business market at customer contact points and establishing value creation strategies.

Providing digital-based smart shipping and logistics services

HMM pursues digitalization throughout its management and ultimately pursues digital transformation. It aims to fundamentally change the way it operates and corporate culture by integrating new technologies and new applications into the existing infrastructure. At the enterprise level, we want to convert to a digital mindset, create customer-centered value, and increase productivity and efficiency.

**SUSTAINABLE
FOCUS AREA**

Environment & Safety
Society & Stakeholder
 Governance & Ethic &
 Human Rights

Establishment of Fleet Control Center

HMM has established the Fleet Control Center in September 2020 to respond to digitalization and cyber security, and to preemptively provide customer service through safe operation and efficient and systematic management of ships. The Fleet Control Center is capable of collecting and storing all ship data in real time. In connection with

smart ships with the latest IT technology, it has been pursuing the ship's safe operation and cost reduction. In the future, we will accelerate the growth of HMM's competitiveness by operating a smart ship and fleet control center in connection with domestic and overseas smart ports.

**Digitalization promotion activities****Building Digital Eco-System**

HMM and KB Kookmin Bank signed a “business agreement to build a digital eco-system for import and export business”. Through this business agreement, we have decided to cooperate with each other to digitize trade document information between import and export companies and use it to build an integrated logistics platform that can simplify complex billing process. In addition, through this cooperation, it is possible to improve the convenience of customer business by automating the existing fare collection process, which required some manual work, and digitization of various trade documents has become possible. As Korea's leading shipping company, HMM plans to expand cooperation with related industries to strengthen competitiveness in the overall domestic import and export logistics ecosystem.

**Development of Differentiated Digital-based Shipping Business Model**

HMM entered into a strategic partnership with Kakao Enterprise, a leading domestic IT platform provider, in May 2020. With the signing of this MOU, HMM and Kakao Enterprise build a ‘smart workplace’ for innovative cooperation in the way they work, AI and big data joint research’ that combines digital into the shipping industry. We plan to jointly promote the ‘New Growth Engine Development Cooperation’ that combines HMM's global infrastructure/

network and Kakao's digital technology. HMM plans to execute a long-term plan to establish a data-based sales/operation strategy by securing and analyzing shipping/logistics industry data based on Kakao Enterprise's AI and big data technology, and fully improving the corporate structure through digital innovation. We will actively strive to strengthen customer service by providing preemptive international shipping and logistics services.

**Smartship Technology Development Cooperation**

HMM signed a ‘Smartship Joint Research Agreement’ in September 2019 with Daewoo Shipbuilding & Marine Engineering to develop smart ship related technologies. HMM and DSME intend to jointly research and promote practical cooperation activities such as Internet of Things (IoT)-based real time service research, land platform research for fleet operation, ship material warehouse automation

system and economic navigation solution. This has been evaluated as a good example of creating a so-called ‘virtual circulation’ structure in which world-class shipbuilders develop and apply smartship technology to ships in which HMM accumulates the operation data and reflect this data back to smart ships and design technology.

Promotion of IT Standardization with Global Container Shipping Companies

On May 14, 2019, HMM officially announced the joining of the ‘Digital Container Shipping Association (DCSA)’, an IT technology standardization consultative body for global container shipping companies. With the aim of promoting digitalization through IT standardization in the shipping

industry, HMM plans to actively promote IT competitiveness and work efficiency improvement in trade transactions by joining DCSA, along which it will strive to keep pace with the trend of the global shipping industry called ‘digitalization’.

Catch both goals of productivity improvement and customer satisfaction!
HPNT launches KakaoTalk Chatbot Service for the first time in a Korean port

HMM PSA New Port Terminal (HPNT) in Busan New Port, jointly operated by HMM and Singapore Port Authority (PSA) launched a chatbot service using KakaoTalk for the first time in a Korean port in February 2020, and has been receiving favorable reviews from customers.

Chatbot service, favorable comments from customers

Due to the nature of work at the terminal, customer service is required at night and on weekends, but if the call center is operated for all these hours, it is inevitable for employees to work for a long time, and the cost of operating the call center will definitely go up. To solve this problem, the HPNT Information Technology Team started providing a ‘Chabot service’ using KakaoTalk from February 3, 2020 after a three-month development period.

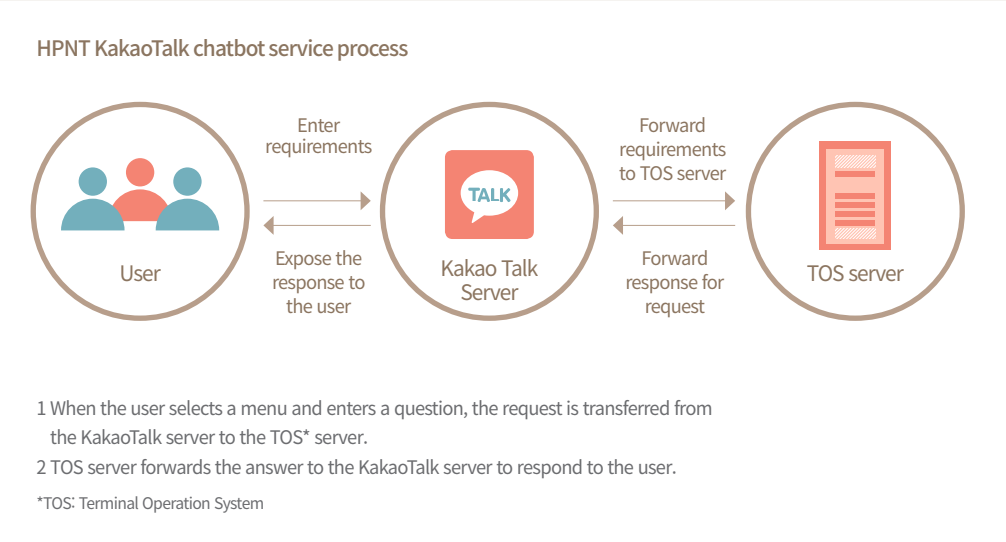
Chatbot is an interactive messenger that derives an answer to a question with AI analyzing big data, just like chatting on a messenger, and answers the user in everyday language.

HPNT’s KakaoTalk chatbot service is currently used by over 700 shippers and trailer drivers. Information that was previously available only through the terminal homepage, application, or phone can be received in real time through a mobile messenger anytime and anywhere by using the KakaoTalk chatbot service.

Plan to enhance customer satisfaction through service improvement

Add a KakaoTalk channel to your friends’ list and then you can start a chat, following the instructions. The contents of the service include △real-time yard status △confirmation of ship status △inquiry in advance information △inquiry of estimated time of loading and unloading △detailed information on containers △billing and hold information △vehicle information.

Although the current chatbot service provides basic terminal information, HPNT intends to consistently reflect users’ feedback in the future, and further enhance customer satisfaction by continuously improving the service, linking the chatbot with terminal work to shorten the container loading and unloading time.



Strengthening Global Competitiveness

Securing global shipping capacity

Expansion of service area and diversification of ship types

HMM has grown into a global shipping company that provides a variety of services on routes in the Americas, Europe, and Asia, and stands shoulder to shoulder with the world’s leading shipping companies. In addition, while targeting emerging markets such as South America, Australia and Russia, we are expanding the service area by providing inland transportation services for reefer containers and establishing a customer service center (RCSC) in the Americas.



Increased global market share

As of February 2021, HMM is ranked 8th with 729,395TEU in DWT and market share in the world with a 3.0% market share. In addition, the market share between the West Bank of the Americas and Asia is continuously rising.

HMM has regained its key global routes by introducing 12 eco-friendly, high-efficiency ULCVs made with our world-class technology to European routes, enabling services linking Asia and Europe.

Global market share

	2018	2019	2020
1) Ship Capacity (DWT)	414,468	387,420	710,373
2) Global fleet market share (%)	1.8	1.6	2.9
3) World container carrier ranking (top)	10	10	8
4) Asia → West coast of America(%)	6.9	7.3	6.8
5) West coast of America → Asia(%)	9.5	8.8	8.0

* No.1~3: Based on data from Alphaliner Monthly Monitor every December

** No. 4~5: Asian standards (Far East, East West South Asia), US West standards (US), container volume handling standards for major routes in the US (Source: PIERIS)

Secure a dedicated terminal at the “World’s No. 1 transshipment” Singapore port
Sign a JV establishment agreement with PSA, acquiring 42% stake

In the third-quarter of 2020, HMM signed an agreement with PSA to establish a Singapore terminal joint venture HPST (HMM-PSA Singapore Terminal). The joint venture started operation in October 2020 with 42% and 58% of shares owned by HMM and PSA respectively. Singapore is the world’s number one transshipment port, and PSA is a global terminal operator based in Singapore. Acquisition of a dedicated terminal was promoted for the purpose of improving logistics costs and enhancing business competitiveness through additional reduction of loading and unloading

costs. In addition, with establishment of a joint venture in Singapore, an important hub port in Southeast Asia, it becomes possible to secure a stable ship berthing location and efficient vessel operation. The joint venture business is expected to generate significant synergies in not just economic aspects such as dividend income, but also sustainability including expansion of win-win cooperation with PSA and customer service enhancement through the expansion of the port network.

Achieve the world’s highest shipment of 19,943TEU
HMM Dublin accomplishes highest record

The fourth, ‘HMM Dublin’, the world’s largest container ship of 24,000TEU, achieved 19,943TEU of shipment among HMM’s 24,000TEU ships. The world’s largest

container ship recorded 36 fully laden voyages out of 37 voyages in April 2021, with a new record that exceeded the record of the first voyage ‘HMM Algeciras’.



Society & Stakeholders

STAKEHOLDER
MANAGEMENT
APPROACH



Issue Importance

Supply Chain

HMM is committed to providing the service that our customer, the shipper expect. Since the service is provided through cooperation with numerous suppliers and partners, HMM’s sustainable management includes the supply chain level, and through responsible purchasing decisions and the spread of sustainability, we can become a sustainable company along with the supply chain.

Employee

HMM believes that people are the best asset to lead the future industry. To become a global top-tier company, global talents are required, and human resources must be attracted and retained through a reasonable and fair HR management system and labor practices.

Local Communities

As the demand for corporate social responsibility is growing, it is important to develop global and local communities and further improve the quality of life for humanity.

Opportunity & Risk

Supply Chain

Accurate understanding of and response to HMM customers’ needs and expectations can minimize risks, and HMM’s ESG implementation and performance evaluations requested by shippers lead to continuous business operation. We also need to be responsible for suppliers’ ESG-related supply chain risks.

Employee

All workplaces should comply with global human rights and labor standards, and it is important to create a work environment, system, and culture in which employees can concentrate on their work and are satisfied with their jobs.

Local Communities

HMM can create shared value through strategic social contributions linked to business in realizing a happy society through social responsibility. In addition, we can set goals of solving global social issues with interests.

HMM Approach

Supply Chain

HMM is applying sustainable purchasing policies and codes of conduct in the supply chain and is expanding the ESG evaluation of suppliers. We are actively engaged in activities for win-win cooperation with mid-sized and small and medium-sized businesses in the supply chain and sincerely respond to the demands of large companies.

Employee

HMM seeks to maximize organizational performance by fostering competency-based talents and efficient organizational management based on its own talent concept. We aim for the happiness of our employees and strive to strengthen the job capabilities of onshore members through the establishment of an in-house training department, Learning Center and offshore members by collaborating with HOS training center.

Local Communities

HMM plans to expand employee participation through social contribution activities linked to the shipping industry, activities for local communities, and global social contribution activities. We are faithfully fulfilling our corporate social responsibilities by practicing continuous sharing with marginalized neighbors and redistributing some of the generated profits to society.

2020 Key Performance

Shared growth and win-win cooperation	Investment cost for training On Land staff	Social Contribution Events / Number of Participants
Excellent shipper company certification	350 million KRW	6 events / 94 persons

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No. of Code of
Conduct Pledges by
suppliers

73

No. of confirmed
supplier CSR report
issuance and
implementation
status

11

Supply Chain Shared Growth Management



Supply Chain Management Policy

HMM’s supply chain

HMM’s main supply chain includes container terminals, container depots, railroad companies, freight forwarders, feeder carriers, ship materials suppliers and bunker suppliers around the world. HMM is creating a corporate eco-

system that enables sustainable growth by supporting/cooperating with partners that make up the supply chain to comply with international laws and social responsibilities.

Sustainable Purchasing Policy

As a global company, HMM aims to minimize the risk of sustainability in the supply chain and increase the value of the supply chain by making responsible purchasing decisions and spreading sustainability. Purchasing policies including human rights and labor, safety and health, environmental protection, and ethical management are established under the judgment that sustainable management at the supply chain level is important because HMM’s

competitiveness and sustainable management capabilities are strengthened through cooperation with suppliers and partners. It is used in the purchasing system, and based on this, we are urged and pledged to comply with the code of conduct for business partners. Accordingly, all purchasing executives and employees are considering not only quality and cost aspects, but also ethical standards and socially responsible purchasing.

