



KOREA OCEAN BUSINESS CORPORATION

2024 SUSTAINABILITY REPORT



ABOUT THIS REPORT

The Korea Ocean Business Corporation (Hereinafter referred to as "KOBC") is a public institution specializing in the maritime industry. Since 2022, we have been publishing our Sustainability Report to transparently disclose and communicate our sustainable efforts and achievements to various stakeholders. This report, the 2024 Sustainability Report, is structured around our activities and outcomes based on our ESG strategy. In particular, through a Double Materiality Assessment, we have identified our key issues for sustainable management, detailing our efforts in the environmental, social, and governance areas related to these issues.

Reporting Period and Scope

The reporting period for this report is from January 1, 2023, to December 31, 2023. For quantitative performance, data from the past three years (2021–2023) is provided to allow for a trend analysis by year. Additionally, some qualitative performance data from 2024 is included. The scope of the report includes the overall activities of KOBC and the contents of the construction sub-organizations, such as financial statements.

Report Preparation Standards

This report has been prepared based on the Global Reporting Initiative (GRI) Standards 2021. It also adheres to the ten principles of the UN Global Compact (UNGC), the UN Sustainable Development Goals (SDGs), the Task Force on Climate-related Financial Disclosures (TCFD), the K-ESG standards for the Korean industry, and ISO 26000 principles. Financial performance is presented in accordance with the Korean International Financial Reporting Standards (K-IFRS), based on consolidated financial statements.

Report Verification

To ensure internal and external credibility, KOBC has completed third-party verification by the Korea Sustainability Reporting Initiative (KOSRI), an independent verification organization. The verification criteria and detailed information can be found on page 112 of this report.

Report Inquiries

Website: www.kobc.or.kr

Address: 7th Floor, Bldg. C1, 38 Maritime City 2-ro, Haeundae-gu, Busan, Republic of Korea

Department in Charge: ESG Management Department

Phone Number: +82-51-795-1434



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COVER STORY

This design represents the image of the Korea Ocean Business Corporation, a leading global maritime finance institution. It reflects KOBC's role in supporting the growth of Korea's maritime industry through both financial and non-financial services related to the maritime and ports logistics.



Overview



06

EMBRACING
THE MARITIME INDUSTRY



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CEO MESSAGE



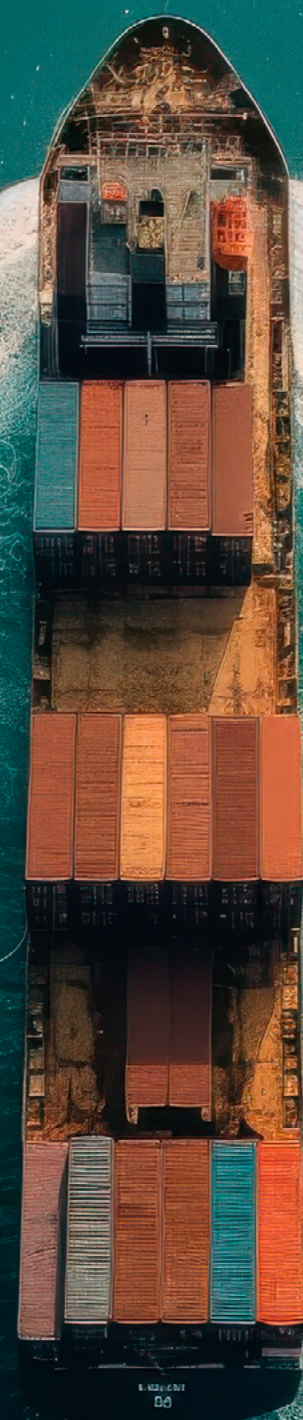
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ABOUT KOBIC



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KEY BUSINESSES



Embracing the Maritime Industry

Clean Maritime Environment,

Led by KOBC

As the climate change crisis and global environmental regulations intensify, eco-friendly management in the maritime industry has become not just a choice but a competitive advantage and an essential condition for securing sustainability and survival. As a financial public institution, the Korea Ocean Business Corporation(KOBC) is actively fulfilling its role to strengthen the maritime industry's resilience to climate change and lead efforts to create a clean maritime environment. We are expanding its support for eco-friendly maritime finance, focusing on facilitating the transition to eco-friendly and high-efficiency vessels, issuing green bonds and vouchers to activate climate finance. In addition, we are identifying and implementing various eco-friendly practices while enhancing the resource circulation system through collaboration with external organizations. Moving forward, we will continue to actively support the enhancement of the maritime industry's eco-friendly competitiveness and contribute to achieving a clean, future-oriented maritime environment.

Embracing the Maritime Industry

Collaborative Maritime Industry

Supported by KOBC

KOBC is fostering a collaborative ecosystem for the sustainability of the domestic maritime industry. We are enhancing support for small to medium shipping companies by expanding maritime finance supply, training maritime professionals, and establishing fair trade practices. In addition, we are expanding our social responsibility by promoting community engagement, establishing safety systems, fostering a culture of Human Rights Respects, and ensuring fair and inclusive human capital management. Moving forward, we will continue to focus on creating a future-oriented collaborative ecosystem to strengthen the competitiveness of shipping companies and promote sustainable development.

Embracing the Maritime Industry

Communicative KOBC

Listening to Voices

As a specialized maritime finance institution, an advanced decision-making structure, ethical management based on integrity, systematic risk management, and communication with various stakeholders are essential for sustainable management. KOBC is dedicated to listening to the voices of both internal members and external stakeholders, striving to build a sustainable management system. We have enhanced the transparency and expertise of its board of directors, established a compliance and ethical management framework, and expanded its integrated risk management system and stakeholder engagement. Moving forward, we will continue to focus on becoming an advanced institution that realizes sustainable management through diverse communication channels.

CEO MESSAGE



**Dear citizens.
And people in the shipping industry.
On behalf of all executives and
employees, I would like to express
my gratitude for your continued trust and
support for KOBC.**

The year 2024 was a series of challenging factors, including international political instability such as the Ukraine-Russia war and armed conflicts in the Middle East, the expansion of damage due to routine weather anomalies, signs of a global economic downturn, and changes in the trade environment.

KOBC is promoting ESG management practices for sustainable development of the maritime industry. Under the vision of being a 'world-leading maritime finance leader,' we have established four strategic directions: strengthening maritime finance competitiveness, supporting the development of new growth businesses, improving maritime industry information services, and implementing trust management through management innovation, and are making every effort to actively express the ESG values inherent in the corporation's unique business.

Going forward, the KOBC will continue to pursue the government's national task of a growth-oriented industrial strategy, expand ESG management for small and medium-sized enterprises specializing in the shipping industry (national policy task 17), and do its best to achieve dynamic innovative growth through customized consulting such as expanded ESG financial support and ESG on-site diagnosis for small and medium-sized venture companies (national policy task 18).

“We will faithfully fulfill our role as a leader in shipping finance through global ESG management.”

First, we will strengthen our future competitiveness through customized ESG financial support for the maritime industry.

As environmental, social, and governance (ESG) factors are at the center of financial decision-making in the maritime industry, global ship finance institutions have adopted the 'Poseidon Principles' since the IMO's initial strategy announcement, and the promotion of carbon reduction in the maritime industry is in full swing. In particular, the global ESG bond market size is growing rapidly, reaching USD 870 billion by 2023, and although sustainability-linked bonds (SLBs) are still in their early stages, steady growth is expected. We have thoroughly prepared to fulfill our role as a leader in the ship finance institution in preparation for the rapidly increasing importance of green ship finance.

Second, we will induce eco-friendly transitions for domestic shipping companies and strengthen support for digital transformation.

Our corporation is developing a plan to promote decarbonization based on an eco-friendly data management system, and is promoting a multifaceted eco-friendly transition package, including improving eco-friendly facilities for ships, supporting the construction of new global low-carbon ships, and supporting the establishment of an eco-friendly ship fuel supply chain. This is creating a foundation for strengthening the response of domestic shipping companies to the strengthening of IMO environmental regulations and serving as a policy stepping stone for securing competitiveness in new maritime industries.

Third, we will do our best to realize social value.

In order to grow together with various stakeholders and realize social value, we are strengthening Mutual Growth cooperation with local communities and establishing a transparent and fair governance structure. We are

fulfilling our social responsibilities, such as establishing a cooperation platform for the development of the maritime industry, strengthening win-win cooperation in the shipping industry, and strengthening labor-management relations and safety management capabilities, and we are also doing our best to create jobs in the maritime industry through new business development. KOBC will practice genuine ESG management based on communication and empathy with various internal and external stakeholders, such as local communities, government, citizens, and employees.

“Like the seagull's dream, we will continuously move forward for sustainable management.”

The environment surrounding our maritime industry is changing rapidly, including the strengthening of global maritime environment regulations, systematic trade order and supply chain restructuring, and the acceleration of digital transformation including AI, IoT, and blockchain. However, KOBC is ready to move forward as a leading organization to overcome these waves of change and become a "global maritime powerhouse, Korea."

To this end, KOBC will actively support the introduction and strengthening of ESG management in our shipping industry, focusing on the five core keywords of finance, information, eco-friendliness, digital, and global. In addition, as a public institution, we will do our best to enhance the ESG management system of the Corporation itself so that we can increase the public's trust. We ask for the interest and support of all stakeholders for KOBC, which is leading the way in building a sustainable maritime industry ecosystem.

Korea Ocean Business Corporation CEO

Ahn Byung-Gil

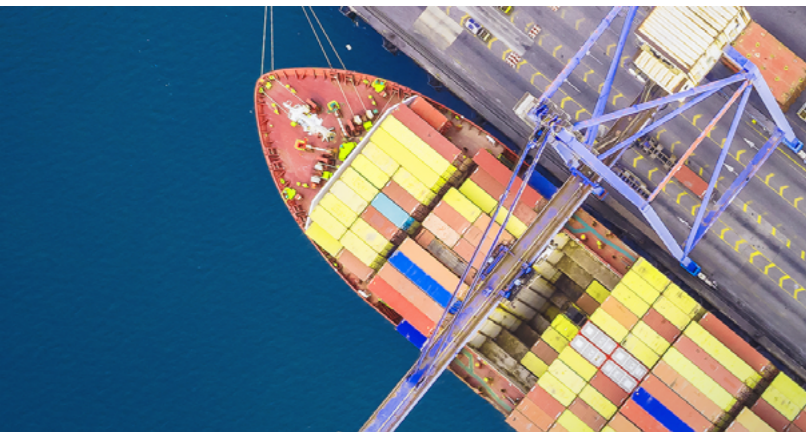
About KOBC

About KOBC

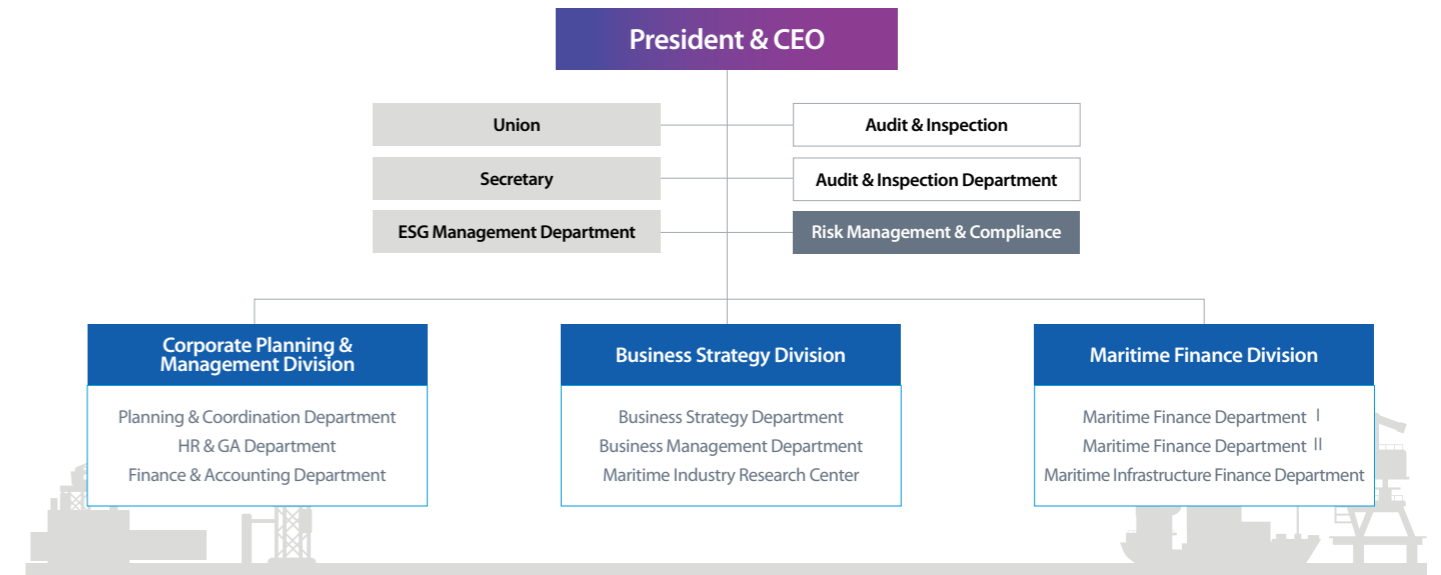
General Overview

KOBC serves as a specialized maritime finance institution under the Ministry of Oceans and Fisheries, established with the purpose of contributing to national economic development by enhancing the competitiveness of the Korean shipping industry.

Overview		Date: Q3/2024
Establishment Date	July 5, 2018	
Establishment Basis	Article 1 of the Korea Ocean Business Corporation Act (Law No. 19777)	
Supervising Authority	Ministry of Oceans and Fisheries	
Institution Type	Other Public Institution	
CEO	Mr. Ahn Byung-gil	
Number of Employees	178	
Headquarters Location	7th Floor, Bldg. C1, 38 Maritime City 2-ro, Haeundae-gu, Busan (Haeundae I-Park, U-dong)	
Seoul Office	7th floor, Bldg. 17, Gukhoe-daero 68gil, Yeongdeungpo-gu, Seoul	



Organization Chart

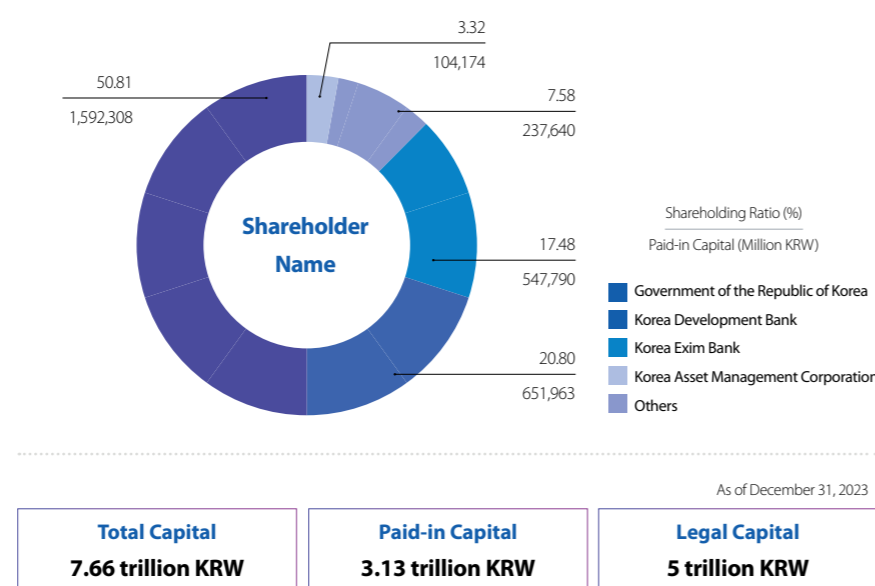


International Credit Rating and Certification Status

* Holds the same credit rating as the ROK Government
 * Secures domestic and international funding at competitive rates based on a strong credit rating

Highest Rating for ESG Bond Certification Assessment
 * Issued sustainability bonds worth 50 billion KRW
 * Korea Investors Service (KIS)

Capital and Shareholder Status



Key Functions and Roles

The key functions and roles of KOBC, as prescribed in Article 11 of the Korea Ocean Business Corporation Act, are as follows

Article 11 of the Korea Ocean Business Corporation Act

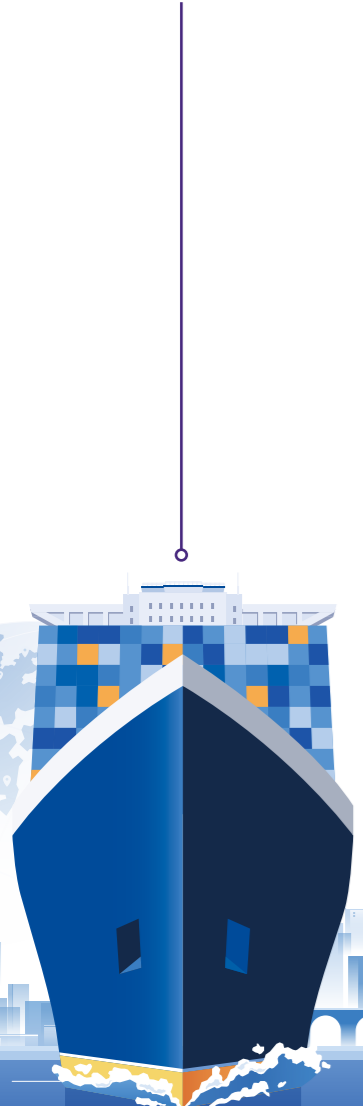
- Article 11 of the Korea Ocean Business Corporation Act
- Debt guarantees for funds borrowed by maritime and port operators for the acquisition of assets related to ships, port terminals, etc.
- Debt guarantees for funds borrowed by maritime and port operators using assets such as ships and port terminals as collateral
- Debt guarantees for funds borrowed by maritime and port operators from financial institutions as defined in Article 2, Clause 3 of the Korea Credit Guarantee Fund Act, in cases where support for the maritime and port industry is required due to urgent economic or social crises as determined by Presidential Decree
- Bid and performance guarantees related to freight transportation contracts entered into by maritime and port operators
- Purchase and brokerage of bonds and stocks related to the maritime and port industries
- Acquisition, management, disposal, and entrustment of assets related to ships, port terminals, and the maritime and port industries
- Investment and debt guarantees for overseas port development projects and overseas port logistics business
- Operations as a specialized support organization for the maritime industry under Article 40-2, Paragraph 2 of the Maritime Transportation Act
- Operation of a forward freight agreement market
- Training of specialized personnel related to the maritime and port logistics
- Consulting services for investments by maritime and port operators in overseas logistics markets
- Research and studies related to the activities mentioned in Items 1, 2, 2-2 to 2-4, and Items 3 to 9
- Tasks entrusted by the national government, local governments, and public institutions
- Provision of subsidies to maritime and port operators under government policies
- Other activities prescribed by Presidential Decree to establish a sound trading order in the maritime and port markets and promote the industry's development

About KOBC

Key Milestones

Since 2018

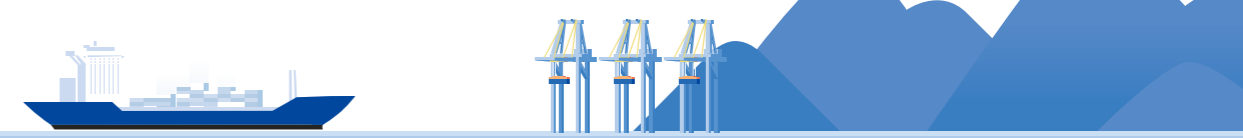
07. Official launch of Korea Ocean Business Corporation