Sustainable Purchasing Policy and Supplier Code of Conduct

1. Human rights and labor A. Compliance with working hours B. Wage and benefits C. Prohibition of hiring children and management of youth workers D. No discrimination	2. Safety & Healthcare A. Industrial safety B. Prevention of industrial accidents and diseases
3. Environmental protection A. Prevention of environmental pollution B. Energy saving and eco-friendly products C. Hazardous substances and eco-friendly products	4. Ethical Management A. Transparent management and prohibition of unfair profits B. Intellectual property protection

Fair and transparent supplier selection and evaluation

HMM selects suppliers by applying reasonable standards and fair and transparent processes. We consider business and financial aspects such as technology, quality, and price of business partners, and ESG aspects such as ethics and environment. Selected suppliers establish a fair and transparent trading culture and support them to strengthen their capabilities. In addition, pre- and post-evaluation of suppliers is conducted transparently and fairly, and the

purchasing team conducts regular annual evaluations of suppliers such as ship materials supplies/bunker suppliers. As a result of the evaluation, we provide expansion of trading opportunities for excellent suppliers, and suppliers who do not meet the standards are subject to restrictions such as bidding restrictions and cancellation of registration.

Providing differentiated win-win services, strengthening shared growth and win-win cooperation with shippers Acquired excellent shipper company certification and established long-term cooperative relationship

HMM was the first in the domestic shipping industry to obtain the “Excellent Shipbuilding Company Certification” with the highest grade. The ‘Excellent Shipbuilding Company Certification System’ was first introduced by the Ministry of Oceans and Fisheries in 2020 to strengthen the competitiveness of maritime imports and exports and to grow together with shipbuilding companies and is a system to promote continuous win-win cooperation between shipbuilding companies. The government certifies companies that contribute to fair and stable maritime transportation,

and certified companies are exempt from corporate tax, preferential interest rates for policy financing, government business additional points, discount on the guarantee rate and investment income discount, port facility usage fee reduction, and trade insurance corporation. You can receive various benefits such as preferential export credit guarantee limit. As a representative national shipping company in Korea, HMM feels rewarding as the result of continuous efforts for shared growth with domestic shippers and will continue to pursue win-win cooperation in the future.



Differentiated customer service

Service	Description
Customized premium service (America/West Asia service)	• Installation of a special desk dedicated to Korean shippers • Linked with the domestic logistics industry (terminals, etc.)
Special cargo professional service	• The first/the only national shipping company specializing in heavy goods in Korea
Combined (inland) transportation linkage service	• Establishment of inland transportation service network in the Americas
Various E-Service	• Customized shipper website and LIVE CHAT response by country • Mobile app service provision
Expansion of 8 self-owned terminal services	• State-of-the-art facilities, excellent operational efficiency, and thorough safety management
Eco-friendly/high-efficiency ship transportation service	• Eco-friendly route shipper selection service
All destination services	• Partnership cooperation with 109 global Peter companies

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Secure supply chain competitiveness

Expanding global cooperation

HMM provides services through THE Alliance for major trunk routes and continues to expand its network through separate global cooperation for other routes. In addition, we are participating in the K-Alliance, a Korean marine movement blind, to develop Southeast Asian routes and increase the number of transports to improve the quality of service.



Supply chain Win-win cooperation

Dispatching temporary ship

In the first half of 2020, the maritime cargo volume, which had shrunk due to the COVID-19 pandemic, surged from the second half of 2020. Due to the sudden demand surge, it was very difficult to secure not only ships but also container boxes, and domestic export companies faced great difficulty in securing slots. HMM aims to support smooth exports of domestic companies as part of the win-win co-operation with shippers by dispatching a total of 20 temporary ships until April 2021 including 12 times in the west coast of the Americas (Busan-LA), 3 times in the east coast of the Americas (Busan-Savannah, Busan-New York), 3 times in Russia, 1 time in Europe, 1 time in Vietnam, etc. from August last year to earlier April of this year. The

continuous input of temporary ships is expected to be of great help to domestic shippers who are having problems with exports, and as a representative shipping company in Korea, we will continue to do our best to ensure that cargoes of mid-sized and small and medium-sized export companies are transported smoothly.



Signed a win-win cooperation between national shipping companies and exporting SMEs

HMM tried to find a solution through win-win cooperation with relevant ministries for small and medium-sized enterprises (SMEs) suffering from export difficulties due to a shortage of ships and a surge in sea freight rates. On October 29, 2020, we took the first step in practical win-win cooperation by signing a “business agreement with related organizations for win-win cooperation between national shipping companies and small and medium-sized businesses,” and introducing additional ships for export shippers to the United States. Through the signing of this agreement, HMM provides shipping space by establishing a system that preferentially allocates shipping space to support small and medium-sized businesses that are struggling with exports. Domestic small and medium-sized businesses have expanded long-term transportation contracts and cooperated with the improvement

of utilization rate to secure stable profits for HMM while related ministries have decided to provide support to ensure that there is no difficulty in win-win cooperation and to establish a shared growth council between the contracting organizations to establish a continuous cooperative relationship. HMM has allocated 350TEU of shipping space for small and medium-sized companies every week to regular shipping lines on the America route and has confirmed to distribute 20 vessels by the end of April 2021.



Temporary vessel input
performance

Shipped more than 60% of
the volume from mid-sized
and small-sized shippers to
the U.S.

60%

20th temporary ship was
put into operation by the
beginning of April 2021.

20th

Customer Satisfaction

Customer satisfaction system

Customer satisfaction strategy

HMM aims to provide stable and excellent services to customers around the world based on 100 various ships and logistics facilities, various route networks, IT systems leading the shipping industry, and skilled shipping personnel.

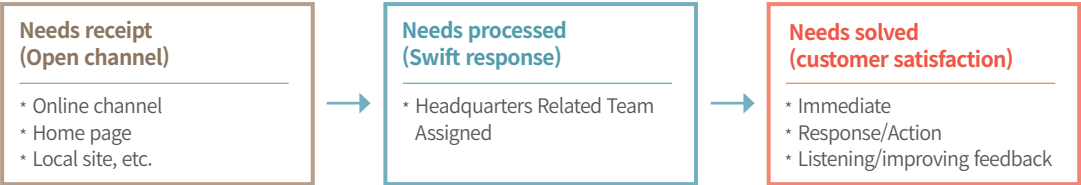
Customer Satisfaction Strategy



Customer response organization and process

As a strategic logistics partner of major domestic and overseas customers, HMM operates a strategic customer management team to support stable contracts and smooth shipping operations to provide one-stop service to our customers. We are aiming to increase customer satisfaction and trust by meeting the exact needs of our customers and responding quickly to all issues that may be encountered in the transportation process. In the future, we will be able to provide advanced logistics services to all customers.

Customer response process



Listening to and handling customer opinions

HMM operates a Voice Of Customer (VOC) system to listen to customers and process their opinions efficiently. Opinions received through the customer support page on the homepage are quickly identified and processed by the dedicated department. We are sharing the values that customers expect by periodically grasping opinions on service quality and system for each business, collecting customer opinions and reflecting them in management activities. Countermeasures are established for key improvement items that require improvement, and the results of improvement measures are regularly reported to the management.

Customer Management Performance Indicator

	Unit	2018	2019	2020
Number of customer* complaints received	Case	95	75	66
Handling rate	%	100	100	100

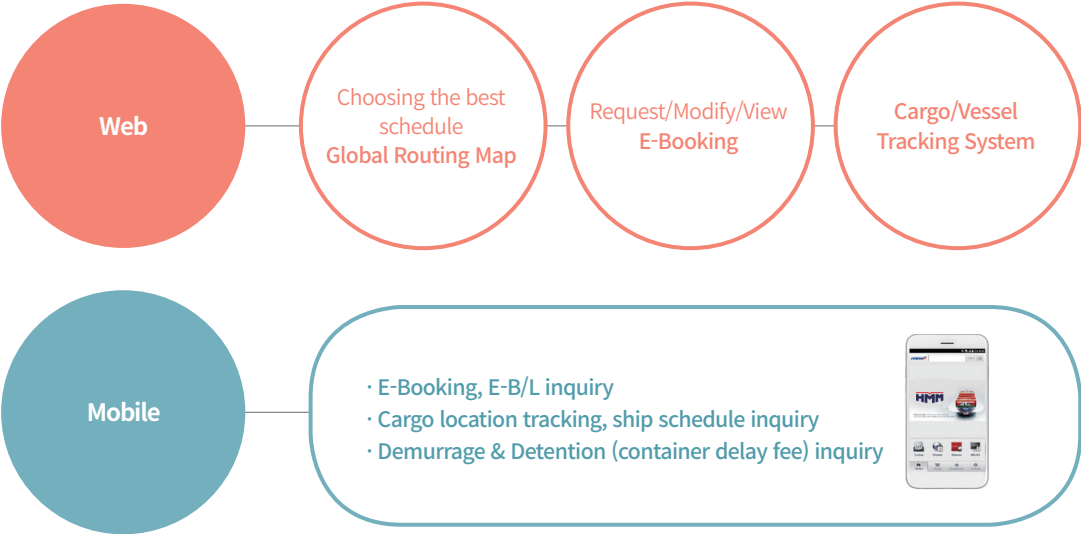
*Based on complaints received via online channel

Customer response activities

Provision of E-Service

HMM improves customer convenience by providing a One-Stop service that enables real-time inquiry of schedule, ship and cargo location to shippers through website and mobile.

Main service



Build customer reception manual

HMM has established a customer response manual to provide consistent, professional and systematic customer services. We have prepared a standard manual for customer response by researching customer response cases from other companies and intend to improve customer satisfaction by establishing a system that can be easily understood and executed through examples to make sure effective response to each situation.

Regular employee training

HMM creates a customer-friendly work environment through periodic internal and external training. We are reinforcing customer response capabilities by conducting sales and CS training through the “Sales School”, a learning curation program for sales forces.

Awarded a plaque of appreciation as the best partner of LG Electronics

In order to actively respond to customer needs even in the difficult maritime transport environment caused by COVID-19, HMM contributed to LG Electronics’ sales expansion through company-wide efforts, such as deploying extra-loaders for LG Electronics’ urgent export shipment. With recognition of this effort, HMM received a plaque of appreciation in 2020.

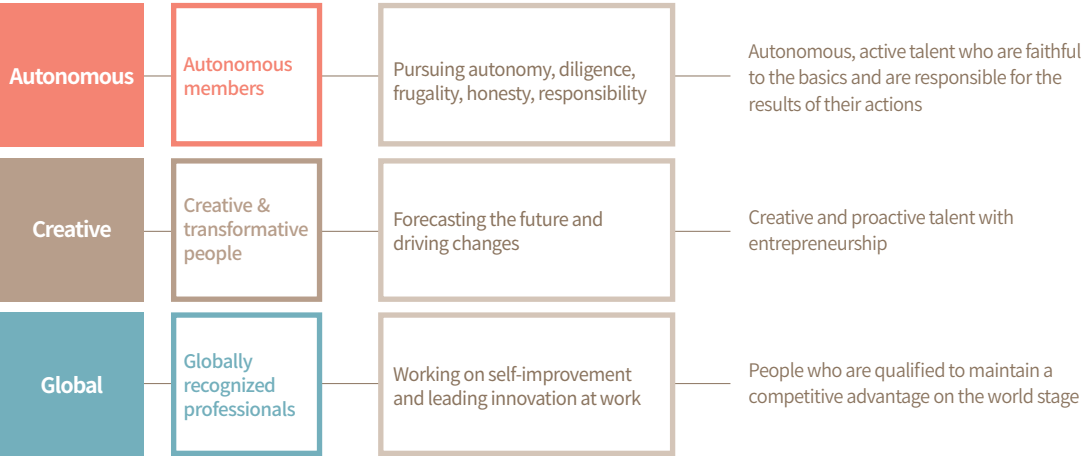


Employee Relations & Work-Life Balance

Talent Vision

HMM employs 1,565 domestic and 2,150 overseas employees, with a total of 3,715 employees. In 2020, a total of 343 employees covering the areas of domestic, overseas and maritime in total joined HMM, and they are fulfilling their responsibilities as a new growth engine of HMM and main players for the future. HMM aims for talented individuals who is autonomous, creative, and with global mind, and actively supports the development of employees’ competency and growth as experts.

HMM Talent Concept



Recruiting

HMM applies systematic and objective processes to recruit that can grow into future shipping professional and align with the organization. In order to thoroughly exclude recruitment discrimination, blind recruitment is applied, and talent is selected through seven stages of recruitment. Based on the relevant laws, HMM minimizes the personal information detail that has been filled out as a practice in past document format, such as family and physical information, and blocks information that is unrelated to personal competency, and prevents unfair factors that the applicant’s surroundings can give to them from affecting recruitment review. In addition, we are committed to recruiting candidates who will fit in HMM in a fairer and more transparent environment through blind interviews.

HMM Recruit Process



*All expenses incurred in the hiring process are paid by HMM

Talent Management

Individual Career Development

HMM supports employees’ career development and strengthens individual competencies by operating the career development program. In addition, referring to the career development plans written by each employee, we have figured personal job preferences systems and managed personal data regarding job experiences and qualifications for our members’ future career development.

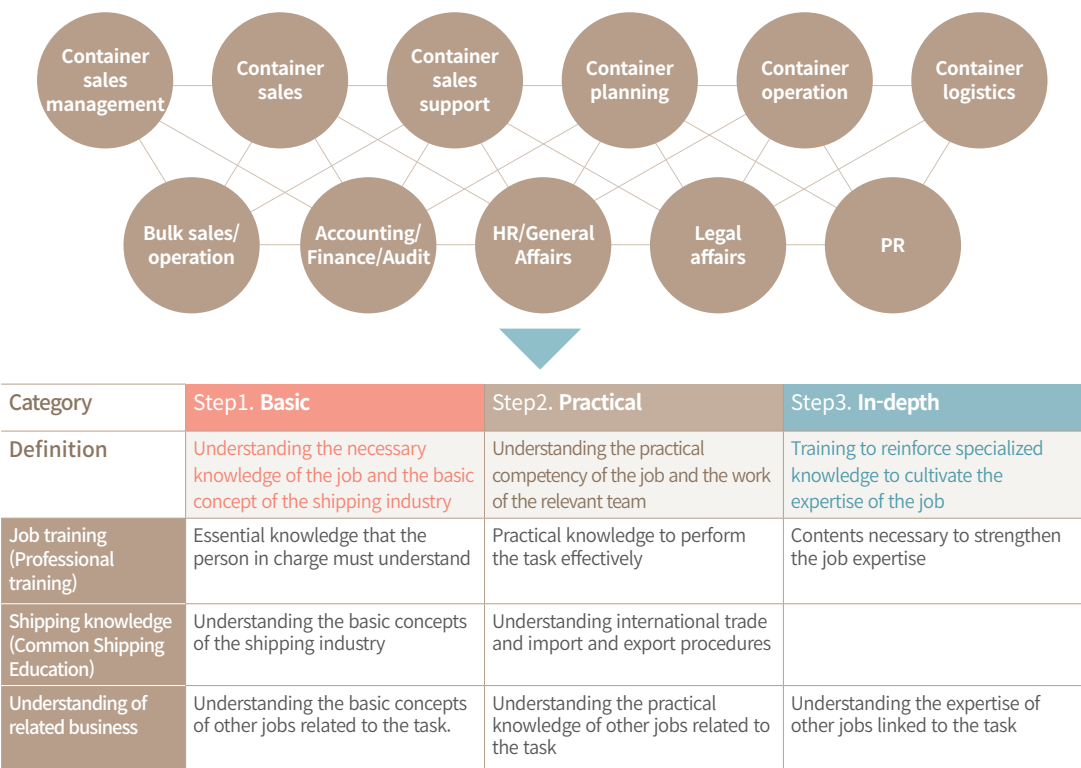
Talent Development Training

Established a Learning Center

In February 2020, HMM established a Learning Center to provide more developed job training programs for incubating global maritime experts. Learning Center supports employees to improve their job competency by present-

ing a learning road map of the maritime practical education programs which classified as 11 job functions and 3 levels of difficulty.

Learning Road-map for Maritime Practical Education



Launched HMM Learning Curation

HMM introduced a job competency training program called “Learning Curation” to provide customized courses for each job and level. By analyzing the R&R of each team and department, we categorize the curriculum into ‘Biz

School’ for the entire profession; ‘Sales School’ for sales departments; and ‘Strategy School’ for non-sales employees, and offer customized courses for each year.

Performance of 2020 Learning Curation

	No. of Courses	No. of participants	Satisfaction average	Program composition
Biz School (all professions)	16	257	4.55(91)	Trainings on communication and mindset that helps employees to keep profit and loss in mind
Sales School (Sales professions)	8	75	4.45(88)	Training related to sales and CS tasks
Strategy School (Non-Sales professions)	7	111	4.42(88)	Trainings on planning, setting strategy and finance
Total	31	443	4.49(90)	

HOS Training Center

HOS Training Center is a representative training organization for the shipping industry and provides a variety of training services for sea forces to support the safe service of ships. It aims to foster mates and marine engineers, and offers a va-

riety range of maritime training courses specialized for each job position and specification of the vessels, and provides general skillset programs.

HOS Training Center’s Training Records

	Unit	2018	2019	2020
Basic Training	Person	1,143	1,978	1,555
Skills improvement Training	Person	360	505	332
Mandatory Training	Person	277	268	289

Promoting understanding of business trends and the 4th Industrial Revolution

HMM has carried out the HMM’s Leaders Morning Forum, a series of lectures on business trends for executives and team leaders since 2019 to foster insights into digital technology trends and business environmental changes at home and abroad. It was actively operated as a place to understand and share the trends of the times, and in 2020, we expanded our audience to general staff and opened an additional program entitled DT seminars. The special series of lectures, which focuses more on technological changes, has become a place to discuss in-depth the impact of digital technology on shipping logistics systems. After the spread of COVID-19, we switched the format of operating lectures to a non-contact way using online meeting tools to run training more efficiently and safely.

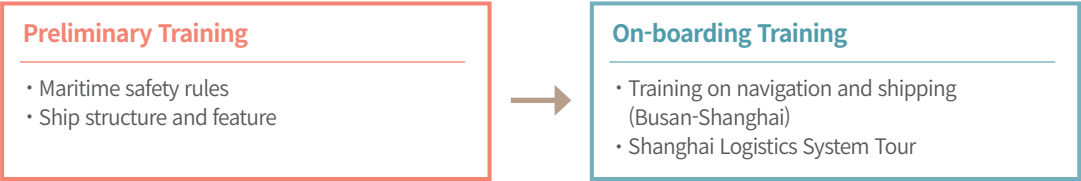


Global On-boarding Training

HMM conducts global on-boarding training for junior employees so that onshore employees can grow into shipping experts by understanding of maritime affairs and logistics systems. The HOS Training Center provides

safe and systematic training to ensure employees complete preliminary training including ship structure and safety precautions before boarding. A total of 89 people participated from 2017 to 2020.

On-Boarding Training Process



Training Programs for Expatriates

As a global company, HMM operates a global organization with 6 headquarters, 24 subsidiaries, 60 branches, 5 overseas offices, and 3 terminals around the world, and manages overseas organizations through the operation of the expatriate system for each role, such as container sales,

operation, bulk, and accounting. In order to support the smooth adaptation to new surroundings and new tasks of future expatriates, we provide customized training curriculums for each location and role in charge.

Training Program for Expatriates



Training Operation Overview

HMM offers a variety of training programs to help employees develop individual talent and job competency, and strengthen their ethics. All employees take courses on onboarding, leadership, work skills, global, ethical

and human rights (including sexual harassment prevention, disability awareness improvement, and anti-corruption/antitrust) according to the company's and their own needs.

Training Operation Records

	Unit	2018	2019	2020
Total training hours for On Land employees	Hour	52,626	49,536	44,438
Total training hours for offshore employees	Hour	21,832	37,515	31,987
Training investment expenses*	Million KRW	1,603	2,224	1,966

*Sum of on land and offshore training expenses

Training Satisfaction Survey

In November 2020, HMM commissioned an external organization to conduct a training satisfaction survey of employees who had participated in various trainings provided by the company. The overall score was 75.2

points, and we will continue to work to improve training satisfaction by providing high-quality educational content and a curriculum to help to enhance job competencies of our employees.

Labor-management Relations

Labor Union Overview and Activities

HMM maintains a win-win labor-management relationship based on mutual understanding and trust. Starting with the announcement of the Labor-Management Joint Declaration in March 2018, we promised cooperation to achieve the common goal of reviving the Korean shipping industry. Since the inauguration of the HMM labor union on-land employees in September 2016, 60.7% and 100% of onshore and offshore employees joined the union in 2020 respec-

tively. (offshore employee labor union was established on December 7, 1980) HMM operates a labor-management council between the management and the representative of labor every quarter. We are striving to create a better work environment by discussing and solving employees' grievances and suggestions concerning employee health and safety, working conditions, training and career development, and discrimination.

Labor-Management Communication

HMM is pursuing horizontal and seamless communication with the CEO via the 'HMM Cyber Meeting Room (HMM CMR)'. In addition, through regular meetings with the CEO, HMM members discuss employee welfare and improvement of the working environment, and the follow-up

measures are conducted by the corresponding team. In the future, to enhance work efficiency and productivity, we plan to actively reflect the opinions raised through communication with employees, discuss key issues related to the company, and open overseas services in stages.

Main contents of the 2020 round-table conference

	First Half	Second Half
Frequency	21 times	19 times
Agenda	<ul style="list-style-type: none">• Deregulation of dress-code• Certification acquisition support• Shortening PC replacement cycle• Improving work hour management system	<ul style="list-style-type: none">• Expanding flexi-time and working patterns under the COVID-19• Improving training programs and working environment• Improving electronic approval system
Reflected	<ul style="list-style-type: none">• Deregulated all regulations of dress-code• Support for application fees and training expenses for work-related certifications• PC replacement cycle reduced from 5 years to 4 years• System improvement in consideration of user convenience	<ul style="list-style-type: none">• Expanded flexi-time and adopted remote work• Launched Learning Curation, a new job competency training and expanded lectures by external experts• Furnished Standing Work Desk• Improved electronic approval system

Case of working environment improvement

- | | |
|-----------|---|
| To whom | Who wants to use the item |
| Purpose | Provide standing desks to create a healthy office environment |
| Execution | Rental of stationary standing desk, 11 units are in trial operation |
| Effect | Enhance concentration on work and boost efficiency |



Corporate Culture Improvement

Efforts to Efficient Work Hour Management

In line with the enforcement of the 52-hour workweek, we are striving to create a corporate culture to improve old labor practices and increase work efficiency, as well as complying with the Labor Standards Act. In case of inevitable overtime work, monetary or compensation leave is granted according to the law. In addition, according to the maritime worker employment rules, we manage from recruitment to retirement of maritime personnel. Seafarers’ working hours are based on 8 hours per day and

40 hours per week, in accordance with the International Convention on Maritime Labor Convention (MLC) adopted by the International Labor Organization (ILO), to provide good working conditions and living standards for maritime employees. In addition, we provide information on the company’s policies, matters for business performance, and guideline for life on board to support communication to foreign seafarers.

Monthly Morning Assembly Made by Employees’ Participation

Since May 2019, HMM has regularly held Monthly Morning Assembly to share our values of transparent business management through employees’ active participation. This is a part of open communication between employees and the management and deals with not only the business performance, but also major issues of the company.



Organizational Culture Encouraging Innovation

HMM provides opportunities for employees to put innovative ideas into action. In November 2019, the HMM team participated in the ‘7th Pan-Government Public Data Utilization Startup Competition’ and received the Encouragement Award (Institutional Director’s Award, the fifth prize) with the project of ‘Building a Clean Port through SO2 Monitoring’. Organized by the Ministry of Public Administration and Security, this event was designed to stimulate the data economy by discovering and fostering business models and startup ideas using public data. A total of 2,084 teams from 88 organizations participated.



Period for providing
parental leave

12months

Change in the Way of Working

HMM has implemented telecommuting as a measure to protect the health and safety of employees from COVID-19. Employees’ satisfaction has improved as a result of the efforts to solve the difficulties and troubles while working from home which figured out through employee surveys. Communication problems which raised concerns have

been also gradually improving while the reduction of fatigue caused by commuting and unnecessary meetings has enhanced work concentration and productivity. We plan to continuously improve working methods in the direction of improving work efficiency and productivity.

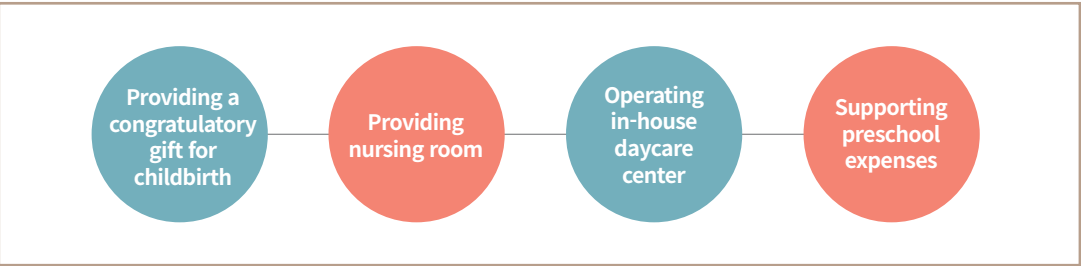
Welfare Support

Enhancement of Maternal Protection Welfare Benefits

HMM continues to operate legal maternity protection systems such as maternity leave, parental leave, and reduction of working hours during pregnancy/childcare to promote work-family balance and improve work concentration. In

addition, by reinforcing an alternative recruitment program for parental leave, we are systematically supplementing to minimize the workforce gap within teams and to reduce the burden on employees due to the use of leave.

Maternity Protection Program



Parental Leaves & Return Status

	Unit	2018	2019	2020
Number of employees on parental leave	Persons	23	22	45
Number of returnees from parental leave	Persons	27	18	44
Percentage of working 12 months after returning to parental leave	%	100	100	100



Employee satisfaction and grievance handling

Efforts to resolve grievances for maritime employees

HMM has established and is operating the “Family Consultation Room,” a permanent organization with two personnel in charge so that maritime employees can communicate with the management such as difficulties at work, working conditions and salaries. In addition, we are operating a “Happy Smile” system that provides coun-

seling and solutions to various stresses and psychological difficulties. Measures and results of grievance counseling are notified directly within 10 days, and regular interviews are conducted to identify grievances caused by communication or work.