2019	2020	2021	2022	2023
<ul style="list-style-type: none"> 01. Designated as other public institutions 02. New special guarantee products for improving ship environment-friendly facilities 06. Commenced a program to support loan interest to small and medium-sized shipping companies 08. Began container box leasing support project 	<ul style="list-style-type: none"> 03. Implemented emergency support for the shipping industry related to COVID-19 07. Launched Excellent Premier Ship-owner Certification Center 10. Commenced maritime finance manpower training project 12. First approval of a coastal shipping support project 	<ul style="list-style-type: none"> 03. Busan ESG Fund for Economic Vitalization(BEF) implemented the fourth financial support project 07. Opened a Smart Maritime Center, a hands-on career experience center 08. Inauguration of the 2nd President Kim Yang-soo of Korea Ocean Business Corporation 09. Commenced Korea's first shipping cooperation relationship (K-Alliance) 11. Issued ESG bonds for environment-friendly ship finance, small/medium-sized shipping companies 12. Signed a joint labor-management 'statement of practice for ESG management' 	<ul style="list-style-type: none"> 02. Commenced operation of '1876 Busan', a cooperative platform that supports start-ups specializing in the maritime and port logistics industries (jointly by Busan Metropolitan City and Busan Port Authority) 04. Selected as an organization with excellent customer satisfaction among public institutions supervised by the Ministry of Strategy and Finance 2021 06. Joined the Fruit of Love a distinguished philanthropic (Busan's 40th Member) 07. KOBC 2030 Vision Declaration Ceremony 11. Officially launched the KOBC Container Composite Index (KCCI) 	<ul style="list-style-type: none"> 01. Received a Minister's Award at 2022 2H Best Innovative Practice Contest' by the Ministry of Oceans and Fisheries 02. Commenced the support project in response to global low-carbon ship policies 03. Held Labor-Management Joint Proclamation Ceremony for Ethical Management 04. Selected as an organization with excellent customer satisfaction among public institutions supervised by the Ministry of Economy and Finance 2022 (2 year in a row) 04. Successfully issued a global bond with the value of \$300 million 05. Guaranteed financing of an ultra-fast passenger ship for Pohang-Ulleung route 06. Launched 'The maritime industry crisis response fund

Driving Korea to Maritime Powerhouse

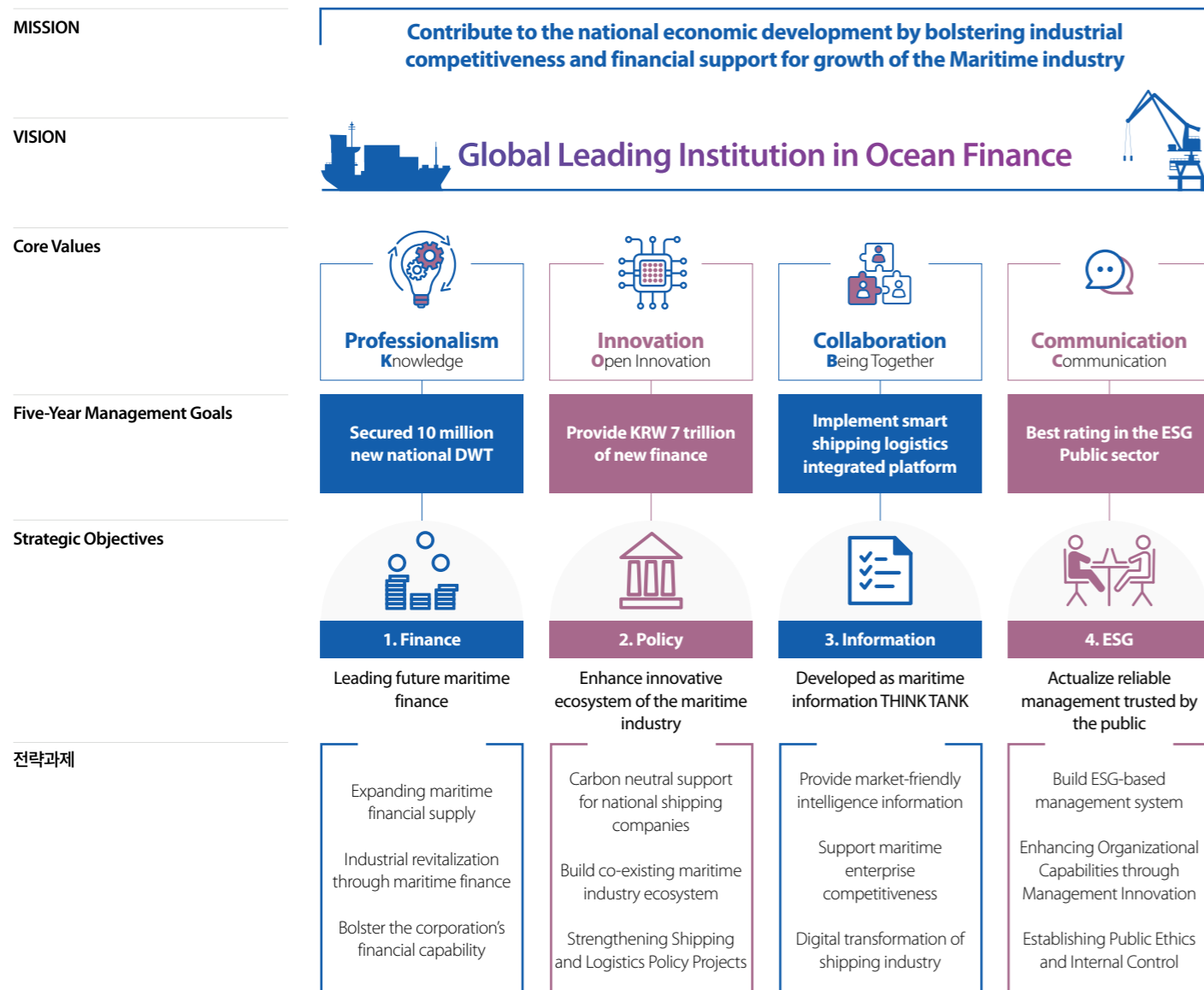
KOBC was founded to bolster the nation's maritime competitiveness by facilitating stable ship acquisitions, ensuring liquidity for shipping companies, and offering vital services essential for the growth of the maritime industry, thereby contributing to the advancement of the national economy.



About KOBC

Mid- to Long-Term Management Goals

Under the mission of "supporting the growth of the maritime industry through financial support, enhancing industry competitiveness, and contributing to national economic development," KOBC has established its vision, core values, five-year management goals, four strategic objectives, and twelve strategic tasks to pursue its mid- to long-term management goals.



Key Achievements

KOBC has established four strategic objectives and twelve strategic tasks under the themes of "Finance, Policy, Information, and ESG," along with key performance indicators to implement these objectives. Through these efforts, we are promoting the sustainable development of the maritime industry. By enhancing the competitiveness of the domestic shipping industry and providing visionary leadership, we are fulfilling our responsibilities as a specialized maritime finance institution.

Strategic Objectives	Strategic Initiatives	Indicator	2022 Performance	2023 Goal	2023 Performance	Achievement Rate vs. 2023 Target (%)
Leading Future Maritime Finance	Expansion of Maritime Finance Supply	Ship Introduction Finance (Investment) (billion KRW)	6,537	7,052	7,563	107.2%
		Ship Ownership Finance (billion KRW)	2,463	5,381	5,074	94.3%
		Port Logistics Finance Support (billion KRW)	1,500	2,160	2,453	113.6%
Enhance Innovative Ecosystem of the Maritime Industry	Support for Carbon Neutrality	Support for Global Low-Carbon Ship Policy Projects (billion KRW)	(New Project)	130	130	100%
		Support for Eco-Friendly Facility Improvements (billion KRW)	600	170	170	100%
	Small to Medium Shipping Companies	Ship Finance Support Performance (billion KRW)	-	1,461	1,500	102.7%
Credit Guarantee Support Performance (cases)		4	40	40	100%	
Certification of Excellent Cargo Owners (cases)		15	9	9	100%	
Developed as Maritime Information THINK TANK	Providing Information on the Global Shipping Market	Enhancement of Shipping Market Research Capabilities (cases)	Expansion of Customized Market Consulting	1,335	1,335	100%
		Issuance of Ship value appraisal certificates (cases)	100	130	130	100%
		Acquisition of Transaction DB (cases)	3,200	3,856	3,213	83.3%
Analysis and Support for the Shipping Management Environment	Acquisition of National Shipping Finance DB (companies)		-	96	96	100%
		Number of Companies with Environmental Regulation Data (EEXI, CII) Secured	-	46	46	100%
Establishment of an ESG-Based Management System	Social Contribution Projects (cases)	10	10	16	160%	
Creating an Organization that Prioritizes Public Happiness	Training of Specialized Personnel (people)	-	4	4	100%	
	Exposure of Corporation Image (cases)	110	120	120	100%	
Leading with Integrity in Ethical Management	Enhancement of Internal Control Activities (cases)	-	12	12	100%	

Key Businesses

Maritime Finance Business

01

KOBC is striving to promote structural improvements in the shipping industry and strengthen its comprehensive financial capabilities by expanding the supply of maritime finance. We are enhancing our business capacity through improved performance in maritime finance, port logistics finance, and crisis response funds. Additionally, we actively practice co-growth by improving customer satisfaction for small and medium-sized shipping companies and enhancing the evaluation process. Furthermore, we maintain business stability by achieving zero financial incidents annually.



Supply of Maritime Finance

- Supply of Ship Finance
- Supply of Port Logistics Finance
- Diversification of Container Box Financial Support
- Expansion of Public Shipowner Business



Structural Improvement of the Shipping Industry

- Transfer of HMM Management Rights to the Private Sector
- Crisis Response Fund Investment Performance
- Customer Satisfaction for Small and Medium-Sized Shipping Companies



Strengthening Comprehensive Financial Capabilities

- Improvement in Evaluation Processes
- Annual Financial Incidents
- Issuance of Global Foreign Currency Bonds

Key Businesses

Policy Support Business



KOBC is solidifying the foundation of shipping logistics policy by actively responding to strengthened maritime environmental regulations and fostering co-growth with shipping companies in related industries. We have expanded support projects aimed at carbon neutrality, such as the Global Low-Carbon Ship Support Project, and have implemented the Certification of Excellent Cargo Owners to strengthen the ecosystem of fair trade. Additionally, we are advancing policies for the shipping and logistics industry by operating the National Essential Fleet System and enhancing professional workforce training programs.

Response to Maritime Environmental Regulations

- Global Low-Carbon Ship Support
- Carbon Neutrality Response Support Project
- One-Stop Support for Eco-Friendly Transition

Co-Growth in Shipping and Logistics

- Certification of Excellent Cargo Owners
- Loan Interest Support Program
- Corporate Bond Purchase Program
- Credit Guarantee Program

Shipping and Logistics Policy

- Designation of the National Essential Fleet
- Professional Workforce Training Program

Key Businesses

Maritime Information Service Business

03

KOBC is promoting the digital transformation of the shipping industry by providing objective and reliable shipping information and consulting services to national shipping companies. As part of efforts to enhance the information competitiveness of small and medium-sized shipping companies, we have increased the average number of views for market reports and the issuance of ship valuation reports. In addition, we have secured the databases necessary for consulting national shipping companies, ship finance, and compliance with environmental regulations, while expanding the participation of institutions in the export-import logistics platform through digital transformation.



- Market Reports
- Issuance of Ship Valuation Reports
- Utilization of Maritime Freight Indices



- Consulting for National Shipping Companies
- Securing Ship Finance Database
- Securing Database for Environmental Regulation Compliance
- Analysis of National Shipping Companies' Operational Performance



- Expansion of Participating Institutions in the Export-Import Logistics Platform
- Assessment of Digital Level in the Shipping Industry

Navigate to Sustainability



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ESG STRATEGY FRAMEWORK



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ESG IMPLEMENTATION SYSTEM



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ESG KEY PERFORMANCE



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STAKEHOLDER CLASSIFICATION



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STAKEHOLDER INTERVIEW

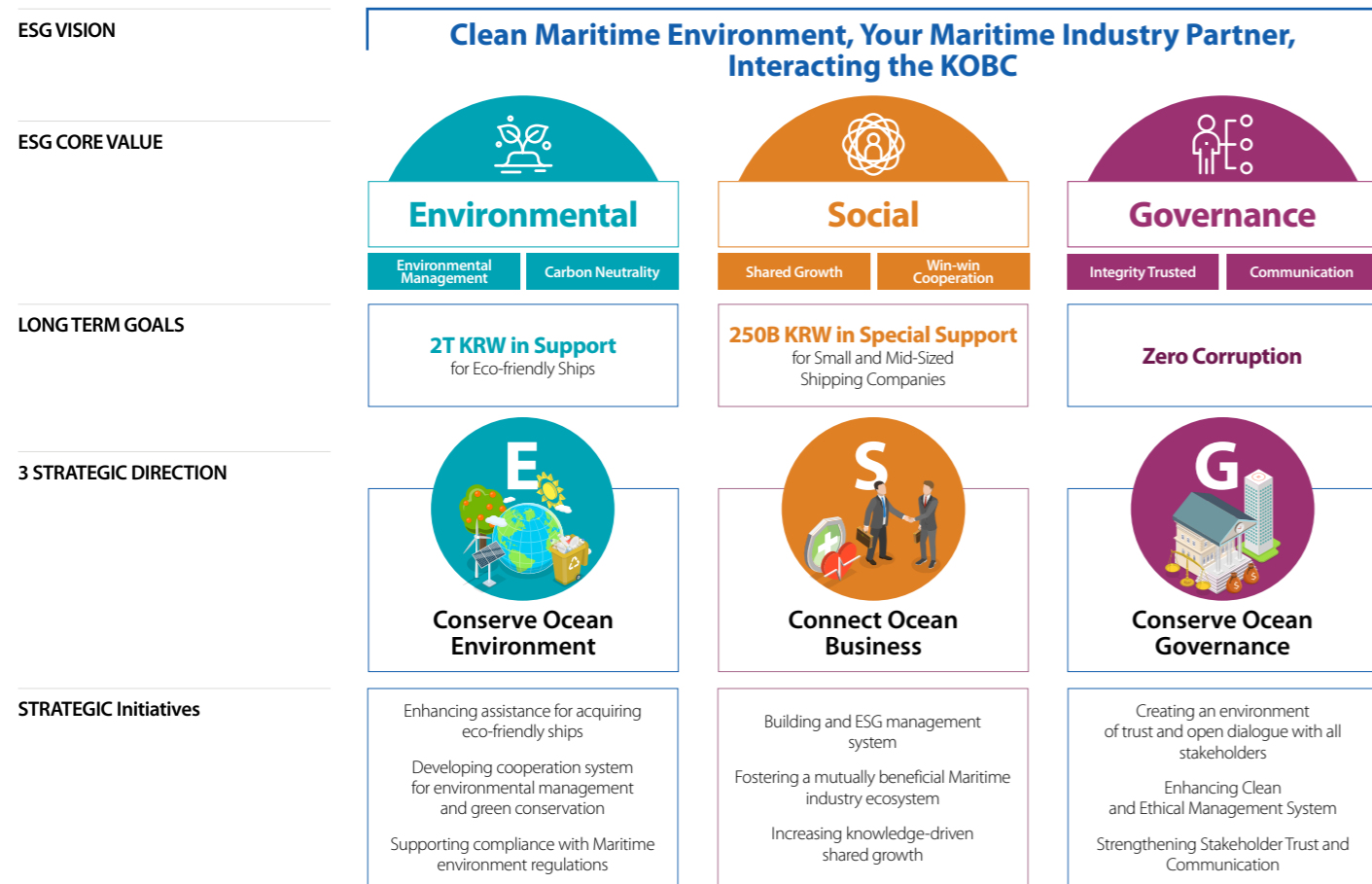


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DOUBLE MATERIALITY ASSESSMENT

ESG Strategy Framework

KOBC is leading ESG management in the shipping industry under the ESG vision of "Clean Maritime Environment, Collaborative Maritime Industry, and Communicative KOBC." We have established six core values and mid- to long-term goals in the areas of Environment(E), Social(S), and Governance(G). Furthermore, we have developed three strategic directions and nine strategic tasks that align with these values, thereby establishing an ESG strategy framework. Additionally, through the joint labor-management declaration, both labor and management have committed to practicing and striving for ESG management.



Labor-Management Joint Declaration for Leading ESG Management

The labor and management of KOBC declare their commitment to practicing ESG management through eco-friendliness, social responsibility, and transparent ethical management, and to building a sustainable shipping industry ecosystem through joint cooperation as follows:

One:
We will work together to protect a sustainable environment by expanding various eco-friendly financial programs and social contribution activities to achieve carbon neutrality in the shipping industry by 2050.

Two:
To fulfill the social responsibility and role of a public institution, we will practice human rights management that respects stakeholders and work together to create social value, including job creation, worker safety, community cooperation, and the establishment of a collaborative shipping industry ecosystem.

Three:
We will work together to foster an ethical, transparent, and anti-corruption culture, and expand the fairness and transparency of decision-making processes, including major policies, to become a public institution trusted by the people.

December 29, 2021

ESG Implementation System

ESG Governance





Implementation Roadmap






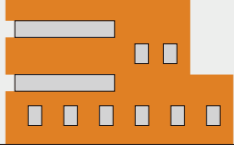

ESG Key Performance





ENVIRONMENTAL	Financial support for new eco-friendly ship construction projects 631.2 billion KRW	Eco-Friendly Ship Conversion Subsidy Program 13 billion KRW	2023 ESG Management Innovation Award Environmental Category: Grand Prize	Greenhouse Gas Emission Reduction Rate CO₂ Achieved a 87% reduction Exceeding the Recommended Target by 51 Percentage Points
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SOCIAL	Special Support Program for Small to Medium Shipping Companies 49.1 billion KRW	2023 ESG Management Innovation Award Human Rights Category: Highest Grade	Service Satisfaction Survey Achieved a score of 92 or above for 3 consecutive years	Public Institutions' Personal Information Management Level Achieved the highest grade for 3 consecutive years
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GOVERNANCE	Expansion of Ethical Management Culture Ministry of Oceans and Fisheries Comprehensive Integrity Index: 3rd place	Financial Public Institutions Brand Reputation Ranking 4-place Increase	Anti-Corruption Training Compliance (National Commission for Human Rights) Additional Points for Inspection Indicators Achieved 100% score	Board of Directors-related Management Disclosure Achieved zero penalties
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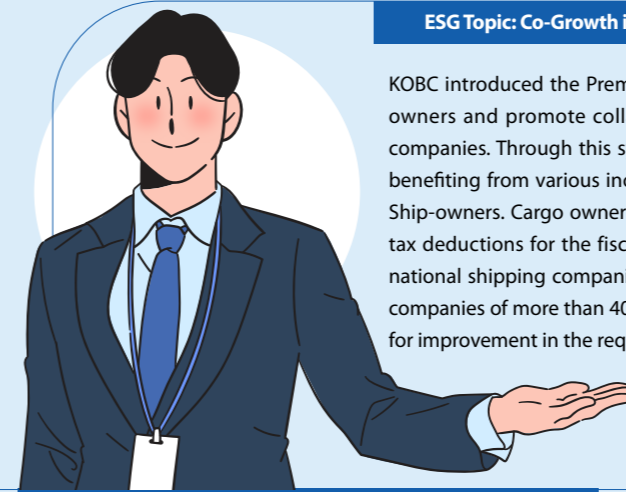
Stakeholder Classification

Stakeholder Classification

Customer Type	Key Activities	Key Achievements
Value Purchase Customers Public, Local Community	① Shipping Port Logistics Industry Interest Enhancement <ul style="list-style-type: none"> Planned and opened the public experience-oriented media art exhibition, "Sailing Through the Ages" Produced 408 SNS content (Facebook 111, Blog 93, YouTube 57, Instagram 112, LinkedIn 35) National communication through virtual YouTuber 'Tudaeri' 	Media Art Satisfaction 4.63 points Tudaeri National Inquiries & Responses: 269 cases
Value Cooperation Customers Shipping-Port-Finance Government-National Assembly	② Accurate and Reliable Communication with the Public <ul style="list-style-type: none"> Distributed 14 media articles on KOB's major projects (2022) → 21 articles (2023) (50% increase) Press releases: 83 (2022) → 124 (2023) (49% increase) Press releases related to H Corporation: 4, clarification, and explanatory materials: 1 each Spread of vision and strategy through KOB's direct voice in media articles, speeches, and interviews Total of 21 feature articles (including major newspapers) 	Increased reliability of KOB's initiatives *Embrain Nationwide Survey Results (Disagreement rate 8.4%) Communication Channel User Satisfaction Survey: Achieved 4.29 points
	③ Strengthened Industry Stakeholder Interaction <ul style="list-style-type: none"> Regular meetings, business briefings, and seminars with stakeholders 	Business Briefings: 5 times (2022) → 10 times (2023) Shipowner visit training: 9 companies CEO meetings: 4 sessions Content Views: 2.6 million views achieved
Value Creation Customers Internal Employees	④ Proactively Identifying Demand Through Communication <ul style="list-style-type: none"> Strengthening industry stakeholder interaction through YouTube content featuring industry experts 	Youth Board Proposal: "Abolition of paper vouchers" sequentially implemented
	⑤ Government Innovation, Employee Value Expansion <ul style="list-style-type: none"> "Innovation" themed offline workshops for all employees Thematic group discussions and idea generation activities for participation 24 youth board innovation proposals identified 	4 workshop ideas developed: 18 proposals identified
	⑥ 5th Year of Establishment, Request for enhanced expertise <ul style="list-style-type: none"> Established a certification support system Operated a maritime finance mentoring program 	Certification Support System: 2 beneficiaries Mentors: 2 people Mentees: 12 people selected

Stakeholder Interview

ESG Topic: Co-Growth in the Shipping Industry



KOB introduced the Premier Ship-owner Certification System in August 2019 to prevent unfair trade between cargo owners and promote collaborative cooperation, aiming to improve the cargo retention rate of national shipping companies. Through this system, a total of 27 companies (15 cargo owners and 12 shipping companies) are currently benefiting from various incentives, such as corporate tax deductions and port facility usage fee reductions, as Premier Ship-owners. Cargo owners who meet all the requirements of the certification are eligible for income tax or corporate tax deductions for the fiscal year. However, due to the stringent criteria requiring both "increase in the usage rate of national shipping companies compared to the previous year" and "cargo owners' shipping rate with national shipping companies of more than 40%," there are currently no cargo owners receiving corporate tax deductions, indicating a need for improvement in the requirements.