Status of grievance handling for employees at sea

	unit	2018	2019	2020
The number of complaints received	Person	6	0	5
Grievance response rate	%	100	-	100

Marine telemedicine for the health of maritime employees

HMM has been utilizing a marine remote medical system that conducts regular medical monitoring for maritime employees aboard a long-term sailing vessel. In the event of an emergency on a ship through video communications between the ship and the marine medical research

center, the marine medical research center provides information on necessary emergency treatment and drug use. By increasing the number of target ships every year, we are improving the accessibility of maritime employees to medical services.



Operation of VSAT system for families of maritime employees

HMM is promoting efficient ship operation and expanding smart ships with the latest satellite communication equipment and services based on data communication. Based on the introduction of the MV-SAT (Maritime Very Small Aperture Terminal) system, a small satellite maritime communication system, HMM aims to improve the efficiency of on-board work and operation by reducing communica-

tion costs through Internet telephone and establishing a real-time network between the ship and the head office. . We are working to improve the welfare of seafarers so that some of the data communication functions are provided to sea employees on board free of charge for the welfare of sea employees on a monthly basis, so that sea employees can contact family, relatives, and friends.

Social Contribution Management



Social Contribution Promotion System

Based on the active participation of executives and employees, HMM has been promoting social contribution activities that meet the characteristics of the shipping industry, contributing to the local communities, and fulfilling global social responsibilities. In 2020, we focused on non-face-to-face, global, and eco-friendly social issues. Also, HMM is conducting social contribution events with

employee participation by accumulating social contribution funds by collecting employee salaries (less than KRW 1,000). In addition, in 2020, we actively participated in briquette sharing, Australian wildfire disaster support, and COVID-19 support. In the future, HMM will actively contribute to creating a better future through social contribution.

HMM social contribution system

Social contribution activities fit for the characteristics of the shipping industry	<ul style="list-style-type: none">• Children’s merchant ship experience activity• Container donation activity• Sponsored transportation of relief goods to Good Neighbors Vietnam	Social contribution activities that contribute to the region	<ul style="list-style-type: none">• Making bread of love• Sharing kimchi of love• Sharing briquettes• Free meals• Support for low-income families• Forest care• Volunteer activities for making a fan
Social contribution activities that fulfill global social responsibility	<ul style="list-style-type: none">• Participated in the Dallas Heart Walk by the Americas headquarters• Vietnamese community service activities• 1:1 sponsorship for overseas children• Delivered condolence items to the Navy’s Cheonghae unit		<ul style="list-style-type: none">• Sponsorship of Hope Light production• Rescue of the tanker attacked• Support donation for forest fire disaster recovery in Australia• Algeciras donation to support COVID-19 recovery in Spain

Social contribution activities fit for characteristics of the shipping industry

Container donation to Wildfire Affected areas in Gangwon-do

HMM actively requested Goseong-gun’s urgent need to reside in the affected area, store relief supplies, and temporary offices to support the restoration of damage in the areas of Sokcho and Goseong, Gangwon-do, declared as a particular disaster area due to a large forest fire that occurred on April 4, 2019. HMM provided container boxes

for various purposes, such as warehouse and office as emergency support. Furthermore, we conducted volunteer activities to help employees find the site in a fire and dispose of residues. HMM will continue to fulfill its corporate social responsibility through continuous efforts and generous support.



Using container ships, sponsoring Good Neighbors to transport relief goods to Vietnam

HMM sponsored the maritime transportation of relief supplies provided by Good Neighbors, an international relief and development NGO, to the vulnerable in Vietnam. The relief supplies delivered consisted of two 40-foot containers of clothing, household goods, and books delivered

to An Giang Province and Hau Giang Province residents. HMM will continue to support transportation and all matters using its container ships when Good Neighbors transports relief supplies overseas and will take the lead in revitalizing relief activities.

Children’s Merchant Ship Experience Activity

HMM held a ‘Children’s Merchant Ship Experience Activity’ in August 2019, where children can earn various experiences on a merchant ship. Children visited the Busan New Port Terminal and the HOS Training Center. They took the opportunity to see the site of mega-ships and numerous containers moving around the port. They also experienced vessel operation in the simulation room.

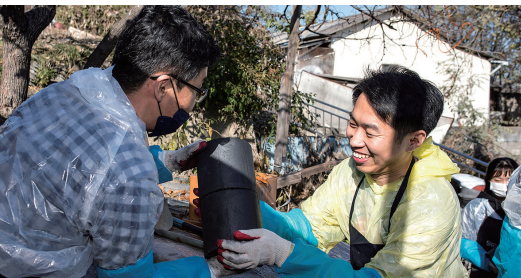


Social contribution activities that contribute to the region

Community Love Sharing Activities

HMM conducts volunteer activities for the underprivileged every year through the voluntary participation of employees. We supported local children’s centers and social welfare facilities by working “making bread of love” with the Korean Red Cross’s Jongno-Jung-gu Hope Sharing Service Center. The “Love Kimchi-making & sharing” event

was held with the social contribution funds accumulated by employees through “raising coins from salary”. Also, a “briquette sharing” volunteer service was conducted to deliver briquettes and replace broken briquette boilers so that vulnerable groups in the local community can spend the winter warmly.



Caring forests

HMM actively works to take care of a forest in the city center, a resting place for citizens. More than 500 employees of the headquarters have been engaged in various activities such as weed removal, fertilizer release, and seedling planting in the Seoul Forest, which has become

a representative resting place for the citizens of Seoul. In addition, in Busan, at the UN Memorial Park in Daeyeon-dong, employees of the maritime and container divisions in Busan performed grave cleaning and weed removal every Friday to create a resting place for citizens.

Volunteer activities for making a fan

In July 2019, HMM conducted an activity to donate summer items to the underprivileged in Gaemi Village, Hongje-dong, Seodaemun-gu, Seoul. HMM’s employees assembled fans and delivered them to the vulnerable and

the elderly living alone. HMM will continue to carry out social contribution activities for those who are marginalized from economic support and social interest in the future.

Social contribution activities that fulfill global social responsibility

Participated in the DALLAS HEART WALK of the Americas headquarters

HMM Americas Headquarters participated in the DALLAS HEART WALK hosted by the American Heart Association for the second year in a row. This event was designed to provide an educational program to improve healthy lifestyles and prevent diseases such as heart disease and stroke, for which HMM’s Americas Headquarters conducted charity fundraising activities and donated \$2,474 (about 3 million KRW).



One-on-one support for overseas children

HMM has newly promoted social contribution activities to fulfill its social responsibilities as a global company. HMM actively encouraged HMM employees to participate in social contribution activities to promote balanced growth in global communities by supporting children from under-

developed and emerging countries overseas through 1:1 matching support. HMM organized a social contribution event with the Good Neighbors, one of the famous NGOs in Korea. HMM plans to continue the overseas child support program every year.

Delivered condolences to the Navy’s Cheonghae unit

The Navy’s Cheonghae Unit has been dispatched to the Arabian Sea since April 2009 to combat pirates in Yemen and Somalia. It has supported communication and convoy of domestic and imported ships when sailing in the Gulf of Aden/Arabian Sea. As a representative national shipping company, HMM expressed its gratitude to the

Naval Headquarters and selected delivered a total of 114 consolation items such as wireless vacuum cleaners and ice makers in consideration of the opinions of the unit and the local climate to the military personnel in six vessels of the Cheonghae Unit.

Sending Hope Light Campaign

HMM participates in the “Lighting Children Campaign,” which assembles and delivers solar lanterns so that children and adolescents in developing countries enjoy life with dignity. Lanterns charged with eco-friendly sunlight protect the environment, provide educational opportu-

nities, and protect the health, contributing to improving the quality of life for children and youth in developing countries. HMM values the social responsibility of a global company and intends to contribute to a happy life for the human community.



SUSTAINABLE
FOCUS AREA

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Environment & Safety

Society & Stakeholder

Governance & Ethic &
Human Rights

Rescue of the tanker under attack

HMM Dubai advanced at full speed toward the Norwegian tanker ‘Front Altair’, which had suffered a mysterious explosion in the Hormuz Strait near Iran on June 13, 2019, unloaded the lifeboat and safely rescued all 23 crew members including the captain in 74 minutes after receiving the rescue signal and brought them in. All crew members

Rescue of marine victims

HMM’s ‘Hyundai Bangkok’, which was heading to Los Angeles, USA, loaded with container cargo, received an emergency radio signal to rescue the victims of the ocean at a point 9 miles (about 14 km) north-northwest, and immediately turned its bow toward the north-northwest and marched at full speed. Although the ship arrived at the site and attempted to unload the life-saving boat several times, the situation was unfavorable due to the

Donation for Australian wildfire disaster recovery

As a member of the Australian community, HMM raised a fund of AUD 10,000 to support the reconstruction of life and protect indigenous flora and fauna. HMM’s eco-friend-

Spain Algeciras Donation Support for COVID-19 Recovery

HMM and Spain’s TTI ALGECIRAS donated €10,000 (approximately KRW 11 million) to the Food Bank of Campo de Gibraltar to help Spain suffering from COVID-19 to overcome the pandemic. Through this, about 11,000Kg of food was provided to more than 16,000 residents

could safely rescue from the dangerous situation caused by fire because of the specific emergency response drills used to exercise regularly. Accordingly, HMM will continue to carry out emergency response training and rescue training in the future to prepare for such rescue activities.

heavy storm and high waves. A crew member of Hyundai Bangkok successfully rescued the two Americans in the distressed boat by directly tying himself to the ropes and descending to the boat. The rescue operation was completed in 73 minutes after the distress signal was received, and the rescued Americans arrived at the Port of Los Angeles and safely handed over to the US Coast Guard.

ly policies and measures, such as ship scrubber technology, will aim to minimize the intensity of natural disasters for future generations.

living in 9 local communities of Campo de Gibraltar in need. HMM has shown its commitment to social responsibility and values by contributing and supporting those in need of the most helpful and will continue to do its best to fulfill its social responsibilities.

Governance &
Ethics & Human Rights

GOVERNANCE
MANAGEMENT
APPROACH



Issue Importance

A company with sound corporate governance allows a management to strive for the company’s growth, which creates good corporate performance and better value. In addition, as the highest decision-making body, the board of directors should be structured to make effective decisions to enhance the rights and interests of all stakeholders.

Opportunity & Risk

A company must be able to make objective decisions by ensuring the independence and diversity of the board of directors, and the board must be able to supervise a management and promote efficient board activities.

HMM Approach

In order to strengthen its independence, HMM maintains more than half of the Board of Directors consisting of independent directors. In addition, we secure expertise in decision-making, improve operational efficiency by operating four committees under the BOD and seek mutual checks and balance among members.

2020 Key Performance

No. of BOD meetings	Outside Director Attendance Rate
14 meetings	100%

Governance System

Board of Directors

HMM BOD is the highest decision-making body that decides on important matters of the company and oversees the execution of executives and directors. It is made up of 5 members, 2 directors and 3 independent directors. Currently, the CEO is concurrently serving as the Chairman of the Board of Directors, but independent directors may also be appointed as Chairman. In order to reinforce the independence of the board of directors, the ratio of

non-executive directors is stipulated to maintain a majority of all directors. In addition, in order to prevent conflicts of interest, we stipulate restrictions on concurrent positions of other companies for the purpose of doing business in the business category of the company or for similar business purposes without prior approval from the board of directors.

Composition of the board of directors (As of Dec. 2020)

	Name	Position and role	Specialty Field	Tenure
Director	Jae Hoon Bae	• HMM CEO • Chairman of the HMM Board of Directors • Chairman of the independent director Candidate Recommendation Committee • Chairman of the Finance and Economy Committee • Chairman of Risk Management Committee	Management General	1 year Until the day of the regular shareholders' meeting in 2022
	Jin Ki Park	• Head of HMM container business • Member of the Finance and Economy Committee	Management General	1 year Until the day of the regular shareholders' meeting in 2022
Independent Director	Gyu Bok Kim	• Kim & Chang Law Firm Advisor • Chairman of the Audit Committee • Member of the Outside Director Candidate Recommendation Committee • Member of Risk Management Committee	Finance	2 year Until the day of the regular shareholders' meeting in 2023
	Min Hyun Youn	• Former Senior Advisor, Sinokor Merchant Marine • Member of the Audit Committee • Member of the Outside Director Candidate Recommendation Committee • Member of Risk Management Committee	Shipping	1 year Until the day of the regular shareholders' meeting in 2022
	Yo Ick Song	• Former Hyundai Merchant Marine Container Division General Manager • Member of the Audit Committee • Member of the Outside Director Candidate Recommendation Committee • Member of Risk Management Committee	Shipping	1 year Until the day of the regular shareholders' meeting in 2022

Committees under the Board of Directors

HMM operates four committees under the board of directors. The board delegates much of its authority to committees, which are run mainly by independent directors to enable more professional decision-making and more

effective operations. The board clarifies the roles and responsibilities of each member and thus seeks mutual checks and balances within the board.