Baek Chang-hoon,
Senior Research Engineer, CJ Logistics

ESG Topic: Global Environmental Regulation Response

With the increase in greenhouse gas emissions from large vessels, environmental regulations required by the international community are becoming progressively stricter. The EEXI (Energy Efficiency Existing Ship Index) and CII (Carbon Intensity Index) regulations, which were previously applied only to new ships, were fully extended to existing ships starting in 2023. In addition, the International Maritime Organization (IMO) adopted the "2023 Greenhouse Gas Reduction Strategy" with the goal of achieving full carbon neutrality in international shipping by 2050, and in September 2024, the Maritime Environment Protection Committee (MEPC) meeting will discuss the principles of imposing taxes on carbon emissions from the shipping industry. As rapid changes in the shipping industry are expected, KOB believes that its role in promoting and supporting technological developments to maintain the competitiveness of the Korean shipping industry, including the transition to eco-friendly fuels such as LNG, hydrogen, and ammonia, as well as the development of decarbonization technologies, will become even more critical in responding to global environmental regulations.

Seo Jeong-hyuk
Executive Director, KPMG Samjong Accounting Corp.



ESG Topic: Mutual Growth of the Shipping Industry



As the burden of international environmental regulations on domestic shipping companies is strengthened, additional costs such as fines and emission rights purchase costs, as well as factors that affect business operations such as refusal of entry and failure to receive cargo orders, are being raised. Considering the impact of this international situation on the competitiveness of our country's shipping business, KOB has supported the introduction of eco-friendly ships by major domestic shipping companies such as HMM, H-LINE Shipping, and SK Shipping through policy financing support. Our country's shipping industry has an industrial ecosystem centered on large and medium-sized shipping companies. Mutual growth with small and medium-sized shipping companies is necessary to strengthen the basic strength of the industry. KOB should suggest the direction of the shipping industry by taking the lead in discovering issues and policies to resolve agendas such as significant support for the conversion to eco-friendly ships, support for management activities in line with government policies, training of excellent professionals, and stabilization of the supply chain.

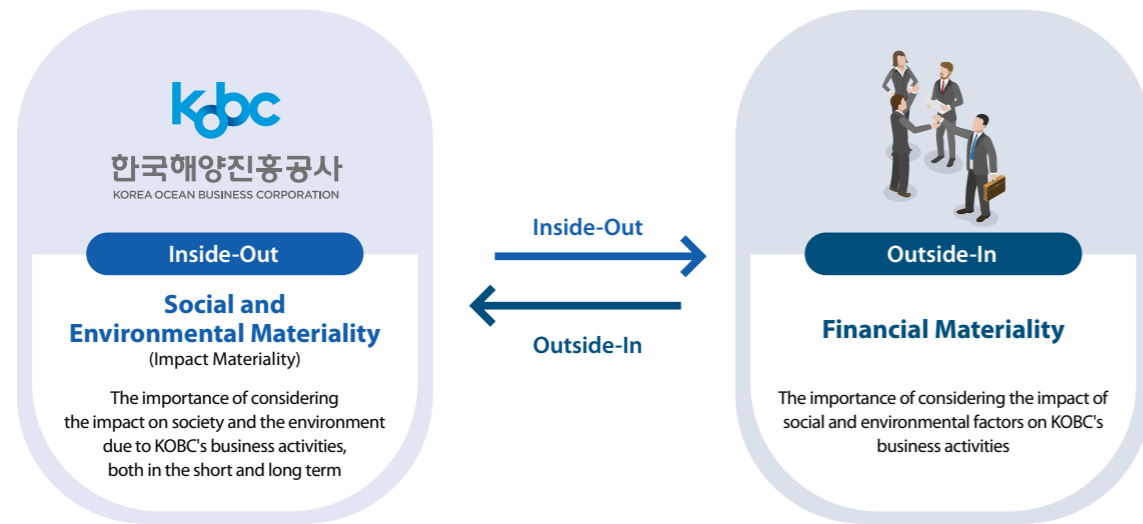
Kim Seon-ha,
Director General, Ministry of Oceans and Fisheries

Double Materiality Assessment

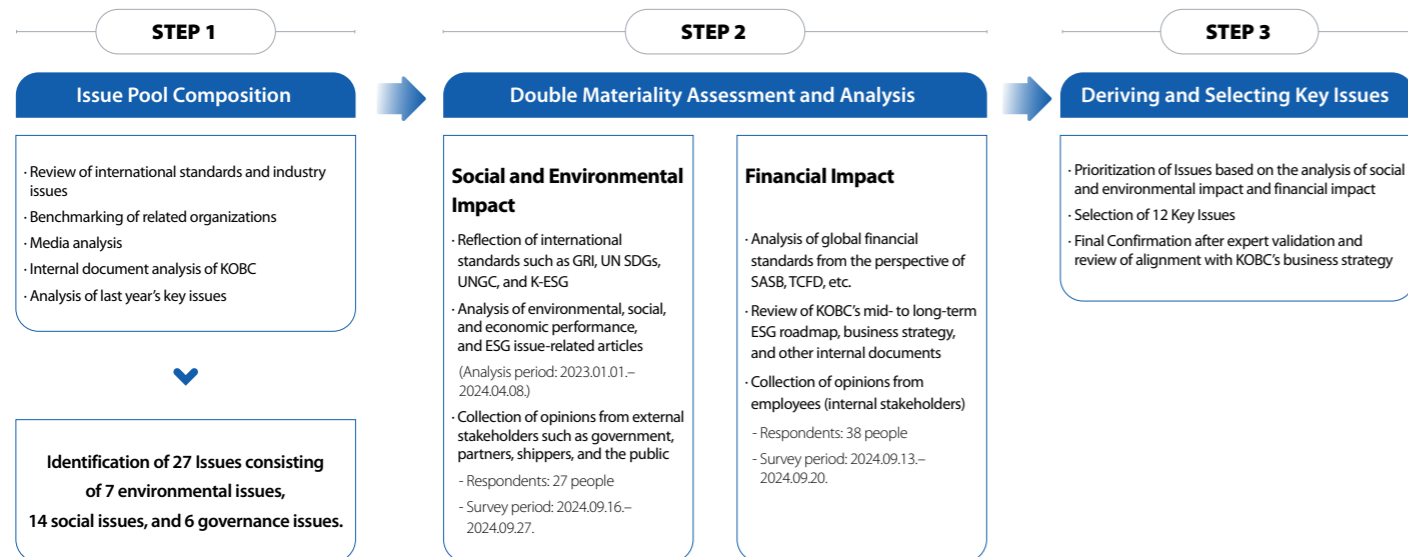
Double Materiality Assessment

Overview of Double Materiality Assessment

KOBC conducted a Double Materiality Assessment in accordance with global sustainability reporting guidelines, including the GRI (Global Reporting Initiative), and UNGC. The assessment considers both the financial materiality (Outside-In), where external issues affect corporate management activities, and the social and environmental materiality (Inside-Out), where our activities affect society and the environment. By comprehensively considering these aspects, we select key issues and identifies strategic response measures for each issue.



Double Materiality Assessment Process



Results of Key Issues Identification

KOBC selected key issues by comprehensively considering both financial materiality (Outside-In), where external issues impact corporate management activities, and impact materiality (Inside-Out), where corporate activities affect society and the environment. As a result, 27 critical issues were identified.

For the 27 key issues, we comprehensively analyzed their social/environmental impact and financial impact, and through internal and external stakeholder surveys and assessments, prioritized issues requiring focused management.

We have carried out various activities related to the top 12 prioritized items (5 environmental, 5 social, and 2 governance) to improve ESG performance and manage risks. These achievements and goals have been transparently reported to stakeholders through the sustainability report.



NO.	Category	Key Issues	Financial	Environmental-Social	Report Location (page)
1	Environment	Global Environmental Regulation Response	●	●	p42~43
2	Environment	Eco-Friendly Ship Finance Support	●	●	p41
3	Social	Co-Growth in the Shipping Industry (Finance, Guarantee, Infrastructure Support, etc.)	●	●	p50~54
4	Environment	Expansion of Eco-Friendly Energy Use	●	●	p45
5	Governance	Maritime Finance Risk Management	○	●	p86~88
6	Governance	Securing Financial Soundness	●	●	p83
7	Social	Supply Chain Regulation Response Support	●	○	p51
8	Environment	Climate Finance Activation	●	●	p44
9	Social	Enhancement of Employee Expertise	●	○	p60
10	Social	Expansion of Fair Trade Culture	○	○	p54
11	Social	Expansion of Public Data in the Shipping Industry	○	○	p55~56
12	Environment	Maritime Environment Pollution Reduction	○	●	p46

*1 refers to key issues considering the unique characteristics of KOBC's business

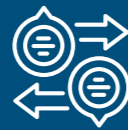
ESG Performance

KEY ESG PERFORMANCE



Eco-Friendly Ship
Newbuilding Support

631.2
billion KRW



Eco-Friendly Ship Conversion
Subsidy Program

13
billion KRW



Special Verification Program for Small
and Medium-Sized Shipping Companies

49.1
billion KRW



38

ENVIRONMENTAL

- Environmental Management
- Shipping Industry Climate Change Response
- Eco-Friendly Practices
- Biodiversity and Resource Recycling



48

SOCIAL

- Co-Creation of a Collaborative Shipping Industry Ecosystem
- Data-Driven Promotion of the Shipping Industry
- Training of Shipping and Port Logistics
- Professionals
- Local Community
- Safety Management
- Human Rights Respect
- Human Capital Management



76

GOVERNANCE

- Responsible Board of Directors Operation
- Transparent Ethical Management
- Integrated Risk Management
- Stakeholder Engagement

ENVIRONMENTAL

Clear Maritime Environment

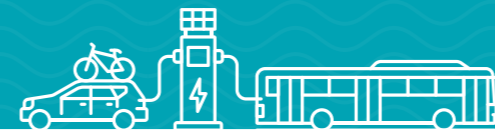


Management & Approach

KOBC, as a specialized maritime finance institution, aims to play a leading role in maritime environmental protection. To achieve this, we have established a systematic Environmental Management System to internalize environmental management and is supporting the eco-friendly initiatives of domestic shipping companies.

Through initiatives such as strengthening eco-friendly ship financing, enhancing support for global environmental regulation compliance, activating climate finance, and publishing the Maritime Industry ESG Guidebook, we are enhancing the climate change response capabilities of domestic shipping companies. We are also internalizing environmental management by discovering and implementing various eco-friendly practices involving employees. Additionally, in collaboration with external organizations, we are established a resource recycling cooperation system to preserve the maritime ecosystem.

- 40 Environmental Management
- 41 Shipping Industry Climate Change Response
- 45 Eco-Friendly Practices
- 46 Biodiversity and Resource Recycling



Environmental Management

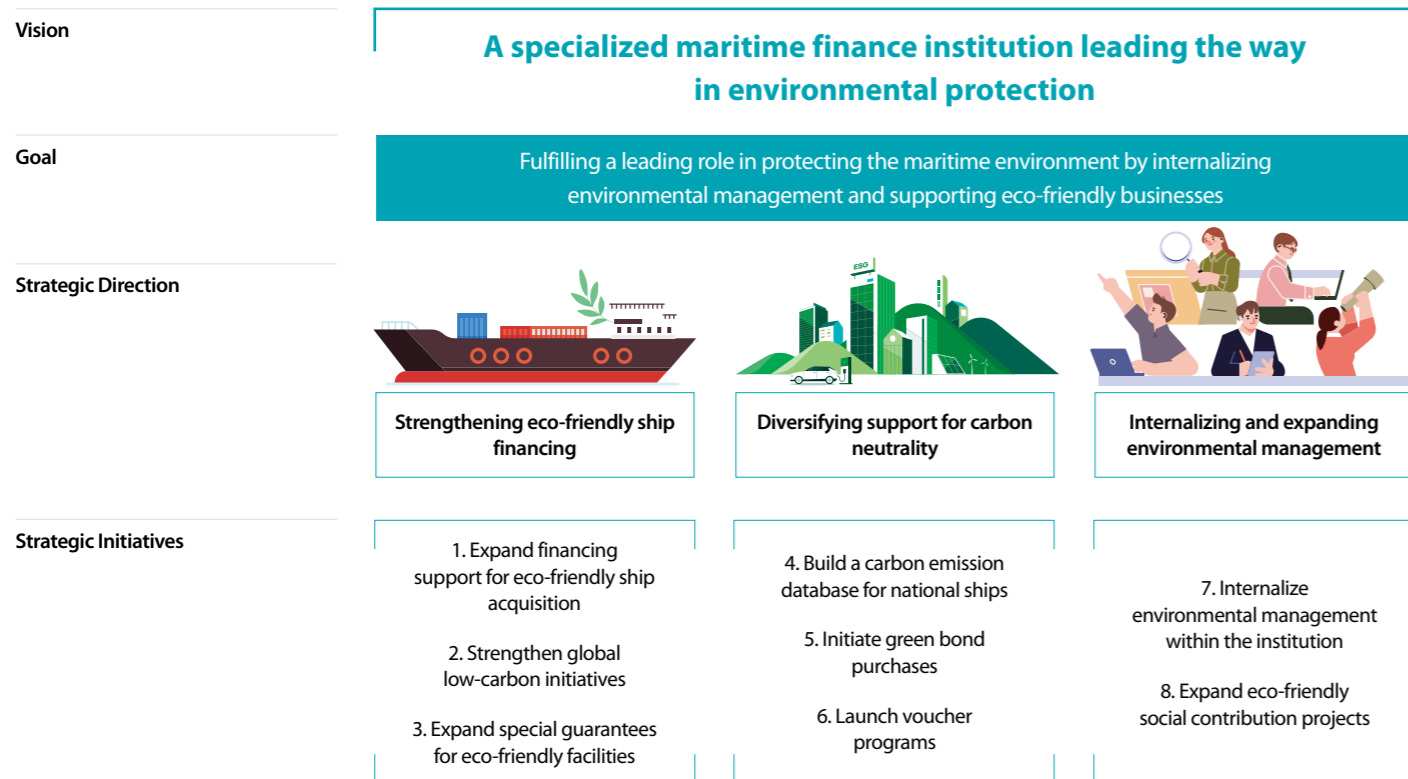
Shipping Industry Climate Change Response

🚢 KOBC Environmental Management

KOBC, as a specialized maritime finance institution, is working to respond to the climate change crisis in the Korean shipping industry while also practicing and promoting environmental protection. We have introduced environmental management internally to fulfill its leading role in maritime environmental protection, and externally, it has supported eco-friendly initiatives of various shipping companies.

In particular, we have established and implemented three key strategic directions: strengthening eco-friendly ship financing, diversifying carbon neutrality support, and internalizing and expanding environmental management, along with eight related action plans. We are committed to practicing environmental management and doing its utmost to lead the sustainable development of the shipping industry.

Environmental Management Strategy Framework



🚢 Strengthening Eco-Friendly Ship Acquisition Financing Support

KOBC is expanding financing support for the acquisition of eco-friendly ships by shipping companies to enhance the shipping industry's capacity to respond to climate change and achieve carbon neutrality. In addition to increasing financial support, we have strengthened the effectiveness of global low-carbon initiatives and expanded special guarantees for eco-friendly facilities. This effort supports small and medium-sized shipping companies, which are often excluded from financial support, while also reducing the cost burden on shipping companies.

Expansion of eco-friendly ship acquisition financing support

KOBC is providing financial support for domestic shipping companies to acquire high-efficiency and eco-friendly ships. We have signed memorandums of understanding (MOUs) for mutual cooperation, such as financing support for the introduction of methanol dual-fuel container ships, and have secured eco-friendly fuel transition initiatives through supporting the largest order of methanol-powered ships in Korea. Additionally, we have successfully supported the acquisition of large container ships equipped with dual-fuel engines, as well as eco-friendly LPG ships, scrubbers, and BWMS scrubbers, which are devices used to treat waste gases generated during processes to prevent air pollution and to eliminate and sterilize aquatic organisms and microorganisms in ballast water.

[Eco-Friendly Ship Acquisition Financing Support]



Strengthening global low-carbon initiatives

KOBC is conducting the Global Low-Carbon Initiative, which provides government subsidies to international freight carriers building low-carbon, eco-friendly ships based on the ships' environmental ratings. We held outreach briefings to gather feedback from the field, while also conducting demand surveys for low-carbon ships. Based on the feedback, we explored ways to improve the program, including expanding business convenience and benefits, improving subsidy review criteria, increasing subsidy amounts, and reducing the certification period for eco-friendly ships. As a result, we achieved a 74% increase in the project budget.

[Gathering Feedback from the Field to Strengthen Global Low-Carbon Initiatives]

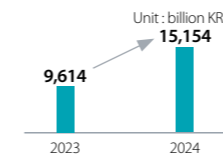


Expansion of eco-friendly facility special guarantee

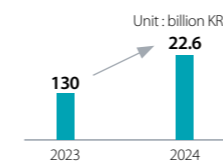
KOBC is implementing a special guarantee program to support the acquisition of eco-friendly facilities by national shipping companies. We have actively supported small and medium-sized shipping companies, which are often excluded from financial support, through its Corporate Growth Response Center, thereby reducing the cost burden on shipping companies. Additionally, in collaboration with the Ministry of Oceans and Fisheries(MOF), we achieved its first-ever barge financing support. Furthermore, through a comprehensive survey of the fleet without eco-friendly facilities and active promotion, we achieved 103% of its target for the eco-friendly facility special guarantee program.



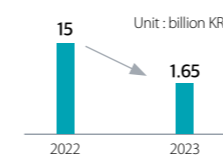
Eco-Friendly Ship Finance Support
Increased by 58%



2024 Global Low-Carbon Project Budget
Increased by 74%



Mortgage Registration Costs for National Shipping Companies
90% Reduction

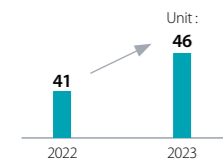


Shipping Industry Climate Change Response

Shipping Industry Climate Change Response

Support for Global Environmental Regulation Compliance

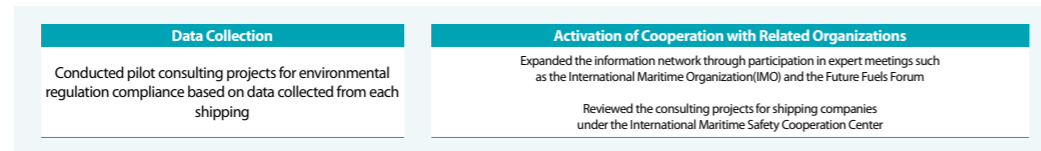
the Total Shipping Companies' Environmental Regulation Database
12% Increase



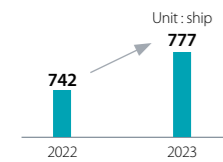
KOBC is providing multifaceted support to help the domestic shipping industry appropriately respond to strengthening global environmental regulations. We have established a carbon emission database for national ships, analyzed the environmental regulation response capabilities of current shipping companies, and implemented consulting services. Through active cooperation with the government, we have developed policies and supported eco-friendly ships, thereby revitalizing the eco-friendly and decarbonized ecosystem. Additionally, we published an ESG Management Guidebook, presenting strategies for responding to the strengthened global environmental regulations and outlining the future direction for the shipping industry.