Audit Committee	independent director Candidate Recommendation Committee	Finance and Economy Committee	Risk Management Committee
Accounting and business audit	independent director Candidate Recommendation	Delegation of normal board resolutions	Comprehensive management and control of possible business risks
3 independent directors	1 director 3 independent directors	2 directors	1 director 3 independent directors
7 meetings in 2019, 10 meetings in 2020	2 meetings in 2019, 1 meetings in 2020	0 meeting in 2019, 0 meeting in 2020	3 meetings in 2019, 2 meetings in 2020

Board of Directors Operation

The HMM Board of Directors holds quarterly meetings and convenes supplementary meetings when necessary. To ensure smooth operation of the BOD, each director is notified 5 days before the meeting date when the BOD is convened, and detailed data are provided so that in-

dependent directors can review the contents of agendas for a performance of their duties. In addition, to help our independent directors improve their understanding and expertise of our business and deepen their expertise, we offered training and field trips.

Board of Directors Operation (As of Dec. 2020)

	2018	2019	2020
Number of BOD meetings (cases)	15	18	14
Number of deliberation agenda (cases)	24	29	22
Average attendance rate of independent directors (%)	99	100	100
Education program	A Tour of a scrubber fitted vessel	New built VLCC boarding training, etc.	Naming ceremony, online training, internal accounting management system training, etc. 4 times in total

Board performance evaluation and remuneration

HMM appoints, as independent directors, those who have professional knowledge or experience in business, economics, laws, or related technologies, or who meet relevant regulations such as commercial law, among others with social reputation. For evaluation of independent directors, according to the mid- to long-term corporate governance plan, we plan to establish an evaluation system that can secure fairness and objectivity in evaluation

by establishing the performance evaluation criteria for the 2021-2022 BOD. Currently, the remuneration for directors is discussed at the board of directors in consideration of business expertise and activity performance and is executed within the remuneration limit approved at the general shareholders' meeting but plans to establish a system for linking performance evaluation and compensation in 2023.

Board remuneration (As of End of Dec. 2020)

	Persons	Total remuneration (KRW million won)	Average remuneration per person (KRW million won)
Director	2	865	432
Independent Director	3	120	40

Shareholder Status

As of Dec. 2020, the total stock issued by HMM is 326,726,323 common stock, and the largest shareholder is the Korea Development Bank, with a 12.61% stake.

	Shareholders	Number of Shares Owned	Share ratio(%)
Largest shareholder	Korea Development Bank	41,199,297	12.61
Related Persons of the Largest Shareholder	Korea Ocean Promotion Corporation	13,943,850	4.27
Total		55,143,147	16.88

Risk Management & Response

Integrated Risk Management

HMM has established an integrated risk management system to proactively identify and respond to uncertainties arising from the process of business activities for the sustainable and stable growth of the company. For systematic risk management, we have established an effective

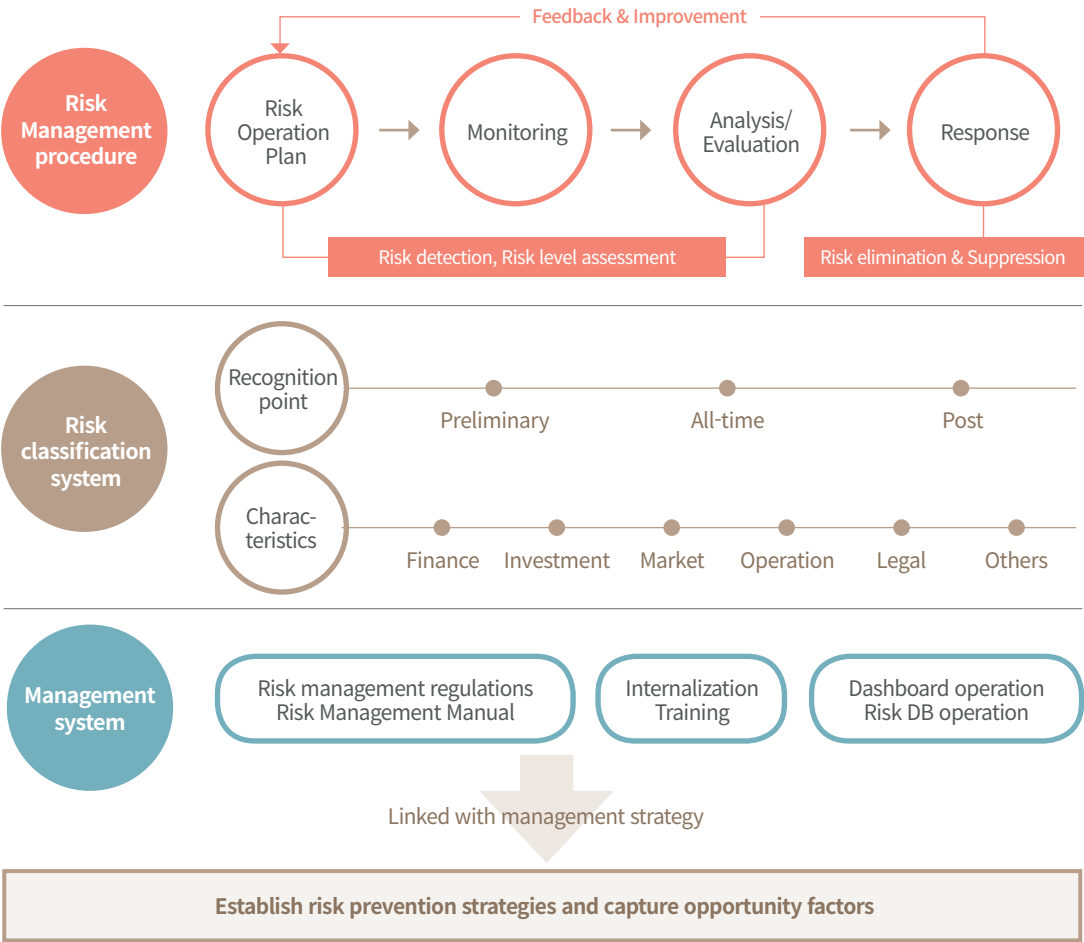
communication process based on manuals and operate a risk management council and risk management committee to create an environment in which management’s decision-making can be effectively reflected.

Integrated Risk Management

HMM has established risk management procedures for planning, monitoring, analysis and evaluation, and response for integrated and systematic risk management. In addition, we are striving to eliminate or suppress uncertainties in our business activities by establishing specific response procedures according to the level of risk. Depending on the characteristics of the risk, we categorize it into finance, investment, market, operation, legal affairs, and others. According to each risk management index, we

categorize it into pre-management, regular management, and follow-up management, so that it can be managed in an integrated manner. In addition, we are operating a risk management dashboard and DB, and we are advancing risk management through regular training in person in charge of risk. HMM actively prevents negative risks through systematic risk management and seeks to enhance competitiveness by actively discovering factors that can become opportunities.

Integrated Risk Management

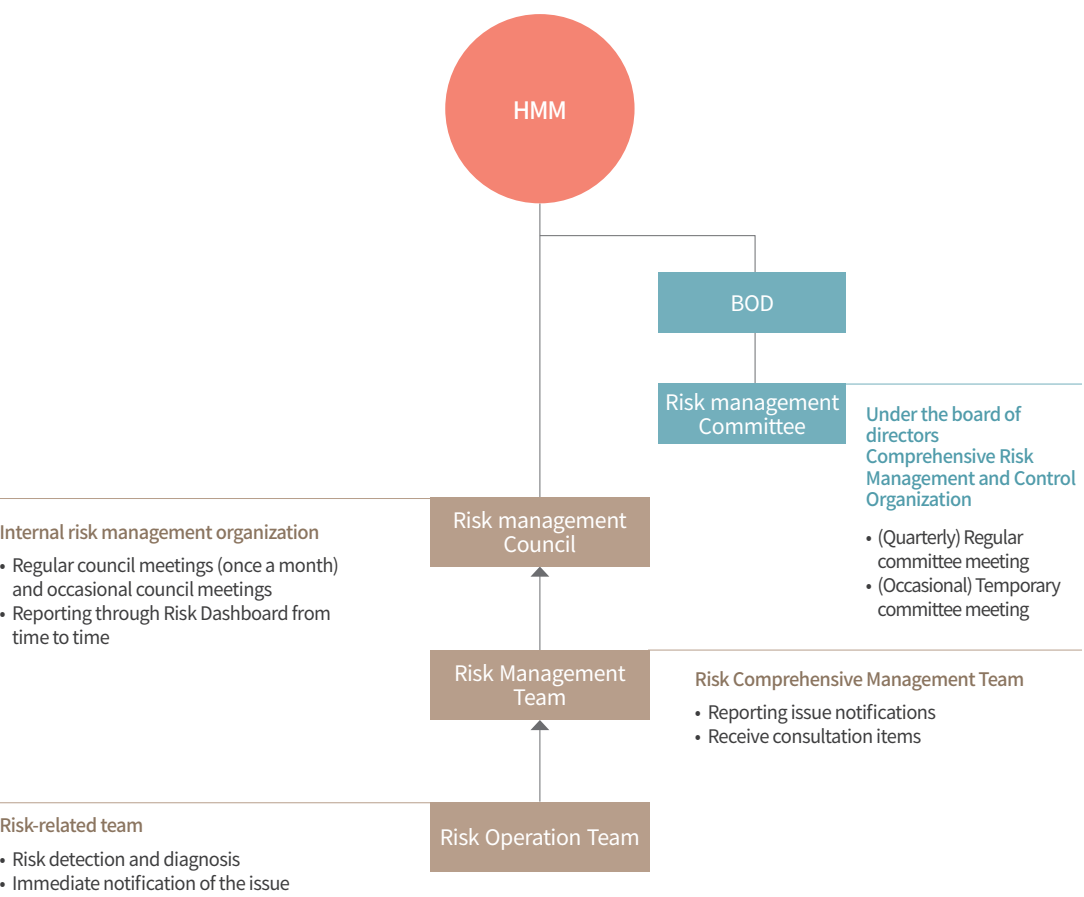


Risk management organization and reporting system

HMM has established and operates the Risk Management Committee, Risk Management Council, Risk Management Supervisory Team, and each operation team under the BOD to support fast and systematic decision-making and strengthen the management supervision of the BOD. Risk management and control is carried out through the Risk Management Committee, which was elevated under

the board of directors, in April 2018. We are practically supervising management. The HMM risk reporting system enables timely reporting of risks that have a significant impact on the business environment. We have an operating system to detect risks in advance and share issues through cross-monitoring between the risk management team and each risk management team.

Risk management organization and reporting system



Risk Management Advancement

HMM has increased quantified management indicators and established a management system for each risk scenario in order to measure risk factors in overall man-

agement. In 2020, we established standards for systematic risk assessment by measuring the probability of risk occurrence and risk impact.

Governance & Ethics & Human Rights

ETHIC & HUMAN RIGHTS MANAGEMENT APPROACH



Issue Importance

Ethic
HMM realizes ethical management in order to develop into an excellent company that realizes sustainable management as its core management philosophy and recognizes ethical management as important as a source of corporate competitiveness, not as a management tool.

Human Right
Human rights are the dignity and value of human beings, and human rights management means preventing the occurrence of human rights violations by companies and conducting human rights-friendly management activities. Social interest and demand for human rights management practices are increasing.

Opportunity & Risk

Ethic
When all employees make important decisions, ‘ethical judgment’ is the most basic. Ethics must be internalized, and when ethical risks arise, it can have a great impact on the trust and reputation of a company.

Human Right
When a human rights risk occurs in a company, it negatively affects the reputation and fame of the company, causing the criticism from stakeholders, resulting possible restrictions in terms of business activities as well as sustainable management.

HMM Approach

Ethic
HMM has established an ethical management system consisting of the charter of ethics, code of conduct, guidelines, anti-corruption and bribery policy, and human rights policy, and strengthens ethics pledges, education, counseling and reporting every year. It has been actively participating in compliance management activities and anti-corruption initiatives.

Human Right
HMM has established human rights policy and made doubly sure of reporting and managing of human rights issues and has been striving to create a culture that respects diversity through human rights education.

2020 Key Performance

Those who have completed ethical management and anti-corruption training	Strengthening Diversity- The birth of a female general manager
3,513 persons	One Chief Engineer, One Captain

Establishment of Ethical Culture



Ethical management system

Ethical management operation

HMM has established a code of ethics and is constantly revising it in accordance with related domestic and overseas related laws and trends. HMM also supports employees in making ethical decisions by providing standards of ethical judgment. In March 2018, HMM established an ethical management committee composed of executives in order to reinforce the ethical management system, which has been deliberating and deciding on all matters regarding the promotion of ethical management. The Ethics Management Committee convenes semi-annually and has met twice each year in 2019 and 2020. In 2020, the committee decided to revise the code of ethics to actively respond to ESG certification, and checked HMM’s performance and plans regarding ethical management such as ethics education, promotion activities, cyber reporting system management and procedures regarding the Anti-Solicitation Act.

Charter of Ethics	HMM has sailed smoothly all over the world to provide our customers the best in transportation services utilizing our various vessels. To become a sustainable, first-class global company in the 21st century, we are committed to ethical business practices, and fulfilling our responsibilities as a corporate citizen and contributing to the development of humanity.
Code of Ethics Compliance with laws and regulations	We comply with applicable laws, internal company policies and rules, and abide by sound social norms in all aspects of our work. All forms of illegal activities should be avoided, including money laundering, and no sort of fraud is permitted. We follow all relevant labor and employment laws wherever we operate. In some areas where we operate, legal requirements are stringent. We familiarize ourselves with any additional local requirements with which we must comply.

Ethical Management Operation System

1. Charter of Ethics Ethical Management Principles to Realize HMM’s Management Philosophy	2. Code of Ethics Basic rules that suggest the direction of ethical management principles (work ethics, etc.)	3. Guidelines Specific value judgment standards that HMM employees must comply with (prohibition of accepting money, etc.)
4. Anti-Corruption and Bribery Policy Compliance with domestic and foreign anti-corruption laws	5. Practice program Activities to form a fair and transparent corporate culture	6. Education and promotion Activities for active practice of executives and employees and spreading ethical culture

SUSTAINABLE
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- Environment & Safety
- Society & Stakeholder
- Governance & Ethic & Human Rights

Ethical management activities

Strengthening the pledge to systematize ethical management

All of HMM’s employees are expressing their commitment to ethical management practices by signing the pledge to practice ethics and compliance. Through a pledge program held once a year both at home and abroad, all executives and employees are fully aware of key regulations and are strengthening their will to practice ethics. In 2020, HMM Ocean Services, a domestic subsidiary of HMM, also made a pledge to comply with ethical management.

Encourage ethical management and anti-corruption practice, ethics education

HMM conducted various types of training programs for all employees, including online training on ethical management and anti-corruption topics, and offline training tailored to each group. Compulsory training is provided for newly hired employees, and additional ethics training

HMM also added a prohibition against sexual harassment as part of strengthening ethics education in the ethical management compliance pledge for maritime employees. In addition, a self-diagnosis checklist is provided so that employees can constantly and autonomously check the regulations and compliance matters related to ethical management when performing work.

is provided when necessary. This includes times when expatriates are appointed, to guide ethical guidelines, and when the New Year’s Day or Thanksgiving holidays are coming, so as to prohibit receiving gifts from stakeholders.

Status of Ethics Education Progress

	Regular education on ethical management and anti-corruption		Ethical management and anti-corruption education	
	2019	2020	2019	2020
Target	All employees	All employees	New/Experienced Employees, Sojourning employees	New/Experienced Employees, Sojourning employees, Domestic Employees
No.of operations (times)	2	2	3	3
Participants (persons)	3,397	3,513	88	938

Stakeholder Engagement, Ethics Consultation and Reporting System

HMM operates a channel through which all stakeholders can raise and report on issues related to ethics and human rights. It is received through ‘Ethics Hotline’ system, fax, e-mail, and by ensuring the anonymity of the informant, the informant can consult and report

with confidence. Receipt of consultations and reports were verified and further investigated, and follow-up measures were actively pursued, such as strengthening ethics training to prevent fraudulent behavior.

Ethics Report Status

Year	2018	2019	2020
No. of Cases	6	7	3

Compliance management activities

Inspection and implementation of compliance control standards

As HMM has been getting more active in the global market, it can contribute to sound development of the company and obtain customer trust by complying with the laws and regulations of each country and performing fair and transparent work. HMM has established compliance

control standards to remove legal risks related to overall management in advance, and every year, the Board of Directors reports the ‘Compliance Control System Operation Status Report’ and compliance-related matters.

Compliance Status

Year	Compliance Status
2019	<ul style="list-style-type: none">• Revision of guidelines for compliance with competition law• Compliance pledge for employees• Overseas competition authority investigation response and guidance education• Overseas Headquarters Expatriate Competitive Compliance training (European and China Headquarters)
2020	<ul style="list-style-type: none">• Updating competitive law compliance guidelines• Compliance pledge for employees• Participating in THE Alliance legal committee activities• Preparation of the business combination part under the competition law in four major countries (Korea, US, EU, China) through research on competition law• Training employees of the head office and overseas expatriates concerning competition law for (892 people)

Revision of Guidelines for Compliance with Competition Law

HMM has established guidelines for compliance with the Competition Act to ensure that all executives and employees comply with the Competition Act (Antitrust Act) in conducting business activities around the world and is undergoing revision every year. Compliance with competition laws is based on the Code of Ethics that applies equally to the business transactions of all companies around the world and applies to the individual actions of all employ-

ees working for the company or to those who work for the company. It applies to all business activities of the company without exception, and disciplinary action is taken in case of violation, and the declaration of compliance with the competition law is signed every year, and in principle, regular training is provided on the implementation and compliance of the guidelines once a year.

Anti-corruption efforts

Implement the Anti-Corruption and Bribery Policy and apply the anti-solicitation law

HMM has established the Anti-Corruption and Bribery Policy to ensure that all executives and employees comply with anti-corruption laws in conducting business activities worldwide and run business in a legal and ethical manner. It guides information on bribery and corruption issues and how to deal with them. In order to actively respond to

The Improper Solicitation and Graft Act, HMM has institutionalized prior approval when it is necessary to execute expenses for public officials and continue to provide guidance on the prevention of violations of The Improper Solicitation and Graft Act.

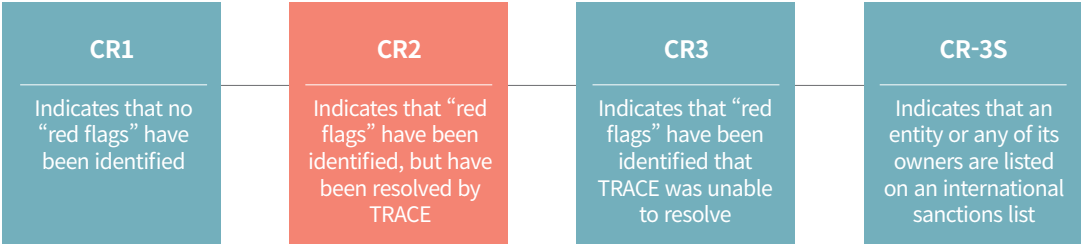
Anti-corruption initiative activities

HMM joined the global movement toward anti-corruption in the shipping industry by formally joining the Maritime Anti-Corruption Network (MACN*) in September 2019. To this end, joint actions such as campaign planning and educational program development were made. In addition, it is now possible to exercise voting rights in the capacity of full members in decision-making related to operation. In addition, HMM has been certified with a CR2 rating from June 2020 to June 2021, certified by TRACE, a US non-profit organization that checks and certifies compliance with Anti-Bribery Compliance on an annual basis in governance, accounting, finance, media, and international sanctions for the purpose of improving business transparency with multinational corporations.



*Maritime Anti-Corruption Network
Founded in 2011 to identify and mitigate the causes of corruption in the shipping industry, it is an organization that cooperates with major stakeholders such as the government and international organizations.

TRACE Grade System



Information Security Reinforcement

Information security system

Information Security Operation

HMM complies with international standards for information security and related laws at home and abroad, and conducts management, technology, physics, and security activities to protect information such as core technologies and personnel, which are the source of competitiveness. The Chief Information Security Officer (CISO) has been designated and the guidelines for personal information

protection have been established, and internal audits are conducted to check the compliance of the company’s information security policy and security level. In addition, when making a contract, we thoroughly manage the preparation of confidentiality memorandums and external personnel security pledges in the contracts of subcontractors.

Response to Information Security Laws

In order to thoroughly comply with domestic and international information security laws and regulations applicable to the company, HMM quickly understands and responds to relevant legal trends. As information security is rapidly emerging as an important issue in corporate

management around the world, HMM has updated the standards for information security and personal information protection, by applying latest trends of relevant laws and regulations.

Information security activities

Acquired international standard information security management system (ISO27001) certification

HMM has obtained ISO27001, the most prestigious international standard certification in the field of information security established by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) in 2018. We will continuously

improve the information security management system, effectively respond to security threats, and actively respond to customer information security requirements for safe transactions.

Cyber attack response, information security education

The digitalization of global shipping companies is accelerating, and the importance of security is increasing due to the introduction of IT. We provide information security training for all employees to strengthen security awareness and

share prevention methods for cyber attacks to establish security measures. In 2019, information security, personal information protection, and in-house security practices were provided as major training content.

SUSTAINABLE
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Environment & Safety

Society & Stakeholder

Governance & Ethic &
Human Rights

Tax Policy Establishment



Tax Management Policy

HMM complies with tax laws and systems by fulfilling its duty of paying taxes to all countries where it operates. In addition, we systematically establish tax risk management standards and procedures, respond to changes in tax-related laws and regulations, and operate transparent tax policies.

Tax principles

HMM adheres to the following principles for strict and transparent tax management.

1. Tax Law and Regulation Compliance

HMM complies with the tax laws and regulations of all countries and regions in which it runs business and responds proactively to relevant regulations and laws.

2. Tax risk management

HMM proactively considers and minimizes tax risks before making major business decisions.

3. Operate a transparent tax structure and build trust

HMM does not use or manipulate tax havens. In addition, we strive to form a cooperative trust relationship based on trust and respect with the customs authorities.

4. Compliance with international transaction standards

HMM does not reduce the tax burden by taking advantage of tax treaty loopholes and special cases of domestic and overseas business sites, and practices sincere tax payment through normal international transactions.

Corporate tax disclosure and details

HMM transparently discloses details of corporate tax expenses in business reports and audit reports, and periodically discloses tax-related obligation information such as effective tax rates.

Corporate Tax Breakdown

Unit	2018	2019	2020
KRW Million	11,671	3,120	3,827

Human Rights Fulfillment



Human Rights Policy

HMM respects and complies with basic human rights principles, including the Universal Declaration of Human Rights, the UN Enterprise and Human Rights Implementation Principles, the Human Rights Labor Principles recommended by the International Labor Organization (ILO) and ratified by nations, and the human rights laws and regulations of the countries in which the company has business. In addition, HMM protects the human rights of all employees and stakeholders based on the principle of respect for humanity.

Detailed Guidelines for Human Rights Policy

Working hours	HMM adheres to working hours in compliance with the laws of each country.
Minimum wage	In accordance with Korea’s Minimum Wage Act, the Seafarers’ Act of Korea and the relevant laws of each country, HMM provides compensation equal to or greater than the minimum wage.
Prohibition of Child Labor	HMM does not employ children or persons under the age of 15.
Prohibition of Discrimination/Respect for Diversity	HMM treats all employees equally and with respect. HMM prohibits discrimination based on race, skin color, sex, religion, political opinion, social origin, age, educational attainment, disability or any other basis.
Health and safety	HMM complies with laws regarding health and safety in the workplace. HMM applies a range of standards to prevent accidents and ensure a safe work environment.

Human Rights Reporting and Management

HMM operates a cyber reporting office to report on human rights issues that may arise from contact points with all stakeholders 24/7. The information received is immediately forwarded to the relevant organization for action, and the identity of the informant and contents of the report are thoroughly confidential.

Human Rights Education

HMM conducts compulsory educations on human rights, prevention of sexual harassment, and improving awareness about the disabled in the workplace to all domestic employees once a year. In 2019, the revised Labor Standards Act on the Prohibition of Bullying in the workplace was applied to internal regulations such as employment rules, and a process for dealing with violations of the prohibition of bullying in the workplace was established.

Human Rights Education Status

	Sexual harassment prevention education		Disability awareness education		Workplace harassment prevention education	
	2019	2020	2019	2020	2019	2020
No. of Trainee (persons)	834	978	811	978	881	978

Respect Diversity

Realization of diversity-respecting culture

HMM appreciates all employees and all of their hard work equally with respect for diversity in gender, nationality, and age. Due to the nature of the business, the proportion of women is increasing even in the case of maritime workers, where the ratio of women is relatively lower than that of land workers. By appointing the first female chief engineer in December 2019 and the first female captain, chief

of safe ship operations in January 2020, we have proven that we are an organization that respects diversity without exception. In addition, we continuously employ disabled people through the continuous use of certified companies for standard workplaces with disabilities, and we do not discriminate against fixed-term workers in terms of welfare benefits from regular workers.

HMM opens new horizons for women’s officers!

In December 2019, HMM appointed Hae Yern Go, the first female Chief Engineer of the ‘Hyundai Colombo’ and Kyoung Ok Jun as the first female Captain of the ‘Hyundai Courage’. On a ship, the captain oversees all crew members and performs the duties of the general manager of the safe operation of the ship and the management of the cargo while the chief engineer serves to assist and cooperate with the captain for safe ship operation based on the responsibility and obligations for the entire engine room including maintenance and operation of the ship’s engine, storage and use of fuel. HMM currently has a total of 13 female maritime officers and engineers.



Hae Yern Go, Chief Engineer of “Hyundai Colombo”



Captain Kyoung Ok Jun of the “Hyundai Couragee”

Diversity Status_Korea

	Unit	2018	2019	2020
Gender – female/total on land	%	36	34	34
Gender – female/total at sea	%	1.17	1.27	1.89
Female manager	Persons	76	117	78
Employee with disabilities	Persons	5	6	5
Elderly employees	Persons	13	63	58
National veterans	Persons	20	22	21

*Female managers, disabled/elderly employees, and national veterans include those working both on land and at sea.