Establishment of carbon emission database for national ships

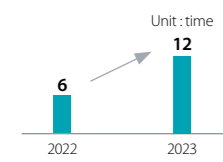
KOBC is building a carbon emission database for domestic shipping companies to support proactive environmental regulation response. We have collected carbon emission data from 120 ships to assess the current regulatory response capabilities and conducted pilot consulting projects in collaboration with specialized organizations. Additionally, we have expanded its information network on global environmental regulations by participating in expert meetings such as the International Maritime Organization (IMO) and the Future Fuels Forum. Through cooperation with related organizations, we have laid the foundation for supporting regulatory compliance in the coming years and for joint consulting activities.



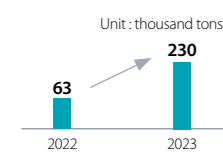
the Number of Ships
5% Increase



Participation in Environmental Regulation Committees
100% Increase



Carbon Reduction
265% Increase

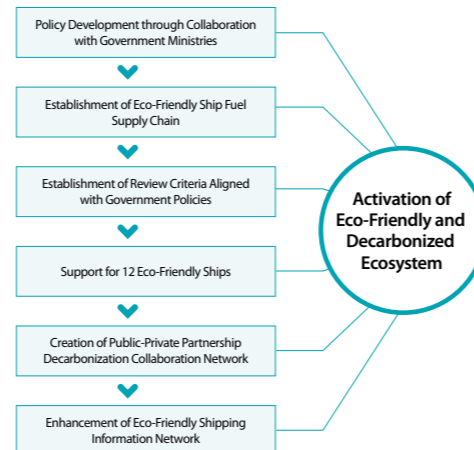


List of 12 Eco-friendly ships supporte

Company	Type	Numbers of Ships
1	Container ship	5
	Vehicle Transport Ship	3
2	LNG ship	2
3	LNG ship	2

Activation of eco-friendly and decarbonized ecosystem in the shipping industry

KOBC is strengthening cooperation with relevant organizations to activate the eco-friendly and decarbonized ecosystem in the Korean shipping industry. Through collaboration with the Ministry of Oceans and Fisheries (MOF), KOBC has developed policies such as the "Establishment of an Eco-Friendly Ship Fuel Supply Chain". KOBC has also worked with experts to establish review criteria in line with government policies and supported eco-friendly ships for three selected shipping companies. Furthermore, KOBC is enhancing its eco-friendly shipping information network by building a sustainable financing linkage with overseas financial institutions and creating a public-private partnership decarbonization collaboration network involving various stakeholders.



Support for 12 Eco-Friendly Ships from 3 National Shipping Companies (13 billion KRW) in construction support

Carbon Emission Reduction (EU Standards)
Approximately 25 billion KRW in savings(Equivalent to the carbon offset of 10,500 trees annually)

Analysis of Global Best Practices



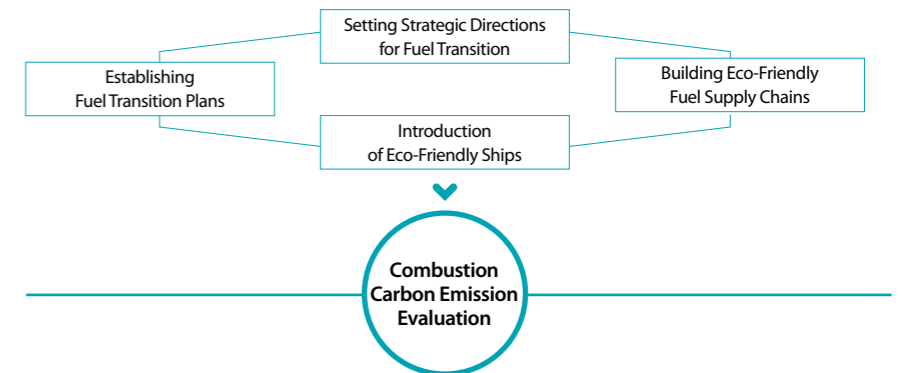
Publication of the ESG management guidebook for the shipping industry

KOBC, in collaboration with the Ministry of Oceans and Fisheries (MOF), has published the ESG Management Guidebook, providing solutions for the shipping industry's response to global environmental regulations and a detailed checklist. By analyzing global regulations that closely affect the shipping industry, we have outlined strategies and directions for achieving carbon neutrality and transitioning to eco-friendly fuels (Environmental), managing workplace safety and health, and supply chain management (Social), and promoting ethical management and risk management (Governance). Moving forward, we will continue to lead the sustainable development of the shipping industry from a pioneering position.

[The ESG Management Guidebook for the Shipping Industry]



[Eco-Friendly Fuel Transition: Implementation Roadmap]



Derivation of Key Focus Areas for the Shipping Industry

[Check List]

① Basic	<ul style="list-style-type: none"> Essential elements that must be in place to implement the corresponding ESG management area. Includes the establishment of policies, organizational structure, training and education, etc.
② Fundamental	<ul style="list-style-type: none"> Additional considerations for advancing and deepening the implementation of the corresponding ESG management area. Items performed by most global and domestic leading companies in the respective area.
③ Advanced	<ul style="list-style-type: none"> Key considerations for leading and deeply advancing the implementation of the corresponding ESG management area. Items performed by some leading global and domestic companies in the respective area.
④ Peer Implementation Status	<ul style="list-style-type: none"> Whether the individual items in the corresponding ESG management area are being implemented by major global and domestic companies.

Shipping Industry Climate Change Response

Eco-Friendly Practices

Anchor Activation of Climate Finance

KOBC spares no effort in funding to activate climate finance (loans, investments, financial product development, etc.), aimed at reducing greenhouse gas emissions. We are purchased green bonds worth 50 billion KRW from small and medium-sized shipping companies, supporting the financing of eco-friendly shipbuilding and funds required for various environmental regulations. In collaboration with domestic maritime environmental regulation solution specialists, we issued and provided vouchers for solution services to shipping companies facing difficulties in complying with environmental regulations. Moving forward, we will continue to actively contribute to the activation of climate finance and take the lead in reducing greenhouse gas emissions in the shipping industry.

Green Bond Purchase

KOBC supports the issuance of green bonds by national small and medium-sized shipping companies to promote the spread of ESG management within the domestic shipping industry. The issued bonds undergo a thorough review process before being purchased. We provided specialized support for the issuance of green bonds through multi-party consultations with the applying shipping companies, asset management companies, and Korea Ratings. Additionally, following a review of investment plans and business feasibility, We invested KRW 50 billion in the shipbuilding funds for eco-friendly fuel-powered ships for two shipping companies.

Shipping	Investment Amount	Purpose of Funding
A	30 billion KRW	Funding for LPG and Methanol Dual Fuel Shipbuilding
B	20 billion KRW	Funding for LNG Dual Fuel Shipbuilding

Reduction of shipping company cost
by **KRW 270 million**

Launch of the voucher program

KOBC has signed memorandums of understanding (MOUs) with four maritime environmental regulation solution specialists to implement a voucher program, allowing shipping companies facing difficulties in complying with global environmental regulations to use the solution services. Through an analysis of our database, 22 shipping companies were selected and vouchers were issued, enabling up to a 50% reduction in solution service costs. Additionally, we secured its own business budget to expand the support capacity to over 37 vessels, thus promoting the activation of the program.

Environmental Regulation Voucher
Support for Small and Medium-Sized
Shipping Companies

**Total annual support
of KRW 60 million**



Voucher business briefing session

Anchor Internalization and Practice of Environmental Management

KOBC has internalized environmental management and is conducting various policies and campaigns to expand its influence externally. We have established a foundation for eco-friendly practices by converting all vehicles to electric cars. Additionally, through campaigns such as the Sea Love Volunteer Group, Email Unsubscribe Campaign, and Eco-Friendly Relay, we have promoted internal environmental protection culture. Furthermore, we have developed efficient energy-saving strategies and expanded energy conservation practices, encouraging employees to implement energy-saving measures not only at work but also at home.

Promotion of internal environmental protection

KOBC is implementing -wide participation campaigns to promote internal environmental protection culture. The third Sea Love Volunteer Group, launched in June 2024, saw a 50% increase in participation, with 39 employees involved in coastal cleanup activities. Additionally, monthly campaigns such as the E-Diet Week Email Unsubscribe Campaign and the Labor-Management Joint Eco-Friendly Sea(海) Relay have encouraged employees to participate in various carbon reduction activities.



Sea Love Volunteer Group Inauguration Ceremony

Expansion of energy conservation

KOBC has developed and implemented efficient energy-saving strategies across the organization. First, we expanded the Energy Conservation Promotion Committee to hold biannual meetings, analyzing and providing feedback on energy and environmental performance. Additionally, we introduced a new Energy Guardian Workshop to disseminate updates on energy policy changes and share strategies for energy and greenhouse gas reduction. Furthermore, we conducted the 20th Energy Day Campaign, promoting energy conservation both at the workplace and at home by adjusting air conditioning temperatures at the office and encouraging employees to turn off lights at home and in accommodations. KOBC also demonstrated proactive environmental management by converting all our vehicles to electric cars.

Achieved a reduction rate(87%)
of greenhouse gases exceeding the recommended target (36%)
By 51%p



Energy Day Campaign

Reduced total of 379.2kg of CO2
→marking an increase of 97.2kg compared to the previous year.



Eco-Friendly Sea(海) Relay

Email Unsubscribe Campaign
**Carbon Reduction
Amount 340kg**

(2023.04.24 ~ 2023.09.24)
the Labor-Management Joint
Eco-Friendly Sea(海) Relay
**Carbon Reduction
Amount 21.5kg**

Biodiversity and Resource Recycling

Maritime Ecosystem Conservation and Resource Recycling

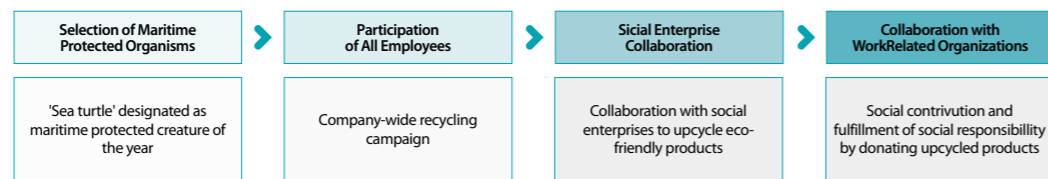
KOBC is building a resource recycling system for maritime ecosystem conservation through cooperation with social enterprises. Each year, we designate maritime protected species to raise awareness about biodiversity conservation and implements campaigns to establish resource recycling systems for ecosystem preservation. As part of these campaigns, we upcycled approximately 27,000 plastic items generated by the corporation into 200 recycling bags, which were donated.

Designation of maritime protected species and establishment of resource recycling cooperation systems

KOBC designates maritime protected species every year and conducts campaigns in collaboration with external organizations to promote the value of coexistence between humans and nature and the circular economy of resources. In 2023, we designated the sea turtle as the maritime protected species, raising awareness about maritime pollution and the extinction threat facing sea turtles. Additionally, we collaborated with local workshops to make and donate soap, and worked with social enterprises to upcycle plastics generated by the corporation into recycling bags featuring sea turtle designs. These 200 recycling bags were donated to three schools in the Busan area, helping to foster environmental awareness among future generations.

Domestic discarded plastic bottles Avoid **discarding 27,000¹⁾ units**

1) 20 per yard (500ml)*1350 yards



Touch for Good Collaboration Plastic Recycling Campaign



Plastic Upcycled Recycling Bags Donation



Upcycled Product - Recycling Bins



2023 Maritime Protected Species: Sea Turtle

SOCIAL

The Sea Embracing People



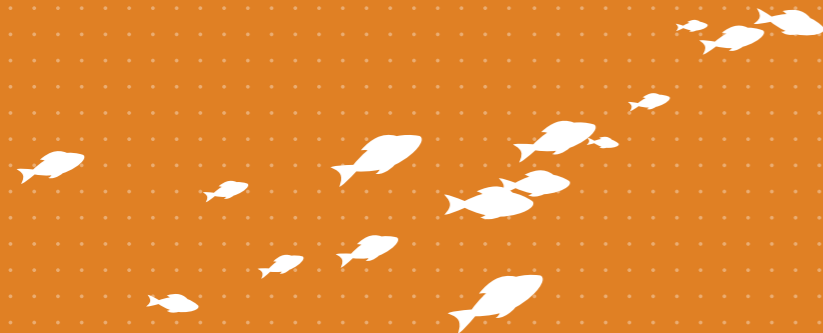
Management & Approach

The Korea Ocean Business Corporation (KOBIC) is promoting the sustainable growth of the shipping industry in connection with its key businesses, and fulfilling its social responsibility as a public institution through social contribution activities based on the characteristics of the finance industry and the creation of a healthy work environment.

To create a collaborative shipping industry ecosystem, KOBIC has implemented projects such as expanding maritime finance supply, securing logistics supply chains, supporting small and medium-sized shipping companies, and operating the Freight Disclosure System. These efforts are aimed at promoting co-growth in the shipping industry. We are also fostering data-driven shipping industry promotion by expanding public data in the shipping industry and supporting digital transformation. Furthermore, we have enhanced its recruitment and talent development systems to train specialized professionals in shipping and port logistics.

For community contribution, KOBIC has established a social contribution system linked to its business characteristics, contributing to community development and regional economic revitalization. By establishing a disaster management system and human rights management system, we are realizing safety management and human rights management, while fostering a good organizational culture through systematic human capital management.

- 50 Co-Creation of a Collaborative Ecosystem in the Shipping Industry
- 55 Data-Driven Promotion of the Shipping Industry
- 59 Training of Shipping Port Logistics Professionals
- 61 Local Community
- 62 Safety Management
- 65 Human Rights Respect
- 68 Human Capital Management



Co-Creation of a Collaborative Ecosystem in the Shipping Industry

Co-Creation of a Collaborative Ecosystem in the Shipping Industry

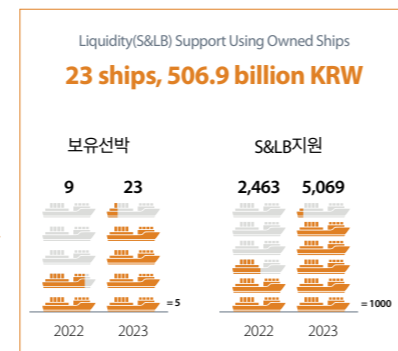
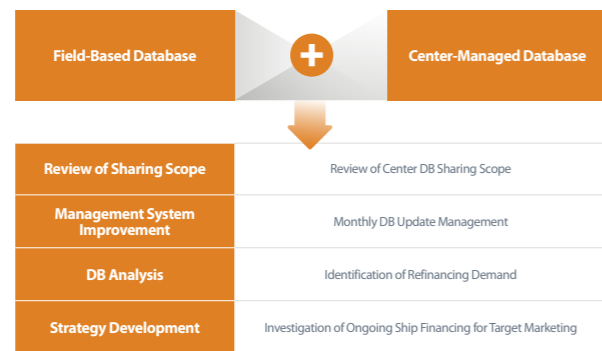
Co-Growth in the Shipping Industry

KOBC is creating a symbiotic ecosystem for the shipping industry to ensure sustainable development of the Korean shipping industry. We have doubled the supply of maritime finance and actively supported the securing of shipping logistics networks. We have expanded the public shipowner business to reduce the burden on shipping companies and actively supported small and medium-sized shipping companies. In addition, we are improving unnecessary regulations and creating a crisis response fund to respond to market crises and environmental regulations, thereby promoting the mutual growth of the shipping industry.

Expansion of maritime finance supply

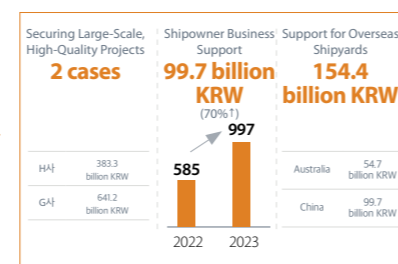
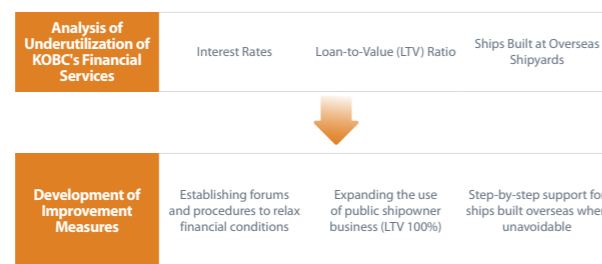
To strengthen the competitiveness of the shipping industry, KOBC has doubled the ship investment costs and guarantee scale compared to the previous year. As the first public institution using its own ship finance database, we proactively identified financial needs and provided support. By analyzing the causes of underutilization of our financial services, we improved financing conditions and strengthened customized support for shipping companies. Moreover, we enhanced its performance management system and business operations, improving both business performance and efficiency. Through these efforts, we achieved its largest-ever ship financing performance since its establishment, totaling KRW 1.5154 trillion.

[Proactive Financial Support Using Ship Financing Database]

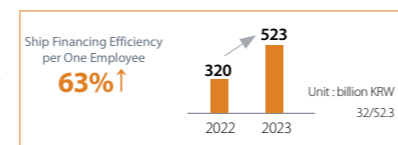


*선사가 보유 중인 선박을 공사가 매입 후 BBC(선체용선) 방식으로 선사에 임대하는 거래유형

[Strengthening Customized Support for Shipping Companies]



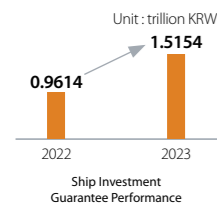
[Improvement of KOBC's Business System]



Global Maritime Finance Magazine
Maritime money
Deal of the Year Selection



Record Ship Financing Performance
1.5154 trillion KRW



Support for Effective Supply Chain Acquisition

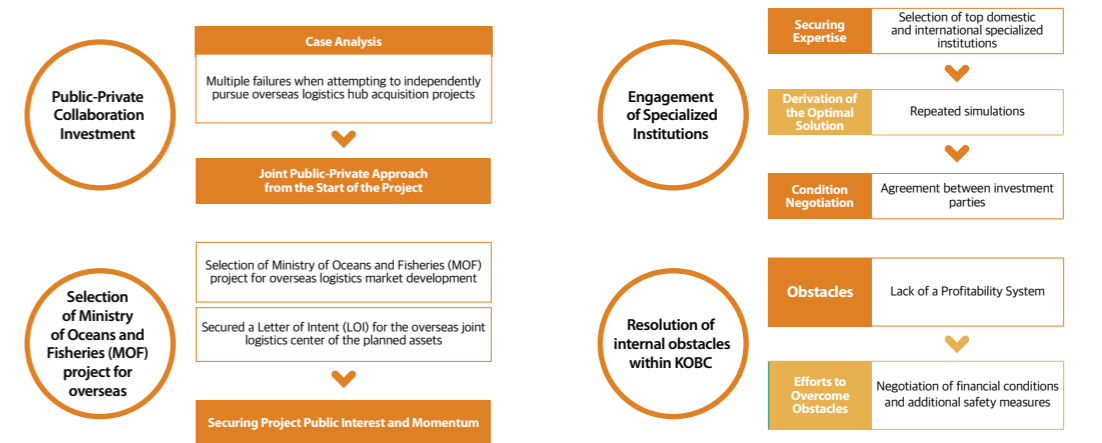
through Investment in Three Key Logistics Hubs: Land (Railway) - Sea (Port) - Air (Airport) Integration

Approval of Preferred Shares for North American Logistics Facility Joint Investment

KRW 81.3 billion (Total scale: KRW 1.748 trillion)

Securing maritime logistics supply chains

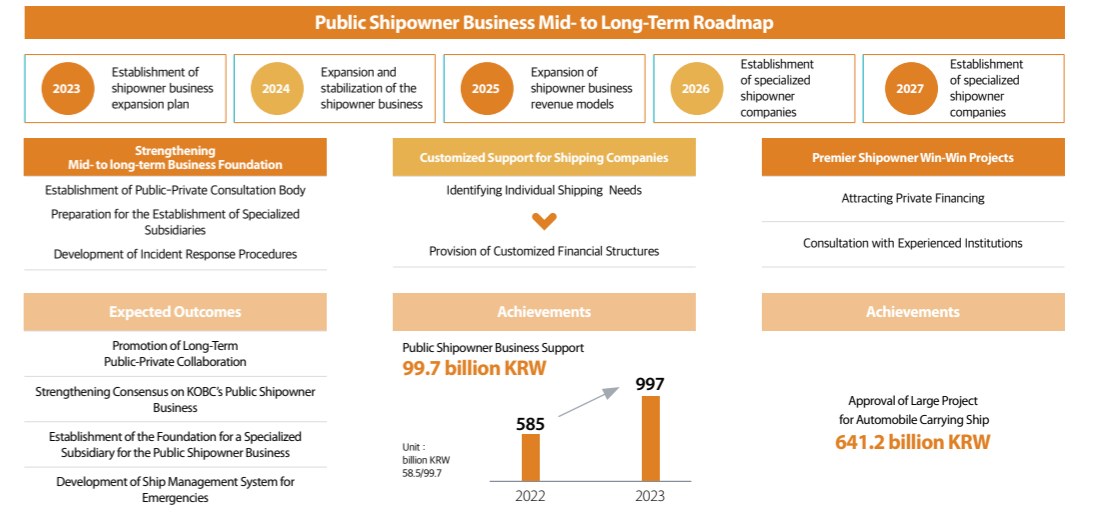
KOBC is dedicated to securing stable and efficient logistics networks for domestic shipping and port companies. By jointly pursuing logistics network projects with the public and private sectors, we have reduced the business risks associated with single-party initiatives. We engaged domestic and international specialized institutions to develop the optimal logistics network investment structure. Additionally, through cooperation with the government, we ensured the public interest of the projects and supported effective supply chain acquisition by resolving internal obstacles within the corporation.



Expansion of public shipowner business

KOBC is implementing the public shipowner business, where we act as the shipowner, to alleviate the initial financial burden of shipping companies and contribute to the secure establishment of stable fleets. To expand the business gradually, we have developed a mid- to long- term roadmap and strengthened the foundation of the public shipowner business in line with the roadmap. Additionally, we have expanded customized support for individual shipping companies, attracted private financing, and collaborated with experienced institutions to realize win-win projects between shipowners and cargo owners.

[Expansion of Public Shipowner Business by KOBC]



Global Maritime Finance Magazine
Maritime money

Deal of the Year Selection



Co-Creation of a Collaborative Ecosystem in the Shipping Industry

Achievements

Resolution of Financial Challenges for National Shipping Companies

in the Support Gap Despite Holding High-Quality Cargo Contracts

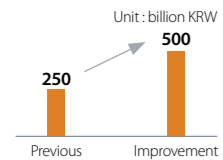
Long-Term Shipping Contract with Global Wood Pellet Supplier Ship Financing Support (for 28k DWT bulk carrier)

13.8 billion KRW

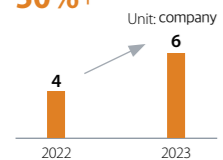
Additional Volume Secured for 2024
200 thousand tons

Doubling

of SME Support Program Budget



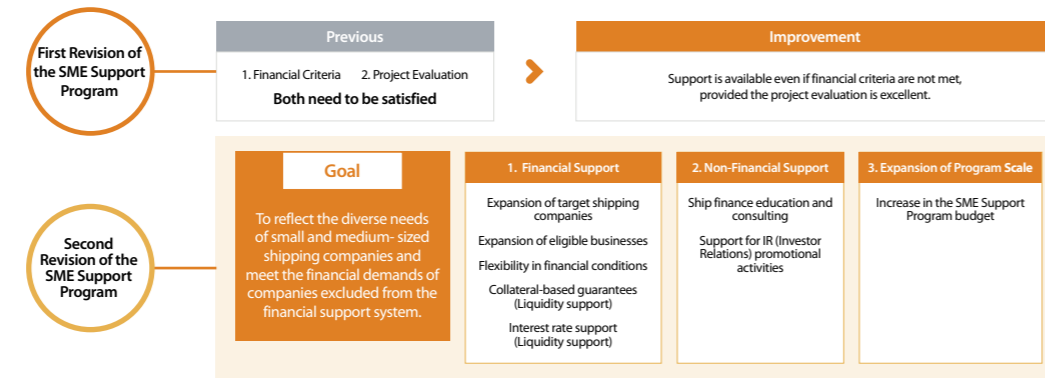
Corporate Diagnostics Implementation Increased **50%↑**



Shipping Cost Burden **ZERO**

Expansion of support for small and medium-sized shipping companies

KOBC operates the Special Support Program for Small and Medium-Sized Shipping Companies (hereinafter referred to as 'SME Support Program') to strengthen the competitiveness of small and medium-sized shipping companies by providing both financial and non-financial support. Through two rounds of improvements to the SME Support Program, we have incorporated various needs of small and medium-sized shipping companies, significantly expanding the program's scale, target recipients, and budget.



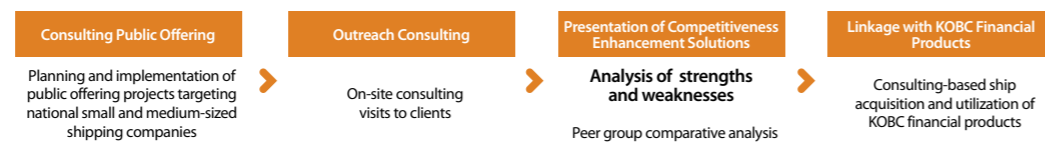
Customized consulting for small and medium-sized shipping companies

KOBC provides customized financial consulting to individual small and medium-sized shipping companies to strengthen risk management capabilities and enhance competitiveness. Through data-driven corporate diagnostics, we proactively identify and improve at-risk companies. Additionally, we have launched a consulting public offering, providing tailored package consulting that delivers comprehensive solutions.

[Customized Financial Consulting Process for Small and Medium-Sized Shipping Companies]



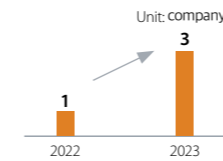
[Comprehensive Solutions for Small and Medium-Sized Shipping Companies]



Achievements	System Establishment	Innovation	Addressing Polarization
	Expansion of the feedback target for consulting in the comprehensive planning public offering project	First consulting service provided at the ship investment and review stage	Contributing to bridging the information gap between large shipping companies and small and medium-sized shipping companies

Co-Creation of a Collaborative Ecosystem in the Shipping Industry

Triple Increase in High-Quality Client Shipping Companies



Corporate Growth Response Center: Reduced mortgage registration costs for small and medium-sized shipping companies by **approximately KRW 10 million per case**

Regulatory innovation

KOBC is supporting the co-growth of the shipping industry by innovating unnecessary regulations that hinder the industry and resolving the difficulties faced by shipping companies. We have established a mid- to long-term regulatory innovation plan, through which it systematically identifies and improves shadow regulations. Additionally, we set up the Corporate Growth Response Center to actively address and resolve the regulatory issues and challenges faced by corporate clients.

[KOBC Regulatory Innovation Mid- to long-term Implementation Plan]

Roadmap	2023 Regulatory Innovation Introduction Phase	2024 Regulatory Innovation Implementation Phase	2025 Regulatory Innovation Expansion Phase
Implementation Strategies	Establishment of a foundation for regulatory innovation	Internalization of regulatory innovation	Sharing of regulatory innovation achievements
Key Initiatives	Improvement of shadow regulations Establishment and operation of the Corporate Growth Response Center	Implementation of the outreach Corporate Growth Response Center Regular operation of the Regulatory Verification Committee Regulatory innovation internalization campaigns	Departmental and individual regulatory innovation efforts Incentive system for outstanding achievements Identification and sharing of excellent regulatory innovation cases across the organization

[Regulatory Innovation Review Process]



Shipping industry crisis response fund

KOBC has proactively responded to the downturn in the shipping industry and the strengthening of eco-friendly regulations by establishing and operating a policy-driven Crisis Response Fund to secure a safety net for domestic shipping companies. Through a systematic preparation process, we laid the foundation for the establishment of the fund and created a win-win investment framework by signing a Memorandum of Understanding (MOU) with cargo owners to ease their cost burdens. Through these efforts, we successfully launched the Crisis Response Fund, with a scale of up to KRW 1 trillion, in a timely manner.

[Establishment of a Specialized Crisis Response Fund for the Shipping Industry]



Timely Establishment of the Crisis Response Fund
Up to KRW 1 trillion in size



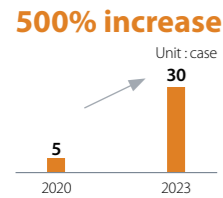
Co-Creation of a Collaborative Ecosystem in the Shipping Industry

Data-Driven Promotion of the Shipping Industry

Establishment of Fair Trade Order in the Shipping Market

KOBC is striving to establish a fair trade order in the shipping market and build a sustainable, cooperative market ecosystem. We have activated long-term shipping contracts by operating a freight rate disclosure system to prevent abuse of power, and expanded the Premier Ship-owner Certification Program, which provides benefits to cargo owners who practice fair trade, thereby creating a virtuous cycle. Additionally, we strengthened support for priority purchase companies, significantly improving their priority purchase performance.

Number of Long-Term Shipping Contracts Using Standard Contracts

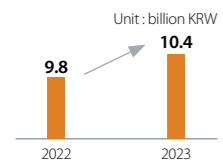


Record Performance in the Premium Ship-Owner Certification Program

12 companies certified

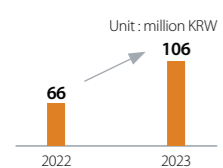
Port Facility Usage Fee Reduction for Certified Shipping Companies

10.4 billion KRW



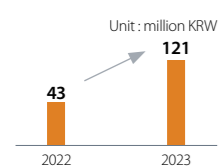
Performance of Green Product Priority Purchases

60.6% increase



Performance of Small and Medium-Sized Enterprise Product Priority Purchases

181% increase



Operation of freight rate disclosure system

KOBC operates a freight rate disclosure system that applies to all shipping routes and services using domestic ports, thereby establishing fairness in the shipping market. We introduced a fair and stable freight rate disclosure system by implementing a standard long-term shipping contract that includes conditions such as freight rates and preferential terms, minimum cargo volume guarantees, and negotiations for cost increases, all of which are to be maintained for at least 3 months. Additionally, we revised the long-term shipping declaration form published by the Ministry of Oceans and Fisheries to improve operational efficiency.

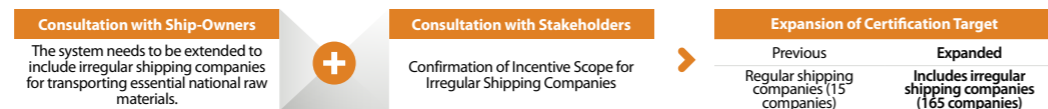
[Introduction of Standard Declaration Form for Preventing Ship-Owner Abuse and Clarifying Shipping Rates]



Premium ship-owner certification program

KOBC is implementing the Premium Ship-Owner Certification Program to eradicate unfair trade practices between Premium Ship-Owners and promote Mutual Growth cooperation. The program grants various benefits to certified Premium Ship-Owners, forming a virtuous cycle. We have expanded the certification scope to include irregular Premium Ship-Owners to build a stable transportation network and has efficiently improved operations and increased benefits. Furthermore, we have strengthened promotional efforts for the certification system and established a network to expand the culture of Mutual Growth cooperation among Premium Ship-Owners.

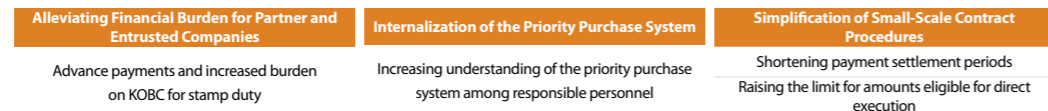
[Expansion of the Certification Scope for Premium Ship-Owner Certification]



Strengthening support for priority purchase companies

KOBC is strengthening support for priority purchase companies to ensure timely payments for partner and entrusted companies, as well as to establish a fair economic order. We have expanded its burden-sharing ratio to alleviate the financial burden on partner and entrusted companies and has improved understanding of the priority purchase system through meetings with responsible personnel. Additionally, we have increased the threshold for small-scale contracts and simplified the process to shorten the payment settlement period. As a result of these efforts, we have improved the performance of green product priority purchases and small and medium-sized enterprise product priority purchases by over 200% compared to last year.

[Strengthening Support for Priority Purchase Companies]



Expansion of Public Shipping Industry Data

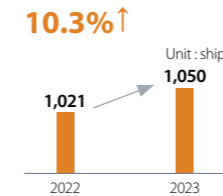
KOBC is expanding and utilizing public shipping industry data to support national shipping companies in leading the global shipping market. We have established a ship financing database to proactively identify and support financial needs. Additionally, we have expanded its shipping information services to strengthen the capabilities and independence of national shipping companies. Furthermore, by enhancing the credibility of the maritime freight index operated by us, the utilization and efficiency of data have been improved. We have also advanced the ship value appraisal business, reducing the cost burden on national shipping companies.

Establishment of ship financing database

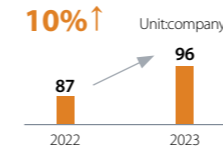
KOBC has implemented the Ship Financing Database (DB) Program to acquire and analyze ship financing status data and use it to promote the shipping industry. We strengthened data acquisition by amending the KOBC Act and proactively identified demand by utilizing the collected information, which expanded support for ship financing and consulting services.



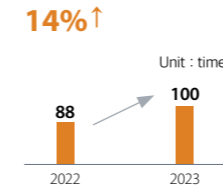
Acquisition of Ministry of Oceans and Fisheries (MOF) Registered National Fleet Data



Acquisition of Ship Financing Data for All Shipping Companies

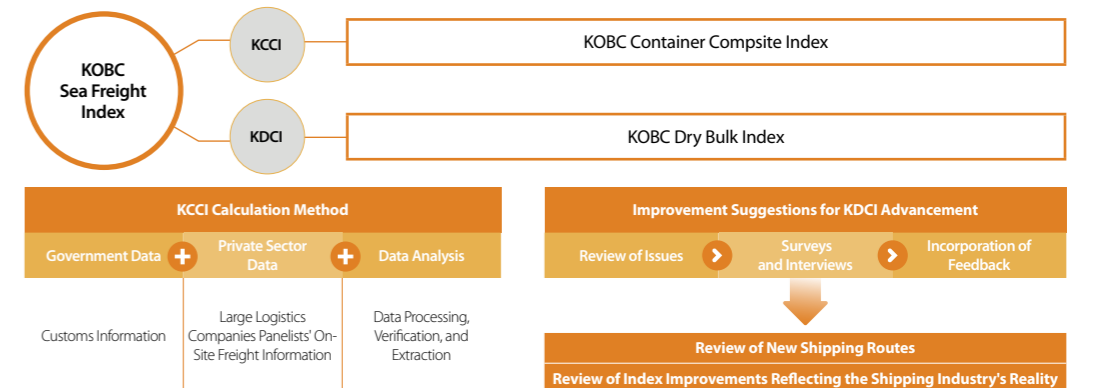


the Number of Times Stakeholder Information is Utilized



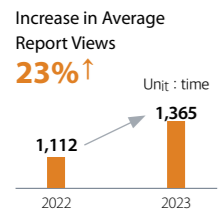
Enhancing the credibility of the KOBC freight rate index

KOBC provides a Korean-style maritime freight rate index tailored to the needs of the domestic shipping industry. By cross-validating and aggregating government and private sector data, KOBC has improved the credibility of the KCCI (KOBC Container Composite Index). Furthermore, KOBC has set improvement directions for the KDCI (KOBC Dry Bulk Index) by reflecting user feedback. Additionally, KOBC has increased awareness of the freight rate index through proactive promotion.



Data-Driven Promotion of the Shipping Industry

Data-Driven Promotion of the Shipping Industry



Expansion of shipping information service support

KOBC has implemented the shipping information service program to strengthen the national shipping companies' ability to respond to market fluctuations, reduce the information gap between large and small enterprises, and decrease dependency on overseas information services and foreign currency expenditures. We have improved the timeliness of market reports, operated various information-providing channels, and developed a container freight rate forecasting model to enhance information prediction capabilities and support the strengthening of shipping companies' capabilities.

[Expansion of Shipping Information Services Support]

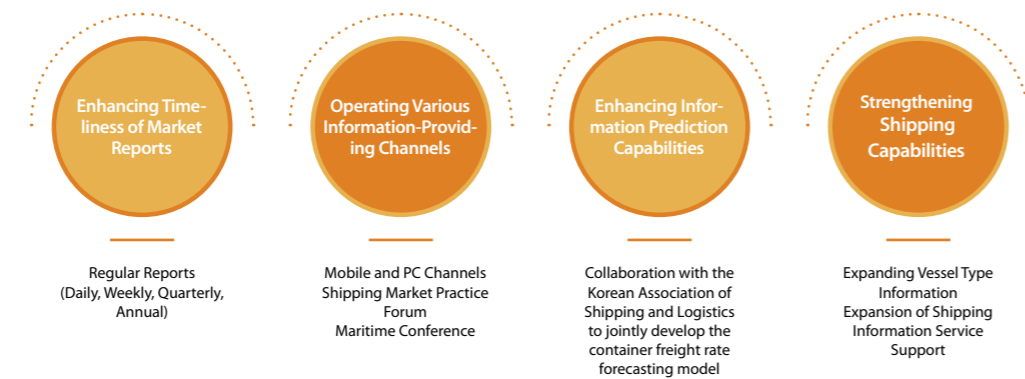
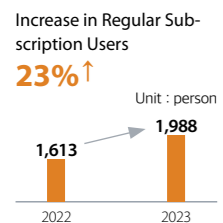


Photo of the Integrated Digital Transformation Guidebook for Shipping Companies

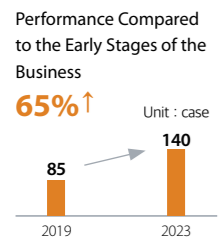
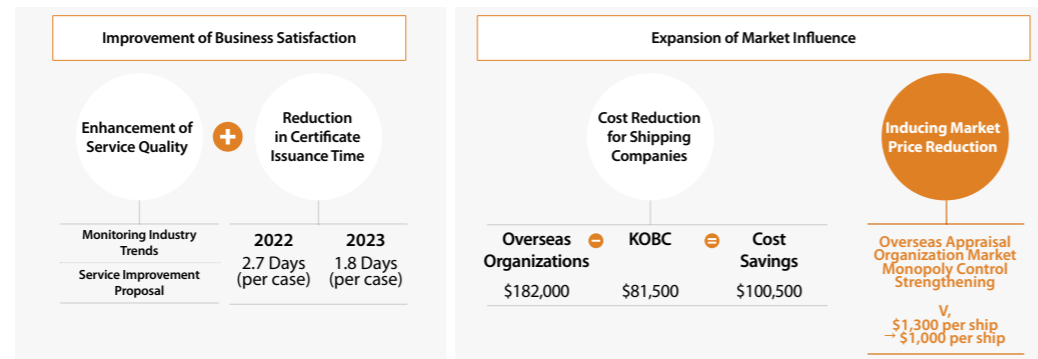


Achieved a Service Satisfaction Score of 92 or higher
for Three Consecutive Years

Advancement of ship valuation business

KOBC is implementing the Ship Valuation Business to assess the commercial value of individual ships using key information that is utilized across national shipping companies, including ship financing and asset management. We have enhanced the quality of service for the ship valuation business, shortened the certificate issuance period, and improved customer satisfaction. Through these efforts, We achieved the top market share in the domestic market, supported cost reductions for national shipping companies, and helped prevent market monopolization by overseas appraisal organizations.