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Environment/Safety Data

Environment Investment*

Category	Unit	2018	2019	2020
Environmental investment cost*	KRW Million	7,900	126,176	92,031

*Based on investment cost for improving ship energy efficiency

Greenhouse Gas Management*

Category	Unit	2018	2019	2020
Greenhouse gas emission intensity	gCO ₂ /DWT-km	3.8	3.1	2.7
Greenhouse gas reduction rate	%	25.2	39.8	46.7

*Based on HMM-owned ships, Bare Boat Charter Hire Purchase (BBCHP), Bare Boat Charter (BBC)

Greenhouse Gas Emissions

Category		Unit	2018	2019*	2020
Scope 1	Fixed combustion	tCO ₂ eq	268.07	592.00	20,791.89
	Moving combustion		4,705,133.01	4,194,245.38	4,843,103.63
Scope 2	Purchase power	tCO ₂ eq	25,754	42,610	48,075
Total			4,731,155.17	4,237,447.00	4,911,970.58
Scope 3**	Business trip	tCO ₂ eq			3,681.51
	Employee commuting				9.16
	Wastes***				2.66

*The 2019 data is the difference between the total figures by rounding.

**Based on domestic (Korea) workplaces

***Based on the head office

Energy Usage

Category		Unit	2018	2019	2020
Ship	Fuel Oil		15,705,138	13,488,776	15,768,022
	Marine Diesel Oil & Gas Oil		460,246	789,898	837,954
	Total		16,165,383	14,278,674	16,605,976
On Land	Diesel	MWh	74,736	100,536	77,329
	Electricity		51,546	89,512	101,764
	Gasoline		2,547	2,708	1,984
	LNG		1,307	2,928	1,916
	Total		130,137	195,684	182,994

Energy Efficiency

Category	Unit	2018	2019	2020
Ship energy efficiency*	g/DWT*km	1.2158	0.9771	0.8647

*Based on HMM-owned ships , BBCHP and BBC

Water

Category	Unit	2018	2019	2020
Water consumption	Ton	19,325	20,812	20,179

Air Pollutants*

Category	Unit	2018	2019	2020
NOx emissions	Ton	49,635	55,290	65,177
SOx emissions	Ton	29,958	32,060	7,175
PM emissions	Ton	3,996	4,368	4,967

*Based on HMM-owned ships , BBCHP and BBC

Amount of Waste Generated

Category	Unit	Unit	2018	2019	2020
Ship hazardous waste	Waste oil (sludge, etc.)	m ³	10,669	12,094	11,562
	Plastic(CAT. A)	m ³	697	864	1,102
	Operational Waste(CAT. F)	m ³	387	504	589
Ship's general waste	Domestic waste(CAT. C)	m ³	738	887	1,117
HQ		Ton	26	29	34

Buy Eco-Friendly Products

Category	Unit	Unit	2018	2019	2020
Raw and subsidiary materials (fuel, lubricant)	Total purchase amount	KRW Billion	309	705	540
	Eco-friendly product purchase amount	KRW Billion	35	163	303
	Percentage of eco-friendly product purchase amount	%	11	23	56

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Employee Health & Safety

Category		Unit	2018	2019	2020
At Sea	Working hours	Hours	5,556,912	5,959,320	8,736,408
	No. of injuries	Cases	4	5	11
	Injury rate	%	1.19	0.68	0.85
	Off-days due to injury	Day	Under management since 2019	14	28
	LTIF	No. of accidents per 1,000,000 hours	0.72	0.84	1.26
	LTISR	No. of days lost per 200,000 hours	Under management since 2019	0.34	0.64

*No. of injuries for employees on land is 0

Ship Safety

Category		Unit	2018	2019	2020
At Sea	No. of safety accidents	Case	21	22	32
	No. of oil spill accident	Case	0	0	0
	PSC Deficiency Ratio*	Case**	1.1	0.6	0.7
	No. of 5 major accidents***	Case	0	0	0

*PSC(Port State Control): Vessel inspection conducted by a state under the jurisdiction of port state control on foreign ships through their own inspectors on safety issues

**Total No. of findings / Total No. of inspections

***5 major accidents: collision, fire, aground, death, marine pollution

Social Data

Employee Status

Category			Unit	2018	2019	2020
Domestic	On Land	Male	%	64	66	66
			Person	492	561	575
		Female	%	36	34	34
			Person	276	287	302
		Total	Person	768	848	877
	At sea	Male	%	99	99	98
			Person	423	624	675
		Female	%	1	1	2
			Person	5	8	13
		Total	Person	428	632	688
Domestic total			Person	1,196	1,480	1,565
Overseas	Overseas subsidiary	Male	%	48	48	48
			Person	1,032	1,044	1,029
		Female	%	52	52	52
			Person	1,123	1,129	1,121
Overseas total			Person	2,155	2,173	2,150
Total at home and abroad			Person	3,351	3,653	3,715

New Recruitment

Category			Unit	2018	2019	2020
Domestic	On Land	Male	Person	56	106	38
		Female	Person	24	39	28
		Total	Person	80	145	66
	At sea	Male	Person	51	98	77
		Female	Person	1	4	6
		Total	Person	52	102	83
Domestic total			Person	132	247	149
Overseas	Overseas subsidiary	Male	Person	224	128	94
		Female	Person	236	148	100
Overseas total			Person	460	276	194
Total at home and abroad			Person	592	523	343

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Turnover Rate

Category		Unit	2018	2019	2020
On Land	No. of employees to turn over	Person	50	61	37
	Turn over	%	5.8	6.7	3.8
	Voluntary turnover	%	5	5.7	3
At Sea	No. of employees to turn over	Person	46	24	51
	Turn over	%	11.4	5.6	7.4
	Voluntary turnover	%	8	4	3

Employee Talent Development

Category		Unit	2018	2019	2020
On Land	Total training hours	Hour	52,626	49,536	44,438
	Total number of employees	Person	768	848	877
	Average training hours per person	Hour	69	58	51
	Training investment	KRW Million	444	445	441
At Sea	Total training hours	Hour	21,832	37,515	31,987
	Total number of employees	Person	428	632	688
	Average training hours per person	Hour	51	59	46
	Training investment	KRW Million	1,159	1,779	1,525
Overseas subsidiary	Total training hour	Hour	Under management since 2019	6,907	9,405
	No. of person subject to training	Person	Under management since 2019	391	522
	Average training hours per person	Hour	Under management since 2019	18	18

Job Training

Category	Unit	2018	2019	2020
On Land	Persons	773	913	785
At Sea*	Persons	Under management since 2019	2,751	2,176
Overseas subsidiary	Persons	Under management since 2019	391	522

*Duplicated No. of employees completing training

Social Contribution

Category	Unit	2018	2019	2020
Program	ea.	7	9	6
No. of Participants	Person	168	214	94

Shared Growth

Category	Unit	2018	2019	2020
Total No. of partners	Partners	205	213	214
No. of major suppliers	Partners	85	14	13
Total supplier purchase amount	KRW Million	320,854	727,443	568,802
Purchase amount of major suppliers	KRW Million	311,725	504,900	399,760

Labor Union

Category		Unit	2018	2019	2020
On Land	Labor union membership fee	%	37.2	46.3	62.2
	Labor-management council meetings	Case	4	4	4
At Sea	Labor union membership rate	%	100	100	100
	Labor-management council meetings	Case	3	2	3

*Established labor union in September 2016

Grievance Handling

Category		Unit	2018	2019	2020
On Land	No. of complaints received	Person	6	2	3
	Grievance response rate	%	100	100	100
At Sea	No. of complaints received	Person	6	0	5
	Grievance response rate	%	100	-	100

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Welfare Benefits

Category	Unit	2018	2019	2020
On Land	KRW Million	9,483	10,719	11,178
At sea	KRW Million	1,737	2,079	2,850

Parental Leave

Category		Unit	2018	2019	2020
On Land	Parental leave used	Persons	23	17	37
	Returnee from parental leave	Persons	27	13	36
	Percentage of working 12 months after returning from parental leave	%	100	100	100
At Sea	Parental leave used	Persons	6	5	8
	Returnee to parental leave	Persons	6	5	8
	Percentage of working 12 months after returning from parental leave	%	100	100	100

Customer Satisfaction

Category	Unit	2018	2019	2020
No. of customer complaints received*	Cases	95	75	66
Process rate	%	100	100	100

*Based on reception via online channels

Economic Data

Consolidated Comprehensive Income Statement

Category	Unit	2018	2019	2020
Revenue (Sales)	KRW Million	5,222,124	5,513,089	6,413,270
Cost of sales	KRW Million	5,498,944	5,517,219	5,128,828
Gross profit (loss)	KRW Million	(276,820)	(4,130)	1,284,442
Selling and administrative expenses	KRW Million	281,836	295,564	303,661
Operating profit (loss)	KRW Million	(558,656)	(299,694)	980,781
Other profits	KRW Million	136,625	275,763	456,043
Financial income	KRW Million	146,863	82,629	41,414
Financial cost	KRW Million	210,554	419,462	1,184,686
Income of associates and jointly controlled entities	KRW Million	8,587	1,193	9,155
Profit (loss) before tax	KRW Million	(778,892)	(586,715)	127,793
Income tax expense (profit)	KRW Million	11,671	3,120	3,827
Profit (loss)	KRW Million	(790,563)	(589,835)	123,966
Other comprehensive income	KRW Million	(17,229)	(22,455)	(157,729)
Total comprehensive income	KRW Million	(807,792)	(612,290)	(33,763)

Consolidated Financial Statement

Category	Unit	2018	2019	2020
Current assets	KRW Million	1,747,647	1,427,203	2,237,239
Non-current assets	KRW Million	2,373,793	5,732,984	7,136,121
Total assets	KRW Million	4,121,440	7,160,187	9,373,360
Current liabilities	KRW Million	1,105,603	1,683,674	2,880,669
Non-current liabilities	KRW Million	1,976,166	4,386,204	4,804,143
Total liabilities	KRW Million	3,081,769	6,069,878	7,684,812
Equity attributable to owners of the parent entity	KRW Million	1,038,495	1,089,015	1,687,351
Non-controlling interests	KRW Million	1,176	1,294	1,197
Total equity	KRW Million	1,039,671	1,090,309	1,688,548
Total equity and liabilities	KRW Million	4,121,440	7,160,187	9,373,360

Consolidated Cash Flow Statement

Category	Unit	2018	2019	2020
Cash flow from operating activities	KRW Million	(416,902)	399,331	1,408,546
Cash flow from investing activities	KRW Million	(672,787)	(877,197)	(2,034,150)
Cash flow from financing activities	KRW Million	987,385	572,850	1,155,460
Net increase (decrease) in cash and cash equivalents	KRW Million	(102,304)	94,984	529,856
Cash and cash equivalents, beginning of the year	KRW Million	676,365	562,901	645,092
Effect of exchange rate changes on cash and cash equivalents	KRW Million	(11,160)	(12,793)	(34,248)
Cash and cash equivalents, end of the year	KRW Million	562,901	645,092	1,140,700

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Annual Sales Status by Business

Category	Unit	2018	2019	2020
Container	KRW Million	4,613,321	4,768,039	5,661,438
Bulk	KRW Million	420,883	545,077	542,376
Others	KRW Million	187,920	199,973	209,456
Total	KRW Million	5,222,124	5,513,089	6,413,270

Annual Sales Status by Region

Category	Unit	2018	2019	2020
America	KRW Million	2,181,337	2,043,074	2,663,062
Europe	KRW Million	833,144	824,579	1,201,030
Asia	KRW Million	1,300,667	1,433,077	1,306,817
North & South route	KRW Million	284,868	450,715	472,326
Others	KRW Million	622,108	761,644	770,035
Total	KRW Million	5,222,124	5,513,089	6,413,270

Distribution of Economic Performance

Category		Unit	2018	2019	2020
Corporate tax		KRW Million	11,671	3,120	3,827
Local community	Social contribution cost	KRW Million	17	13	30
Partner	Purchase cost*	KRW Million	320,854	727,443	569,401
Employee salary	On Land(Male)	KRW Million	41,391	40,887	44,972
	On Land(Female)	KRW Million	12,095	12,007	13,222
	At Sea (Male)	KRW Million	35,186	33,707	36,073
	At Sea (Female)	KRW Million	287	388	609
	Total	KRW Million	88,959	86,989	94,876
Total		KRW Million	421,501	817,565	668,134

*Purchase cost: fuel and lubricant included

Governance data

Board of Directors Operation

Category	Unit	2018	2019	2020
No. of regular board meetings held	Times	4	4	4
No. of temporary board meetings	Times	11	14	10
Total number of board meetings	Times	15	18	14
Agenda discussed	Times	24	29	22
Director Attendance Rate	%	79	95	96
Independent director Attendance Rate	%	99	100	100

Board Remuneration

Category	Unit	2018	2019	2020
No. of directors	Person	3	2	2
Total amount paid to directors	KRW Million	750	1,129	865
No. of independent directors	Person	4	3	3
Total amount paid to independent directors	KRW Million	168	135	120

Ethical Management

Category	Unit	2018	2019	2020
Rate of ethical issue risk assessment	%	73	75.1	61.7
Percentage of anti-corruption certified sites	%	10	10	10

Information Protection

Category	Unit	2018	2019	2020
ISO 27000 certification rate	%	20	20	20
Information protection and personal information infringement prevention awareness training targets	Person	2,763	639	910
Information protection and personal information infringement prevention awareness training completed	Person	2,449	736	910
Information protection and personal information infringement prevention awareness training completion rate	%	89	87	100

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Human Rights Education

Category		Unit	2018	2019	2020
On Land	Legal compulsory education**	person	757	834	978
	Other human rights education	person	144	150	0
At Sea*	Legal compulsory education**	person	Under management since 2019	786	1,137
	Other human rights education	person	Under management since 2019	786	1,137

* Duplicated No. of employees completing training
** Sexual harassment prevention education, disability awareness education, workplace harassment prevention education

Diversity

Category		Unit	2018	2019	2020
On Land	Disabled	person	5	6	5
	Elderly	person	13	16	13
	National veterans	person	19	21	19
	Female Manager*	person	76	115	76
	Senior Female Manager	person	0	0	0
	Other socially vulnerable groups	person	0	0	0
At Sea	Disabled	person	0	0	0
	Foreigner	person	347	492	609
	Elderly	person	0	47	45
	National veterans	person	1	1	2
	Female Manager	person	0	2	2
	Senior Female Manager	person	0	0	0
	Other socially vulnerable groups	person	0	0	0

*One team leader is included in the number of three-year female managers

Status of Sustainable Management Certification

HMM HQ and Affiliates Sustainable Management Certification Status (ISO, etc.)