[Advancement of Ship Valuation Business]



Ship Valuation Business Domestic Market Share
Ranked No. 1

Rank	Company (Nationality)	Issuances
1	KOBC (Korea)	140
2	SSY (UK)	85
3	VesselsValue (UK)	70
4	Clarksons (UK)	60
5	MSI (UK)	40

Strengthening Digital Competitiveness in the Shipping Industry

KOBC is striving to enhance the digital competitiveness of the shipping industry as the importance of data integration and sharing has become increasingly evident. We have developed a phased roadmap for supporting digital transformation and created its own digital transformation assessment model. Additionally, by activating the export-import logistics platform, we have aimed to improve the operational efficiency of stakeholders in export and import transactions and strengthen the country's export-import competitiveness.

Digital transformation support

KOBC is implementing the Digital Transformation Support Program to enhance the digital competitiveness of the shipping industry by supporting digital maturity assessments and identifying policy tasks. To ensure systematic implementation, we have developed a medium- to long-term roadmap for digital transformation support. Following this roadmap, we developed a digital transformation assessment model tailored to the shipping industry and, in collaboration with the Korea Shipowners' Association, conducted assessments for a total of 31 national shipping companies. Additionally, we created and distributed a digital transformation guidebook to activate support for the digital transformation of national shipping companies.

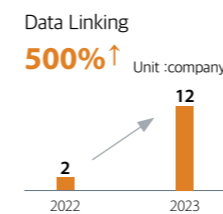
[Digital Transformation Support Roadmap]

Establishing Digital Transformation Foundation (2024)	Strengthening Digital Transformation Support (2025-2026)	Expanding Digital Transformation Support(2027-2028)
Digital Transformation Level Assessment	Digital Transformation Support Center	Support for Maritime Data Analysis
Development of Digital Transformation Performance Indicators	Certification of Excellent Solution Providers	Establishing a Global Collaboration Framework
Digital Transformation Consulting	Support for Solution Development	Support for New Technology Development

[KOBC Digital Transformation Maturity Assessment]

Strategies (12)	Execution (10)	Performance Management (13)	Infrastructure (12)
Leadership (3)	ICT New Technology Adoption (3)	Business Outcomes (3)	Experts (3)
Implementation System (3)	ICT New Technology Utilization (7)	Customer Service (4)	Systems (3)
Execution Management (3)		Digital Evaluation (3)	IT Support (3)
Investment Budget (3)		Change Management (3)	Information Security (3)

Participating Shipping Companies in the Platform
600% ↑
Unit: company



Activation of the export-import logistics platform

KOBC is implementing the Export-Import Logistics Platform service to integrate and share data generated in export-import logistics, thereby improving the operational efficiency of shipping companies, port operators, and cargo owners, and enhancing the national export-import competitiveness. We have diversified its stakeholder network to increase platform participation, linked and standardized data from suppliers and customers, and ensured the consistency of information management. Additionally, we expanded the services provided on the platform and ensured server stability through specialized institutions, fostering the activation of the export-import logistics platform.

[Activation of the Export-Import Logistics Platform]

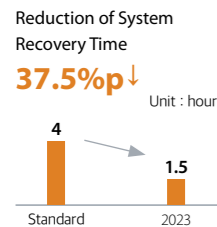
Network Construction	Ensuring Consistency in Information Management	Expanding Platform Services	Enhancing Stability																																										
Diversification of Stakeholder Network <table border="1"> <tr><th>Public</th><th>Private</th></tr> <tr><td>Ministry of Oceans and Fisheries (MOF)</td><td>Shipping Companies</td></tr> <tr><td>Port Authority</td><td>Terminal Operators</td></tr> <tr><td>Risk Cargo Auditors</td><td>Shipping Companies 1</td></tr> <tr><td>Shipping Association</td><td>Shipping Companies 2</td></tr> <tr><td>KMI</td><td>Shipping Companies 3</td></tr> <tr><td></td><td>Intermediary Network Operators</td></tr> <tr><td></td><td>Information Services</td></tr> <tr><td></td><td>Consulting Firms</td></tr> </table>	Public	Private	Ministry of Oceans and Fisheries (MOF)	Shipping Companies	Port Authority	Terminal Operators	Risk Cargo Auditors	Shipping Companies 1	Shipping Association	Shipping Companies 2	KMI	Shipping Companies 3		Intermediary Network Operators		Information Services		Consulting Firms	Improvement of Data Linkage Between Suppliers and Customers <table border="1"> <tr><th>Supplier</th><th>수요자</th></tr> <tr><td>Terminal Operators</td><td>Terminal Operators</td></tr> <tr><td>Shipping Companies 1</td><td>Ship-Owners</td></tr> <tr><td>Shipping Companies 2</td><td>Forwarders</td></tr> <tr><td>Shipping Companies 3</td><td></td></tr> </table>	Supplier	수요자	Terminal Operators	Terminal Operators	Shipping Companies 1	Ship-Owners	Shipping Companies 2	Forwarders	Shipping Companies 3		<table border="1"> <tr><th>Existing</th><th>2023</th></tr> <tr><td>Optimization of Operations Between Shipping Companies and Ports</td><td>Location-based Vessel Operation Monitoring</td></tr> <tr><td>Integrated Hazardous Cargo Management System</td><td>Terminal Operation Information Access</td></tr> <tr><td></td><td>Integrated Risk Cargo Management</td></tr> <tr><td></td><td>Domestic Shipping Schedule Access</td></tr> </table>	Existing	2023	Optimization of Operations Between Shipping Companies and Ports	Location-based Vessel Operation Monitoring	Integrated Hazardous Cargo Management System	Terminal Operation Information Access		Integrated Risk Cargo Management		Domestic Shipping Schedule Access	<table border="1"> <tr><th>External Specialized Institutions (Korea Internet & Security Agency)</th><th>Platform Security Vulnerability Check</th></tr> <tr><td></td><td>Promoting the enhancement of security and resolution of issues</td></tr> </table>	External Specialized Institutions (Korea Internet & Security Agency)	Platform Security Vulnerability Check		Promoting the enhancement of security and resolution of issues
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Data-Driven Promotion of the Shipping Industry

Training of Shipping and Port Logistics Professionals

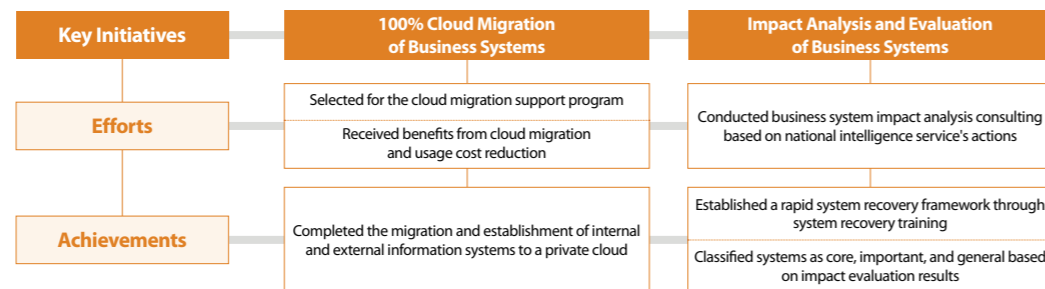
Enhancing IT Disaster Response Capabilities

As financial operations in the maritime industry increase and digital transition expands, the ability to respond to IT disaster situations has become increasingly critical. KOBC is strengthening its IT disaster response capabilities through the cloud migration of its business systems and enhancement of its security framework. We have migrated all internal and external information systems to a private cloud, establishing a cloud platform, and has upgraded its information security system in compliance with the National Intelligence Service's security guidelines. These efforts have led to receiving an award from the Ministry of Oceans and Fisheries, achieving zero data breaches, and earning the highest rating for three consecutive years in the public sector's personal data management assessment.



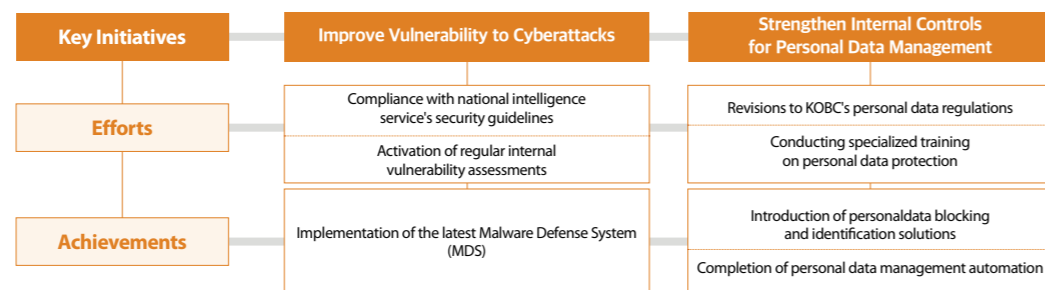
Ensuring cloud-based business continuity

KOBC has ensured business continuity by fully migrating its business systems to the cloud to securely manage the growing volume of financial data and prepare for operational disruptions caused by disaster situations. Additionally, through cloud-based business system impact analysis and evaluation consulting, a rapid system recovery framework was established, and recovery priorities were set by classifying the importance and urgency of business systems to minimize damage in case of a disaster.



Strengthening cyber and personal data security

KOBC has strengthened its cyber and personal data security in response to the increasing challenges of personal data management due to the complexity of information systems and the rising number of hacking attempts targeting new security vulnerabilities in the public sector. We have implemented the latest Malware Defense System (MDS) to establish a cyber intrusion threat response framework and have enhanced internal controls over personal data management through revisions to its personal data regulations, specialized training, the introduction of personal data blocking and identification solutions, and the automation of personal data processing.



Leading the Establishment of a Cloud Platform
Awarded by the Ministry of Oceans and Fisheries

Zero Personal Data Breaches through Prevention of Data Leakage
ZERO

Highest Rating for Three Consecutive Years
in the Public Sector's Personal Data Management Assessment

Leading Public Institutions in Expanding Work Experience Opportunities with Record-Breaking Youth Internship Employment
Job Consulting



Vision

Strategic Direction

Key Strategies

Goals

Initiatives

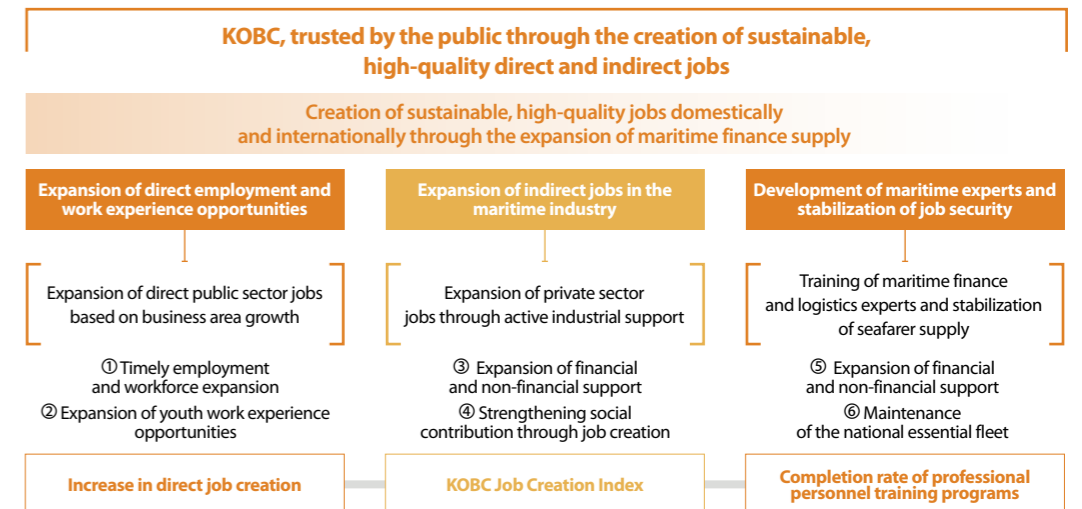
Performance Indicators

Talent Recruitment

KOBC is dedicated to identifying and nurturing skilled professionals who will lead the future of the shipping and port logistics industry for a sustainable maritime sector. By establishing our employment framework, we are creating sustainable, high-quality direct and indirect jobs, playing a leading role in discovering maritime professionals.

KOBC employment framework

KOBC has established the employment framework based on its vision of becoming a trusted organization by creating sustainable, high-quality direct and indirect jobs, and its strategic direction of creating sustainable, high-quality jobs through the expansion of maritime finance supply. The framework includes three key strategies, three goals, and six initiatives.

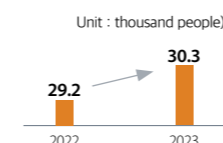


Expansion of public sector jobs

KOBC is creating direct public sector jobs and discovering talent by expanding its business areas, focusing on timely recruitment, increasing workforce size, and expanding work experience opportunities for youth.

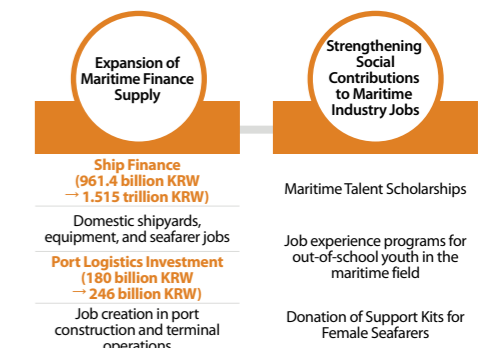


Secured Private Sector Jobs for the First Time in the Organization
Surpassed 30,000 People



Creation of private sector jobs

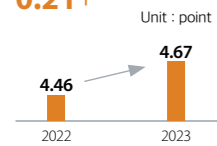
KOBC is utilizing the KOBC Job Creation Index (KJCI) to expand private sector job creation through active industrial support. The KJCI tracks year-over-year changes in three key factors (1)Job number fluctuation rate, (2)Growth rate in maritime business share, (3)KOBC's overall contribution rate) compared to the base year (2019) in the shipping and port logistics companies supported by the corporation. By expanding ship finance supply, increasing port investments, and strengthening social contributions to maritime industry jobs, KOBC is increasing opportunities for talent discovery through private sector job creation.



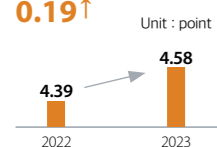
Training of Shipping and Port Logistics Professionals

Talent Development

Satisfaction with Shipping, Port, and Logistics Training
0.21 ↑



Satisfaction with Maritime Finance Training
0.19 ↑



KOBC is making multifaceted efforts to cultivate professional talent for the maritime industry. Externally, we operate specialized training programs in two fields—Shipping, Port & Logistics and Maritime Finance—targeting related industries. Internally, we have established an HRD (Human Resource Development and Retention) plan to systematically develop key talent.

Training of maritime finance and logistics experts

KOBC implements a professional talent development program by planning and operating training for the shipping, finance, port, and logistics industries. The program has been advanced by organizing region-specific courses and offering training at various difficulty levels. In addition, KOBC has improved convenience for trainees, enhancing both satisfaction and the quality of the training.



National essential fleet on-site training

KOBC designates and operates essential national ships to ensure the smooth transport of critical strategic goods during emergencies and contribute to increasing the employment of domestic seafarers. We have conducted on-site training for the personnel of the National Essential Fleet to enhance their professionalism. This includes practical operation training, emergency response drills, and the establishment of communication systems for fleet personnel development.

[Accounting and Finance Modules Offered separately]

Practical Operation	Training on Operational Procedures
Emergency Response Drills	Simulated Ministry of Oceans and Fisheries transport orders, direct communication with vessels, and emergency response confirmation
Communication Systems	Establishment of communication systems for emergency situations

Development of employee competencies

KOBC has established and implemented an HRD (Human Resource Development) framework to continuously develop and enhance the competencies of its employees. Under the goal of "systematic development of competencies by job level and systematic cultivation of key talents," we have established and is executing three strategies and six initiatives: the development of maritime finance professionals, strengthening ESG management and social responsibility education, and enhancing employee-driven learning capabilities.



Pre- and Post-Training Career Development Path (CDP)

Guideline Publication

HDR Goals

Implementation Strategies

Implementation Initiatives

Performance Review and Feedback

Local Community

Local Community Contribution

KOBC has established a systematic and strategic community contribution framework in line with the characteristics of its business. By operating the Social Contribution Steering Committee, we are driving community support activities in a structured manner. Moving forward, we will continue to fulfill its responsibilities as a public enterprise through active engagement with the community.

KOBC social contribution framework

KOBC has established a comprehensive social contribution system to actively participate in and promote regional economic development. Under the vision of "Navigating toward a sea of coexistence, the compass for the happiness of the people, KOBC," we have set a slogan, three strategic goals, and four key themes to lead its community contribution efforts.

Vision
Slogan
Strategic Goals
Key Themes



1st Social Contribution Steering Committee

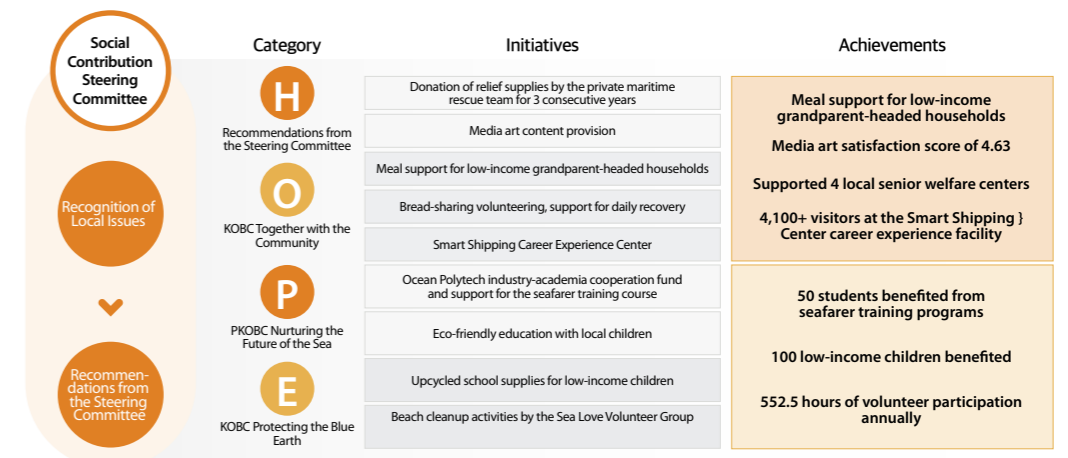


Lunar New Year Sharing Social Contribution Activities



Operation of the social contribution steering committee

KOBC operates the Social Contribution Steering Committee to strategically drive community engagement and address local issues. By recognizing regional challenges and incorporating recommendations from the Steering Committee, we have implemented community contribution activities across four key areas (H.O.P.E). Through the strategic operation of this committee, we have received the Community Contribution Award in the Social Contribution category from the Korea Chamber of Commerce and Industry and Forbes.



Safety Management

Safety Management

Creating a Safety-Centered Culture in the Shipping Industry

KOBC has made relentless efforts to achieve zero accidents and zero industrial disasters in Korea's maritime industry. We have established various systems based on a disaster management long-term roadmap aimed at preventing the various risks the industry faces in both internal and external environments. Additionally, we have ensured both accident prevention and worker safety through the establishment of a disaster safety system and the development of a ship accident response framework. Furthermore, we have strengthened the National Essential Vessel Program to maintain shipping and port operations in the event of a national emergency. Moving forward, we will continue to proactively anticipate and prevent various accidents and disasters in the shipping industry.

KOBC disaster management system

KOBC has established a disaster management system focusing on prevention, response, and recovery. We prioritize preventing damage to workers, improving the safety management of workplaces, and ensuring safety during facility management and construction. We have refined its long-term roadmap for safety management under the vision of "KOBC, where citizens and workers are safe through safety-centered management," thereby enhancing the clarity and specificity of its safety activities. Moreover, we have made comprehensive efforts to ensure safety in subcontracting operations, prevent industrial accidents and major disasters, implement worker support programs, and conduct workplace risk assessments. As a result, we have achieved five consecutive years of zero industrial major accidents and zero safety incidents, demonstrating the success of its disaster management initiatives.