Category			ISO9001 (Quality)	ISO14001 (Environment)	ISO45001 (Health & Safety)	ISO27001 (Information security)	ISO50001 (Energy)	기타
HMM			○	○		○	○	AEO* TRACE(Anti-corruption)
HOS			○	○	○		○	
Terminal	Korea	HPNT		△	○			PSA Group HSSE Mgt. System**
		KIT			○			
	US	WUT						
		TTI						
	Taiwan	KHT						
		HPC			○			
	Europe	RWG		○	○		○	ISO28000(Logistic security) / AEO / CO ₂ Reduce Management
	Certification rate			20%	40%	50%	10%	30%

*AEO(Authorized Economic Operator/ Excellent import and export safety management company): 'Private-public partnership system defined by WCO SAFE Framework in June 2005. Reliability and safety are recognized by the customs authorities to the entities (ship companies, airlines, etc.) involved in the movement of cargo.
**PSA HSSE(Health, Safety, Security, Environment) Management System

Global Initiatives & Associations

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Key Partnerships for Sustainability Goals

Initiative		Area	Activities
CCWG (Clean Cargo Working Group)		Environment	HMM is a member of this group that aims at reducing the environmental impact of global cargo transportation and enhancing the sustainability of the transportation industry with the participation of major shippers, carriers, and freight forwarders around the world.
Getting to Zero Coalition		Environment	HMM is a member of this coalition that aims at commercializing Zero Emission Vessels (ZEV) for deep-sea navigation by 2030
MACN(The Maritime Anti-Corruption Network)		Anti-corruption	HMM is a member of this Marine Corruption Prevention Network
Neptune Declaration		Labor rights	Signing a declaration to resolve the seafarer welfare and seafarer shift crisis facing the era of COVID-19

Associations

Category	Association	HMM Activities	Year Joined	Activities
Korea	Korea Enterprise Federation	Non-executive board member	1980	Labor-management relations consultative group
	Korea Shipowners' Association	Vice Chair	1976	Domestic shipping company consultative group
	Korean Register	Non-executive board member	2000	Classification society for ship operation
	KCCI Seoul Chamber of Commerce & Industry	Member	1976	Automatic membership based on annual revenue (at least KRW 17 billion)
	KCCI Logistics Committee	Vice Chair	2010	Committee under the Korea Chamber of Commerce & Industry
	Korea International Trade Association	Member	1994	Association related to the Korean ministry of trade, industry and energy and trade information
	Korea Shipowners Mutual Insurance Association	Non-executive board member	2000	
Over seas	CINS	Member	2017	Cargo Incident Notification System
	WSC(World Shipping Council)	Member	2000	Consultative group of container carriers around the world
	WLDL(World Liner Data Ltd.)	Member	2010	Non-profit organization established for the purpose of sharing market data and information among container carriers around the world.
	BIMCO(Blatic and International aritime Council)	Member	1997	World largest consultative group for all container/bulk shipping companies
	ASF(Asian Shipowners' Forum) General Meeting	Member	1993	Shipowners' associations of Asia Pacific nations
	ASF SERC	Vice President	1993	ASF Shipping Economics Review Committee
	ABS (Korean Committee)	Member	1996	US classification society
	DNV (Korean Committee)	Member	2000	Norwegian classification society
LR (Korean Committee)	Member	2003	UK classification society	

ESG External Evaluations & Awards

ESG External Evaluations

KCGS	Combined	Environment	Society	Governance
	A	A	A+	A
CDP	Climate Change Response			
	B			
EcoVadis	Sustainability			
	Silver			

Awards

Date	Award	Awarding Org.
2021.2	Korea Oceans & Fisheries Minister Awards for Job Creation	NEWSIS
2020.12	Grand Prix of Digital Ads Festival 2020 & Award	Korea Digital Enterprise Association
2020.12	2020 Government Award for Sustainable Management / Minister of Trade, Industry and Energy Award (Environment Sector)	Ministry of Trade, Industry and Energy and Ministry of Small and Medium Venture Business
2020.11	Certified Excellent Shipping Company & Shipper (1st Grade)	Ministry of Oceans and Fisheries
2019.11	Global Freight Awards 2019 / Environmental Award : Winner	Lloyd’s Loading List
2019.8	Top award for use of public data on oceans and fisheries	Ministry of Oceans and Fisheries
2019.6	No. 1 in schedule reliability	SealIntel
2018.6	2018 “Recognized Performance” Award	US AgTC*
2017.12	No. 1 in schedule reliability	SealIntel
2017.1	No. 1 in schedule reliability	SealIntel
2014.5	Outstanding Partner Award	Target
2014.1	Excellence in climate change response (4th consecutive year)	CDP Korea Committee
2013.6	Summit Award for Economic Contribution	City of Tacoma, US
2013.1	Carbon Management Leader Award	CDP Korea Committee
2012.7	Provider of the Year(3rd consecutive year)	Target
2012.6	International Supply Chain Provider	JC Penney
2012.5	No. 17 Gold Tower Order of Industrial Service Merit on Sea day	Ministry of Oceans and Fisheries
2012.5	Best Partner Carrier(9th consecutive year)	SONY
2011.6	World No. 3 in environmental practices	SealIntel

*AgTC: Agriculture Transportation Coalition

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Category	Items	페이지
Sustainable Management Strategies	<ul style="list-style-type: none">• Mission, vision, and core values for sustainability management• Goals, major activities and achievements of sustainability management• Core issues of HMM sustainability management• Chief sustainability management officer and divisional officer• Implementation and subscription of sustainability management initiatives• Certification and awards of sustainability management	4-10, 32-39, 42-45, 48, 62, 66, 73, 91, 96, 117, 119
Environment	<ul style="list-style-type: none">• Environmental management promotion system, organization and major achievements• Climate change response strategy, Greenhouse Gas reduction target and achievements• Methods of Greenhouse Gas emission management• Energy efficiency management and improvement activities• Air emission management activities• Response to sulfur oxide regulations of International Maritime Organization (IMO)• Waste and hazardous substances management activities• Biodiversity management and community ecosystem protection• Evaluation of the environmental impact following product use• Eco-friendly terminal construction and facility investments• Certification status of ISO14001 (environment), ISO50001 (energy)	34-35, 48-61, 106, 117
Safety	<ul style="list-style-type: none">• Safety response system & organization and major achievements• Employee training on safety regulations and guidelines• Employee health management system and monitoring• Safety management of partners• Certification status of ISO45001 (Occupational health and safety)	62-65, 108, 117
Supply Chain	<ul style="list-style-type: none">• Supply chain management and sustainable purchasing policy• Supply chain cooperation activities and major achievements	74-76, 111
Employees	<ul style="list-style-type: none">• Recruitment process and management system• Training of enhancing job competency• Measurement of educational operation performance and satisfaction• Labor union establishment and employee membership rate• Communication method between labor and management• Employee grievance handling	79-86, 110-111
Social Commitment	<ul style="list-style-type: none">• Social contribution promotion system• Details of social contribution activities• Community support related to COVID-19• Method of measuring social contribution performance (ex. volunteer hours, donations in kind and cash)	87-90, 111
Ethics/ Human rights	<ul style="list-style-type: none">• Ethical management operating system and activities• Compliance management and anti-corruption activities• Human rights policy, reporting procedure, education and respect for diversity	96-100, 103-104
Verification	<ul style="list-style-type: none">• Third-party verification of Greenhouse Gas emissions• Third-party verification of Sustainability Report	123-125
ESG External Evaluation	<ul style="list-style-type: none">• ESG evaluation result of Korea Corporate Governance Service• ‘Climate Change Response’ evaluation results of CDP• Evaluation results of EcoVadis	119

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*Refer to 4-6 pages of 2020 Business Report
**No significant incidents of corruption

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* No significant violations of environmental laws

Assurance Statement on GHG



GHG Verification Certificate

Certification No: MER-GHGI-001-2021

This is to certify that the Greenhouse Gas Inventory of

HMM Co.,Ltd.

Hyundai Group Bldg. 194 Yulgok-ro, Jongro-gu, Seoul, Korea

Korean Register(KR) hereby certifies that the GHG Inventory of
the above organization has been verified and found to be in accordance
with the requirements of the GHG Inventory Standard detailed below.

ISO 14064-1 : 2006 / KS Q ISO 14064-1 : 2006

ISO 14064-3 : 2006 / KS Q ISO 14064-3 : 2006

The GHG Protocol of WBCSD & WRI : 2004

KR confirms that the amount of GHG emissions of the above organization are :

Period 1st January to 31st December 2020 **4,911,970.58 tCO₂-eq**

Issued on 25th March, 2021 in Busan

KOREAN REGISTER

Song Kanghyun
Senior Vice President of
Decarbonization · R&D Center

Korean Register 36, Myeongji ocean city 9-ro, Gangseo-gu,
Busan, Republic of Korea (46762)

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Third Party’s Assurance Statement

This Assurance Statement has been prepared for Hyundai Merchant Marine Co., Ltd. in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

Lloyd’s Register Quality Assurance Limited (LR) was commissioned by Hyundai Merchant Marine Co., Ltd. (HMM) to provide independent assurance on its ‘2020 HMM Sustainability Report’ (“the report”) against the assurance criteria below to a “moderate level of assurance and materiality” using “Accountability’s AA1000AS v3”, where the scope was a Type 2 engagement.

Our assurance engagement covered the operations and activities of HMM in Korea and overseas and specifically the following requirements:

- Evaluating adherence to the AA1000 AccountAbility Principles¹⁾ of Inclusivity, Materiality, Responsiveness and Impact
- Evaluating the accuracy and reliability of data and information for only ESG data²⁾ presented in the appendix of the report

Our assurance engagement excluded the data and information of HMM’s suppliers, contractors and any third-parties mentioned in the report.

LR’s responsibility is only to HMM. LR disclaims any liability or responsibility to others as explained in the end footnote. HMM’s responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of HMM.

LR’s Opinion

Based on LR’s approach nothing has come to our attention that would cause us to believe that HMM has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable performance data and information as all errors or omissions identified during the assurance engagement were corrected
- Covered all the issues that are important to the stakeholders and readers of this report.
The opinion expressed is formed on the basis of a moderate level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a moderate assurance engagement is less than for a high assurance engagement. Moderate assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a moderate assurance engagement

LR’s approach

LR’s assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing HMM’s approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through reviewing documents and associated records.
- Reviewing HMM’s process for identifying and determining material issues to confirm that the right issues were included in their Report. We did this by benchmarking reports written by HMM and its peers to ensure that sector specific issues were included for comparability. We also tested the filters used in determining material issues to evaluate whether HMM makes informed business decisions that may create opportunities that contribute towards sustainable development.

1) <https://www.accountability.org>
2) Our engagement for verifying the ESG data covered the time period from July 2019 to December 2020.

- Auditing HMM’s data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- Checking whether GHG emissions and energy consumptions in the appendix of the report were transposed correctly from the GHG inventory which was verified by the third-party assurance provider.
- Checking whether the financial data in the appendix of the report was transposed correctly from HMM’s annual report.
- Reviewing additional evidence made available by HMM at its head office in Seoul.

Observations

Further observations and findings, made during the assurance engagement, are:

- **Inclusivity**
We are not aware of any key stakeholder groups that have been excluded from HMM’s stakeholder engagement process.
- **Materiality**
We are not aware of any material issues concerning HMM’s sustainability performance that have been excluded from the report. It should be noted that HMM has established extensive criteria for determining which issue/aspect is material and that these criteria are not biased to the companies’ management.
- **Responsiveness**
HMM established the goals for the year of 2025 on material topics related to sustainability and reported progress.
- **Impact**
HMM should improve its monitoring process for effectiveness of activities and programs with the aim of contributing to sustainable development and of avoiding or mitigating negative impacts. For example, it is necessary to check how much the awareness of organization members and culture of organization regarding human rights have improved through human rights education programs.
- **Reliability**
HMM has reliable data management systems for the indicators in the report.

LR’s standards, competence and independence

LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification engagement is the only work undertaken by LR for HMM and as such does not compromise our independence or impartiality.



29th March 2021



Tae-Kyoung Kim

LR Lead Verifier
On behalf of Lloyd’s Register Quality Assurance Limited

17th Floor, Sinsong Building, 67 Yeouinaru-ro, Yeongdeungpo-gu, Seoul, Korea



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