[KOBC KOBC Disaster Management]

Key Directions	① Establishment of a Disaster Safety System	② Development of a Ship Accident Management System	③ Strengthening IT Disaster Response Capacity
Initiatives	<ul style="list-style-type: none"> Systematization of the Disaster Management System Enhancement of Employee Response Capabilities 	<ul style="list-style-type: none"> Implementation of Accident Prevention Activities Strengthening Accident Response Capacities 	<ul style="list-style-type: none"> Securing Business Continuity through Cloud-Based Systems Reinforcing Cybersecurity and Personal Data Protection

[KOBC Mid- to Long-Term Roadmap]

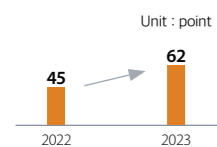


[Safety Activities and Efforts]

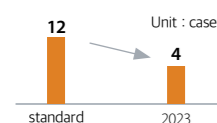
Category	Initiatives
① Prevention of Safety Accidents and Major Industrial Disasters	<ul style="list-style-type: none"> Introduction of KOBC Safety Tipline for employee reports Introduction of KOBC Safety Calendar
② Safety Management of Subcontracted Operations	<ul style="list-style-type: none"> Monitoring of Safety Management Plans and Implementation for Subcontracted Operations
③ Implementation of Employee Support Programs	<ul style="list-style-type: none"> Implementation of Employee Support Programs for Job Stress Prevention and Mental Health Management Conducting Mental Health Events for Stress Management and Promoting Communication
④ Conducting Workplace Risk Assessments	<ul style="list-style-type: none"> Conducting Workplace Risk Assessments and Joint Facility Inspections Improving Office Environment and Measuring Indoor Air Quality

Results of Counseling Effectiveness Assessment

An average improvement of 17 points



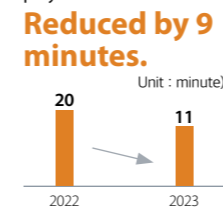
Improvement in risk levels compared to the previous year



KOBC Safety Day First Aid Training



Fire Evacuation Time for Employees



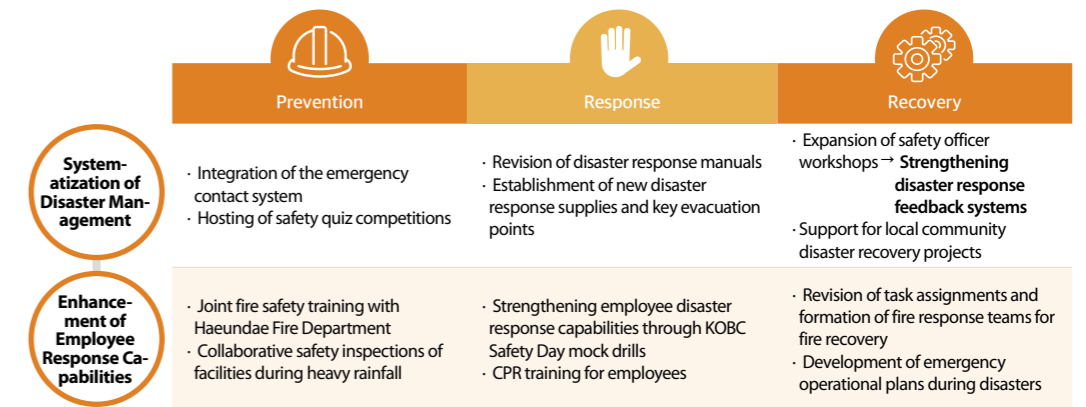
Annual Financial Incidents ZERO

Maintained a zero financial accident record for five consecutive years since KOBC's establishment

Disaster safety system

KOBC has established a disaster safety system to prevent accidents and ensure the safety of its employees. First, through the integration of the emergency contact system, revision of disaster response manuals, and safety officer workshops, we have systematically implemented disaster management operations. Additionally, we promoted the internalization of disaster management through an in-house quiz competition. Efforts have also been made to enhance employee response capabilities through joint training with fire departments, mock drills, and the establishment of fire response teams. Going forward, we will continue to ensure that our employees can respond immediately to unforeseen disasters and accidents.

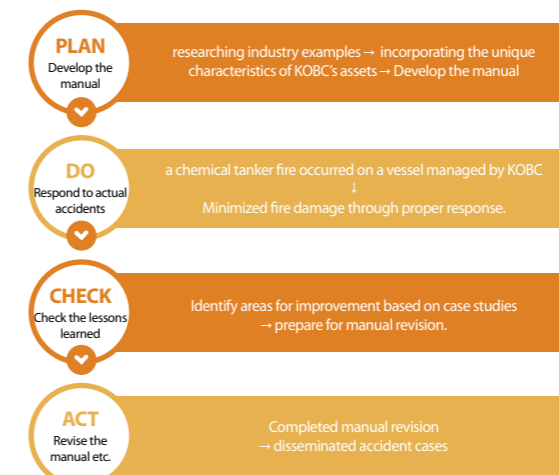
[Establishment of Disaster Safety System]



Ship accident response system

KOBC has established a ship accident management system and internalized it to enhance its asset management capabilities. We adopted the PDCA methodology to develop necessary manuals for accident management and minimized the damage caused by actual accidents through appropriate responses. After analyzing the lessons learned from each incident, we identified areas for improvement and updated the manuals. Furthermore, we strengthened regular contract status checks to proactively manage financial risks. As a result, we have maintained a zero financial incident record for five consecutive years since our establishment.

[PDCA Cycle]



[Ship's Ship Financing Risk Management]



Safety Management

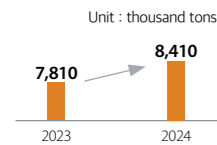
Human Rights Respect

National essential fleet system reinforcement

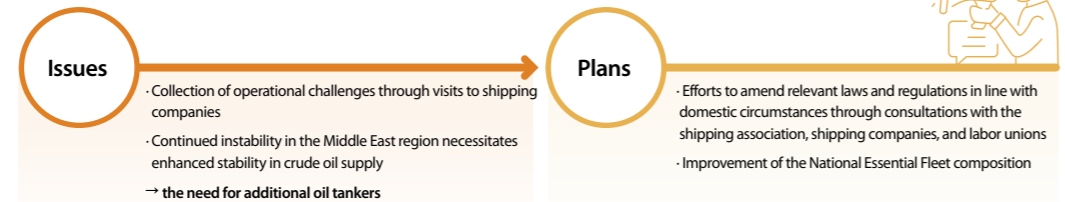
KOBC is entrusted by the government to manage the National Essential Fleet Program, which ensures the smooth transportation of key strategic materials during national emergencies, thereby contributing to national security and job creation for domestic shipping companies. We are working to improve the operational challenges faced by shipping companies in relation to the program, and have conducted practical consultations with the shipping association and labor unions of individual shipping companies. Furthermore, we are ensuring the stable operation of the program to prevent any withdrawal of vessels from the National Essential Fleet during national emergencies, and are conducting on-site training for the shipping companies designated as part of the fleet. Moving forward, we will strengthen public-private cooperation and enhance the effectiveness of the program through ongoing management and regular training, contributing to national security.

Total Tonnage of the National Essential Fleet

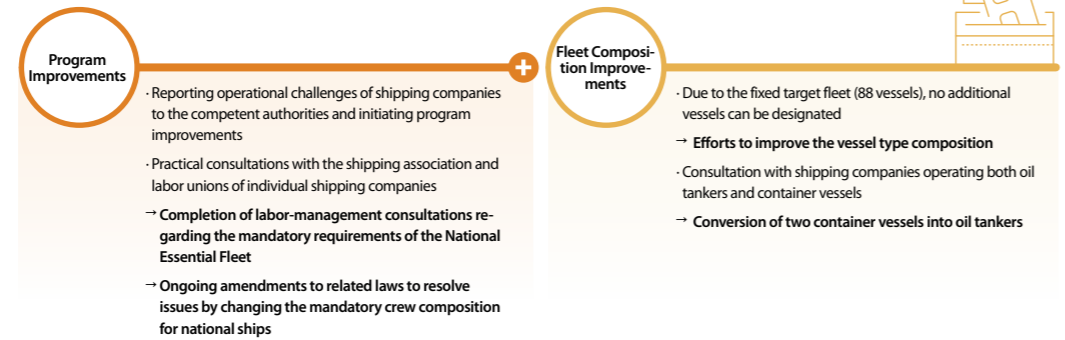
Increase by 600,000 tons



[Issues and Plans for the National Essential Fleet Program]



[Improvements in the National Essential Fleet Program]



[Stable Operation of the Program in Preparation for National Emergencies]



Human Rights Management

KOBC continues its efforts and activities to respect human rights, including human rights education and grievance procedures for human rights violations. We recognize the internal and external factors, including societal and governmental policies on human rights, and have consistently improved its management practices with an attitude of inclusion and respect. Moving forward, we will continue to value human rights and maintain a corporate culture where everyone is respected.

Human rights management promotion system

KOBC actively responds to the increasing demand for human rights management policies, such as the corporate responsibility to respect human rights and the national human rights policy framework. We have established a human rights management strategy based on the "Human Rights Management Reporting and Evaluation Guidelines" of the National Human Rights Commission of Korea. We have enhanced its human rights management system and strengthened its response to human rights violations by refining human rights impact assessments. Additionally, we have expanded employee education on human rights and raised awareness, transparently disclosing these efforts to the public.

[Human Rights Management Promotion Strategy]

Direction of Promotion	Initiatives	Performance Indicators
Direction of Promotion	Strengthening the effectiveness of human rights impact assessments and improving responses to human rights violations	Internalizing a culture of human rights respect and transparent disclosure
Strengthening the human rights management system Expanding the operation of the Human Rights Management Committee	Establishing a system for responding to major human rights issues Strengthening and promoting grievance mechanisms	Expanding human rights management education and increasing sensitivity to human rights Disclosing human rights management results
Human Rights Management Certification	Results of human rights impact assessments	Development of Human Rights Management Index

Human Rights Management Charter

We, as an organization contributing to the national economic development by enhancing shipping competitiveness, actively practice human rights management that values human dignity and rights in all our management activities. By fulfilling our social responsibilities, we aim for sustainable development alongside our stakeholders.

To this end, we establish the following Human Rights Management Charter as a standard for the behavior and values that all employees must adhere to, and pledge to practice it.

We respect and support international human rights standards and norms, including the Universal Declaration of Human Rights.

We proactively prevent human rights violations and strive for active remedies in case of such violations.

We do not discriminate in employment based on race, religion, disability, gender, place of birth, political opinion, or other reasons, and provide a working environment based on mutual respect and consideration.

We guarantee the freedom to form labor unions and engage in collective bargaining, aiming for mutual prosperity based on trust between labor and management.

We oppose all forms of forced labor and child labor.

We create a safe and hygienic working environment to enhance industrial safety and health.

We treat our business partners fairly and support them in practicing human rights management.

We respect the human rights of local residents in the regions where we operate and strive for mutually beneficial development with local communities.

We comply with domestic and international environmental regulations and make efforts to protect the environment and prevent pollution.

We provide services to our customers in a convenient and honest manner, safeguarding their personal information collected during business operations, and prioritize customer value.

Wherever we operate, we will adopt a responsible attitude to protect and respect the human rights of all stakeholders, and we pledge to do our utmost to establish and spread human rights management.

2019. 12. 10.
Korea Ocean Business Corporation

Human Rights Respect

Human Rights Respect

KOBC Human Rights Management Index: 91 points
All Human Rights Indicators in the ESG Management Innovation Awards: 100 points

→ **Achieved the highest POSITIVE rating in the human rights category**

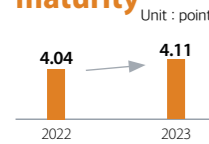
Human Rights Education Hours
Achieved 100 points

Completion of Training
Achieved 100 points

Operation of Human Rights Violation Counseling Center



Improvement in human rights maturity



Human Rights Management System
Achieved external certification for three consecutive years



Advancement of the human rights management promotion system

KOBC has established and is operating a sustainable human rights management system. We developed new improvement indicators to measure the level of human rights management. Additionally, the agenda of the Human Rights Management Committee has been expanded, and a counseling center staffed with professional human rights management experts is in operation. Through these efforts, KOBC scored 91 points in the KOBC Human Rights Management Index, and in the ESG Management Innovation Award, it achieved 100 points in the human rights education hours category, compared to the average of 71.3 points for other public institutions, and 100 points in the education completion category, compared to the average of 96.2 points, earning the highest score in all human rights indices.

[Human Rights Management Level Measurement Indicators]



Strengthening human rights violation response capacity

KOBC is working to strengthen its response capacity to human rights violations by enhancing the human rights impact assessment process. We resolved 100% of the improvement tasks from the 2022 human rights impact assessment through the establishment of operational and environmental management plans. Additionally, we conducted a materiality assessment for the first time in our human rights impact evaluation and carried out internal promotions regarding the human rights violation grievance procedures and the human rights counseling center to assist employees facing human rights challenges.

[Strengthening Human Rights Violation Response Capacity]



Human rights education and transparent disclosure

KOBC is committed to fostering a corporate culture of Human Rights Respects through internal education and publicly disclosing the results transparently. We conducted human rights education for interns and substitute employees upon their entry and organized online human rights education for all employees to enhance the awareness of human rights throughout us. Furthermore, in observance of International Human Rights Day, we created a card news and posted it on its website.

[Human Rights Education and Transparent Disclosure]



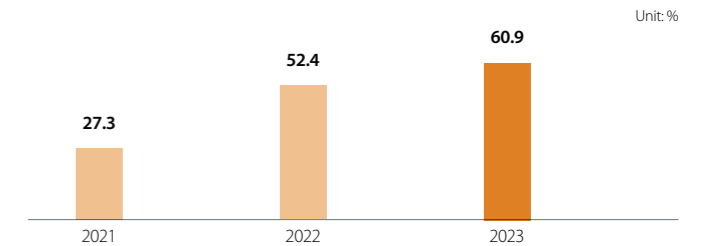
Achieving Gender Equality

KOBC actively utilizes female executives, managers, and employees, and is dedicated to increasing the representation of women in the organization. As the first step toward this goal, we have realized gender equality through a gender-neutral organizational culture. As part of its detailed efforts, we are expanding its professional workforce with the aim of nurturing female leaders and strengthening the capabilities of female employees through leadership training. Moving forward, we plan to fully commit to creating an organizational culture where no one is treated unfairly due to their gender and to contribute to a maritime industry in Korea that is led by both men and women.

Creating a gender-equal working environment

KOBC ensures equal job opportunities in the shipping industry, free from gender discrimination. We have fostered a healthy gender-equal culture by promoting a gender-neutral atmosphere within the workplace. In particular, we encourage parental leave for "fatherhood" and support both maternity and paternity leave for employees and their spouses. We have also moved away from traditional gender-based job assignments and completed training offered by the Korean Institute for Gender Equality Promotion and Education. Furthermore, we have laid the foundation for long-term employment for women in the maritime industry to promote gender equality.

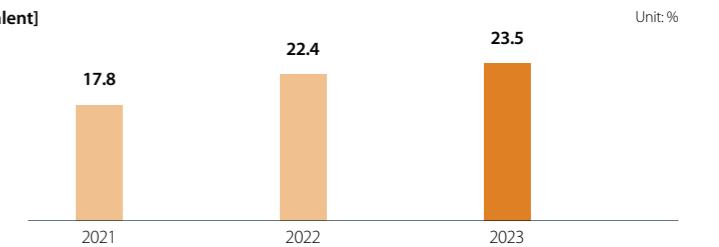
[Public Institution Male Parental Leave Rate]



Fostering female leaders

KOBC is actively expanding specialized personnel for the development of female leaders and enhancing the capabilities of female talent. We have been proactively utilizing female professionals, such as appointing female non-executive directors, promoting the activities of female union leaders, and providing leadership training for female employees. Additionally, we have supported initiatives like roundtable discussions between female executives and managers, as well as reverse mentoring led by young female directors to nurture future female leaders. Through these efforts, we have achieved a continuous increase in the proportion of female employees for four consecutive years and successfully received re-certification as a Family-Friendly Excellent Organization.

[Continuous Increase in the Pool of Female Talent]



Newsletter Vol.9: Interview with a Female Maritime Officer



Female leadership education



Human Capital Management

Human Capital Management

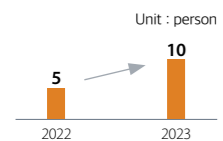
Human Capital Management

KOBC manages human capital based on fairness and transparency. We have implemented various internal policies, including a flawless recruitment process, an empathetic recruitment system, and support systems for social equity, to ensure the fair hiring of applicants. Furthermore, through improvements in its personnel system, we have enhanced employee satisfaction and motivation, while ensuring labor rights through the implementation of a wage peak system. Moving forward, we are committed to fully realizing its management values, which consider both employees and applicants.

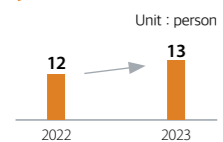
Selected as the **first institution to be excluded from** the Ministry of Oceans and Fisheries' recruitment status survey



Achieved **the highest record with 10 disabled employees** hired in 2023

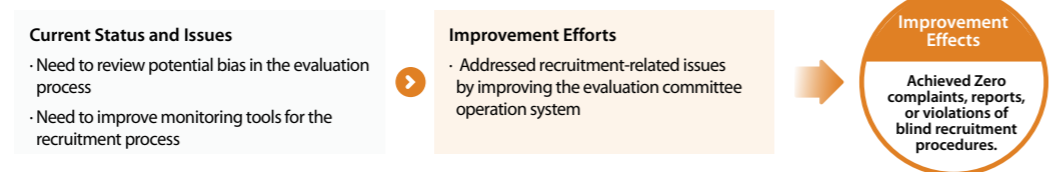


Conducted restricted competition hiring for employment support target groups for **6 consecutive years**



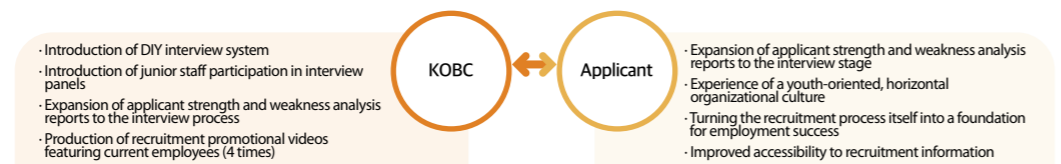
Fair recruitment

KOBC ensures fairness in the interview and recruitment process through a flawless, fair process. To this end, we have improved its evaluation committee operation system and addressed cases of recruitment issues. These efforts have resulted in zero complaints, reports, or violations related to recruitment corruption and blind recruitment procedures. Additionally, we were the first institution to be excluded from the Ministry of Oceans and Fisheries' recruitment status investigation.



Empathetic recruitment

KOBC implements an empathetic recruitment process to create a mutual growth for both the applicants and the corporation. We introduced a DIY interview system and a junior staff participation program for interview panels. Additionally, we expanded the use of applicant strength and weakness analysis reports throughout the interview stages and produced recruitment promotional videos featuring current employees over four sessions.

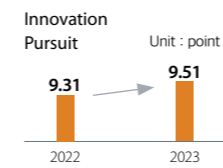
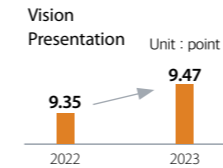


Socially balanced recruitment

KOBC is actively recruiting individuals from disadvantaged job-seeking groups, such as high school graduates, local talent, people with disabilities, and low-income individuals. Through the expansion of socially balanced recruitment, we have increased job experience opportunities. We have provided employment capability support for youth and local talent, job experience opportunities for people with disabilities, and increased employment opportunities for veterans.

Support for Disadvantaged Groups	Efforts
Youth and Local Talent Employment Capability Support	<ul style="list-style-type: none"> Held major recruitment briefings and employment special lectures in key regions Excellent intern selection system Employment support point system for local talent
People with Disabilities Provision of Job Experience Opportunities	<ul style="list-style-type: none"> Collaboration with agencies for hiring people with disabilities Active employment promotion for young people with disabilities Employment support point system for people with disabilities
Veterans Expansion of Employment Opportunities	<ul style="list-style-type: none"> Collaboration with hiring agencies for veterans Employment support point system for veterans

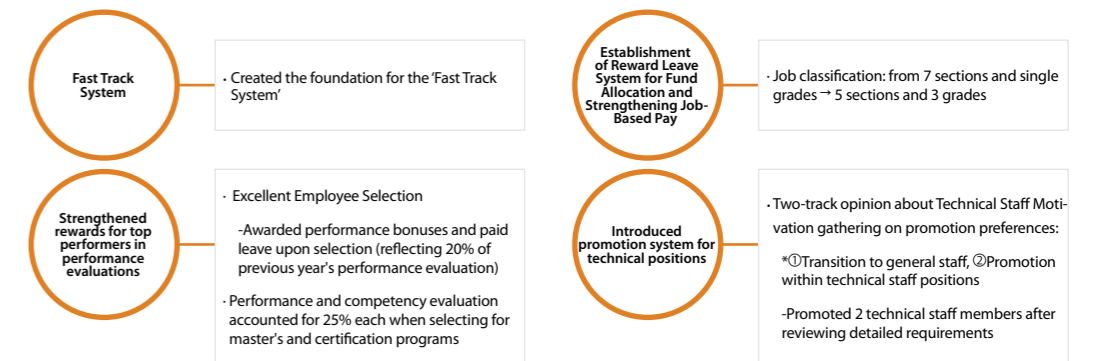
Institutional Leadership Index Increase



Advancement of job-centered HR system

KOBC has implemented various internal policies to strengthen the organization's responsibilities, capabilities, and motivation. We have eased seniority-based compensation, introduced job-based pay, and expanded rewards to enhance employee motivation. Additionally, we promoted management innovation through the Youth Board of Directors and employee idea incorporation. As part of the job-based compensation system advancement, we conducted job analysis and evaluation, expanded job weighting, and agreed on the operation of a labor-management joint task force for HR system development.

[Motivation-Boosting Measures: Easing Seniority, Introducing Job-Based Pay, Expanding Rewards]



[Best Practices and Employee Idea Engagement]



KOBC Reverse Mentoring



KOBC Young People's Council

[Results of Advancing the Job-Based Compensation System]

Differentiated Job-Based Pay based on job evaluations

100% payment completed

with union agreement

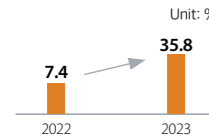
Achieved a job-based pay ratio of 14.8%

Successfully concluded the 2023 wage agreement without disputes

Human Capital Management

Job-Based Salary Proportion in Total Labor Costs

Increased by 28.4%p



Job-based human resource management

KOBC is working to establish a foundation that enhances the job expertise of its workforce. As part of its job-based human resource management, we have minimized seniority-based decisions and established a compensation system focused on job expertise during assignments. Additionally, we have developed guidelines for rotational assignments linking Career Development Plans (CDP) and Individual Development Plans (IDP). To reward employees for their job expertise, we offer allowances to employees who obtain one of the four major certifications. Furthermore, to strengthen expertise, we have implemented an open recruitment system for department heads, identifying tailored professionals for the maritime finance sector based on the institution's specific needs.

[Relaxation of Seniority-based Assignments]

Position Assignment Based on Job Expertise → Transitioned from seniority-based criteria to a job-based approach		
Previous System	position	improvement
Senior Executive Director, Level 1	Devison Director G1	Executive Director, Level 1, 2
Level 1, 2	Department Head: G1	Level 1, 2, 3
Level 3	Team Leaders: G3	Level 2, 3, 4
Level 3	Office Heads: G3	Level 2, 3, 4

Stable implementation of the wage peak system

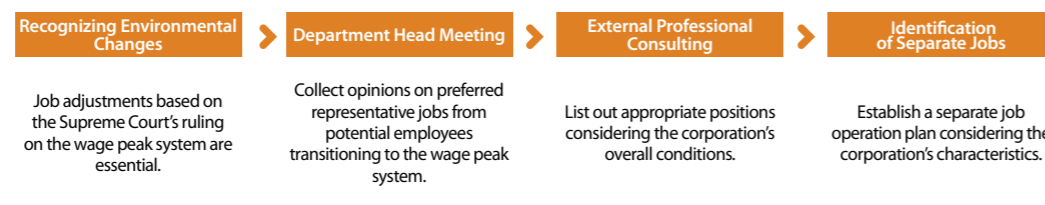
KOBC is operating the wage peak system stably in compliance with the government's wage peak guidelines. We have implemented new youth employment by securing funds to reduce the wage peak costs. Furthermore, we have fully implemented the actions required by the Supreme Court's ruling on the validity of the wage peak system. Reflecting our circumstances, we established a separate process for identifying appropriate wage peak positions, which includes five newly created roles across training, research, business improvement, external activities, and other areas.

We will continue to comply with the wage peak system and strive to expand labor rights for our employees.

[Actions Based on the Supreme Court Ruling on the Validity of the Wage Peak System]

Category		2022	2023
Reduction of Working Hours	Insufficient	No separate working hours reduction	No separate working hours reduction
Adjustment of Job Levels	Insufficient	Existing job duties	Existing job duties
Support Programs	Insufficient	No separate support programs	No separate support programs
Mid-term Settlement of Severance Pay	Excellent	Mid-term settlement system operated	Mid-term settlement system operated

[Process for Identifying Wage Peak Suitable Jobs]



Job-Based Salary Satisfaction Survey

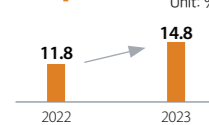
Achieved 3.61 points

Fairness of Procedures

Achieved 3.95 points

Job-Based Salary Proportion from the Previous Year

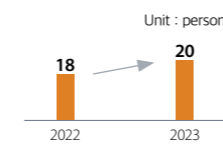
Increased by 3%p



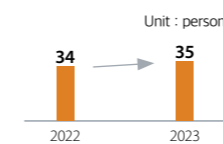
Human Capital Management

Activation of family-friendly systems

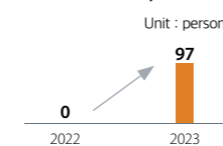
Increase in Employees Taking Parental Leave



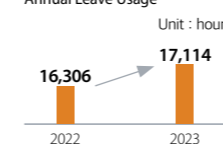
Increase in the Use of Childcare Time System



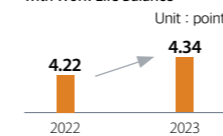
Increase in the Use of Childcare Time System



Increase in Paid Annual Leave Usage



Satisfaction with Work-Life Balance



Creating a Family-Friendly Work Environment

KOBC promotes internal systems that help employees balance their work and family life. We have implemented support programs and systems to alleviate the burden of pregnancy, childbirth, and childcare for our employees. Additionally, to achieve the goal of work-life balance, we have made improvements in working hours, conditions, and vacation policies, significantly enhancing employee convenience. Moving forward, we will continue to prioritize employee welfare and convenience, and strive to lead the formation of a healthy corporate culture.

Parental leave system

KOBC strives to create a family-friendly corporate culture by supporting childbirth and childcare, including the implementation of parental leave. We provide congratulatory gifts and items for childbirth, and hire replacement staff promptly for employees on parental leave. In particular, we have renewed our family-friendly corporation certification system, improved the childcare time system, and encourages regular Wednesday afternoon departures through "Family Love Day," ensuring a proper work-life balance. We will continue to encourage the use of childcare-related policies for its employees and consistently demonstrate its commitment to being a family-friendly.

[Family-Friendly Corporate Culture]

Category	Efforts
Consideration for Pregnancy and Childbirth	<ul style="list-style-type: none"> Provision of congratulatory gifts and items for childbirth Timely hiring of replacement staff during parental leave
Consideration for Childcare	<ul style="list-style-type: none"> Renewal of family-friendly certification system Improvement of childcare time system Previously: ① One day of leave counted as a full month ② Maximum application period: 1 week Improved: ① Only continuous 20-day leave is considered a full month ② Removed the application period limit Operation of Family Love Day (Encouraging regular afternoon departures on Wednesdays)

Work-life balance support

KOBC supports a flexible work environment for our employees. As part of our work hours management, we have introduced a flexible working hours system and have formalized the PC-OFF policy. Additionally, we operate a system that allows for the early use and rollover of paid annual leave, providing greater flexibility in vacation usage. We have also improved working conditions by permitting casual attire, introducing a reward leave system for outstanding employees, and making the sick leave system more flexible. Through these efforts, We have maintained our status as a "Family-Friendly" by the Ministry of Gender Equality and Family for five consecutive years, and has seen increased employee satisfaction regarding work-life balance.

[Creating a Flexible Work Environment]

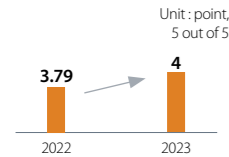
	Work Hours Management	Paid Annual Leave Usage	Improvement of Working Conditions
Efforts	<ul style="list-style-type: none"> Introduction of a flexible working hours system Formalization of the PC-OFF policy Orientation on flexible work systems and other policies for new hires Improvement of Family Love Day Operation 	<ul style="list-style-type: none"> Operation of early use and rollover system for paid annual leave Simplification of tasks through delegation of authority for service-related decisions 	<ul style="list-style-type: none"> Improvement of dress code guidelines Reward leave system for outstanding employees Flexibility in sick leave system

Human Capital Management

Human Capital Management

Welfare Benefits

Employee Satisfaction with Welfare Benefits Systems
Increased by 4.2%

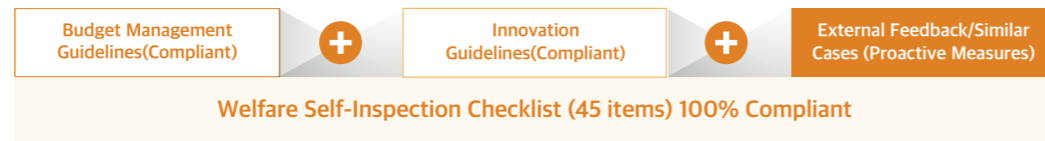


KOBC implements internal welfare programs in compliance with government guidelines, including budget management and innovation directives. We will continue to adhere to government policies and guidelines, striving to create a healthy work environment.

Rational operation of welfare benefits systems

KOBC follows government's innovation guidelines and allocates an appropriate budget for welfare benefits. We have fully complied with all items in the 'self-inspection checklist,' including budget management guidelines and innovation guidelines. Additionally, a plan to realign welfare benefits was developed, and monitoring was implemented. Employee feedback was collected to identify areas for improvement, which helped enhance employee satisfaction with welfare programs. To further strengthen welfare systems, we encouraged employee integration through practical programs such as the activation of living stability funds and the provision of funeral services.

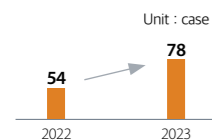
[Self-Inspection Checklist]



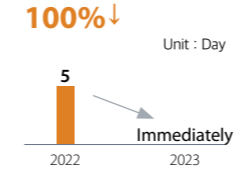
[Realignment of Welfare Benefits]

Welfare Indicator	2021	2022	2023
Activation Existing Programs	· Holiday gifts · Sports events	· Activate club activities	· Living stability funds loans
New Programs Introduced	· Resort facilities · Cultural Day	· Labor Day gifts · Mental health support	· Funeral services support
Welfare Benefits Criteria	· Flexible welfare points, congratulatory and condolence funds	· Improved criteria for welfare points · congratulatory and condolence funds → Private Fund	· Same as previous year

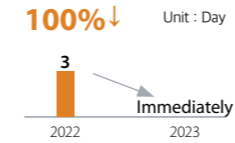
Number of Employee Welfare Fund Support Cases
Increased by 44.4%



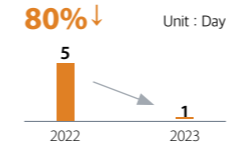
Time Spent on Performance Achievement



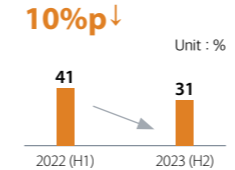
Time Spent on Collateral Management



Time Spent on Financial Closing Tasks



Rate of Delayed Voucher Processing



Digital Management Innovation Award of Korea

Digital Management Leader Award

Outstanding Contribution to Maritime and Fisheries Informatization

Minister of Oceans and Fisheries Award

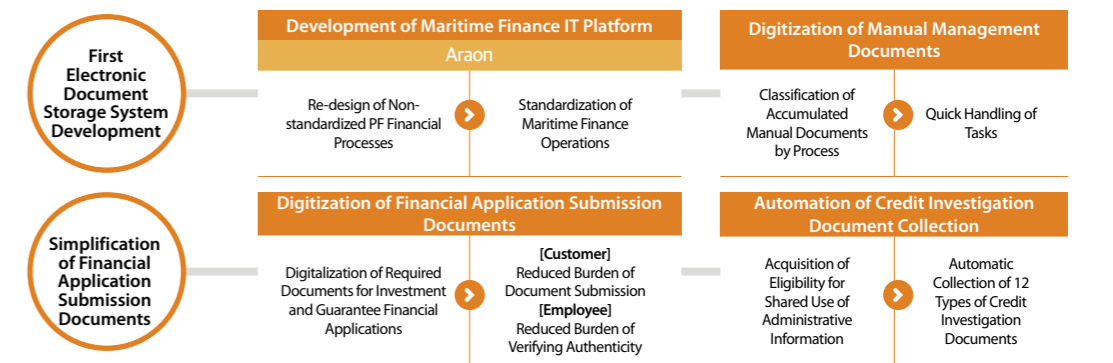
Digital Transformation for Enhanced Work Efficiency

KOBC has been striving to improve work productivity by changing the way we work in the era of digital transformation. We developed a Maritime Finance IT platform and digitized manual documents, creating our first electronic document storage. By digitizing financial application documents and acquiring qualifications for the shared use of administrative information, we streamlined the financial application process. Additionally, we established a smart working system to significantly enhance work efficiency. Moving forward, KOBC will continue to strengthen its digital capabilities to foster a digital financial ecosystem in Korea's maritime industry.

Business process innovation

KOBC has enhanced work efficiency through digital-based business process innovation. As the first public institution to develop the Maritime Finance IT platform "Araon," we standardized maritime finance operations and digitized accumulated manual documents to create an electronic document storage system. We also digitized the submission documents for financial applications and automated the collection of credit investigation documents to simplify the financial application process.

[Digital-Based Business Process Innovation]



Smart working realization

KOBC has implemented smart working to improve the work efficiency of our staff and drastically reduce workloads. By identifying inefficiencies and difficulties in existing tasks, we developed statistical analysis tools, automated collateral management, systematized settlement tasks, and implemented smart alarm services. These efforts resulted in the achievement of the Korea Digital Management Innovation Awards "Digital Management CEO Award" and the Ministry of Oceans and Fisheries' "Minister of Oceans and Fisheries Award" for excellence in maritime and fisheries information..

[Smart Working Achievements]

Previous	Improvement
Significant time spent collecting and verifying business performance data	Development of statistical analysis tools One-click performance query implementation
Difficulty in collecting vessel value information for major collateral assets	Automation of collateral management Automatic Collection of Vessel Information Real-time Collateral Management
Direct verification of transaction details for financial contracts by the settlement department using Excel	Systematization of settlement tasks Automatic Aggregation of Financial Data and Automatic Generation of Financial Statements
Manual requests for unprocessed entries from employees after verifying voucher handling	Smart alarm services Enabling Employees to Focus on Core Tasks

Human Capital Management

Human Capital Management

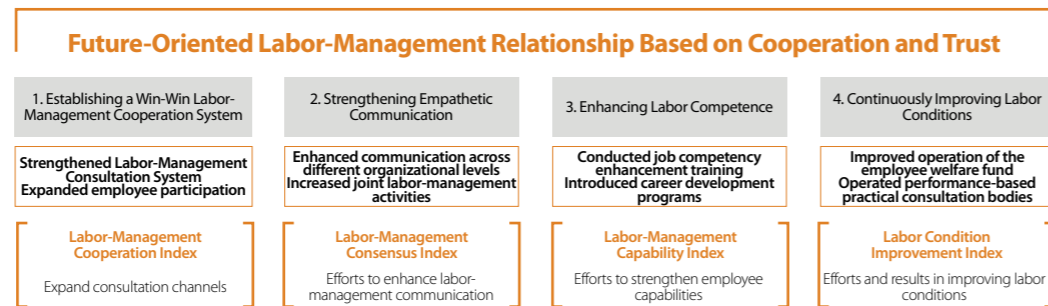
Collaborative Labor-Management Culture

KOBC has established a cooperative labor-management framework that is based on mutual cooperation and participation, and operates it in a rational and lawful manner. In addition, we worked to strengthen communication and labor-management relationship management capabilities as part of building consensus between the labor union and management. Particularly, we have successfully created a better workplace through proactive joint efforts to improve the working environment and have contributed to the sustainable development of labor-management relations. Going forward, we will continue to maintain a mutually complementary stance between labor and management and strive to become a model for others to follow.

Labor-management relationship advancement strategy

KOBC is committed to establishing an advanced labor-management relationship by thoroughly analyzing internal and external environments. We have set the vision of a "future-oriented labor-management relationship based on cooperation and trust" and have identified the direction of labor policies by addressing both government policy environments and internal and external organizational issues. Specifically, we have established four performance indicators—Labor-Management Cooperation Index, Labor-Management Consensus Index, Labor-Management Capability Index, and Labor Condition Improvement Index—to focus on key issues that need to be addressed urgently and to strengthen necessary capabilities

[Labor-Management Relationship Advancement Strategy]



Strengthening labor-management cooperation

KOBC is expanding communication channels between labor and management, thereby strengthening a collaborative system where both parties participate together, such as the joint promotion of ESG initiatives. We have established joint workshops and practical consultation bodies to facilitate the exchange of ideas and discussions among staff, and has advanced joint ESG initiatives to realize the values of sustainable management. Moreover, by expanding bidirectional and upward communication channels, KOBC has enhanced employees' awareness of labor-management relations and activated mutual understanding. As a result of these efforts, KOBC has achieved an increase in the labor-management communication score, institution head communication facilitation score, and labor-management relationship awareness score.

Category	Efforts and Initiatives
Expansion of Communication Channels	Joint Labor-Management Workshops Held biannual (twice a year) joint workshops for exchanging opinions between labor and management.
	Practical Consultation Bodies Operated continuous communication channels for consultations between workers and management. - Discussed 38 items, with 19 items submitted to the Labor-Management Council → 100% agreement.
Cooperative Workshops	E Environmentally-Friendly Management Held energy-saving committees, purchased energy-efficient certified products, organized email inbox cleaning campaigns, encouraged home power-saving, and raised office air conditioning temperatures.
	S Safety Management Established emergency contact systems, provided first-aid training, and introduced safety calendars.
	G Employee Participation & Ethical Management Strengthened employee observation systems, held the first joint ethics declaration ceremony, and revised internal regulations to strengthen disciplinary measures for major misconduct.

Vision

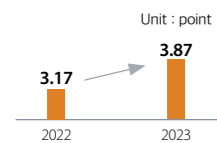
Direction of Implementation

Key Initiative

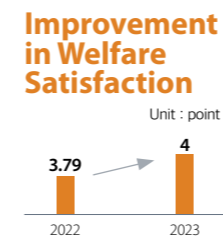
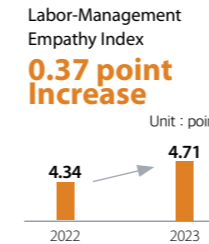
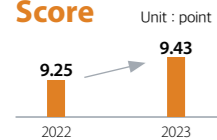
Performance Indicators

Score for Labor-Management Mutual Cooperative Partnership

Significant Increase



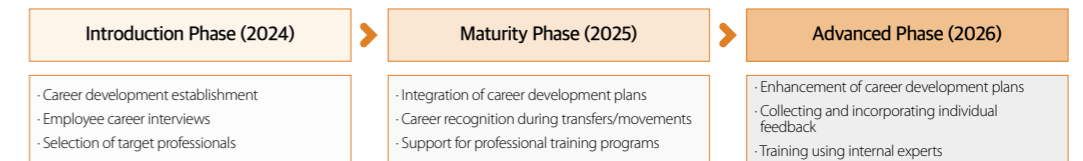
Increase in Institution Head Communication Facilitation Score



Strengthened labor-management relations management capabilities

KOBC is enhancing its labor-management relations management capabilities for the continuous development of labor-management relations. To foster labor management experts, we have established a long-term roadmap aiming to upgrade the plan by 2026. Furthermore, we have conducted customized labor management training for all employees, covering common, leadership, and professional competencies, to improve labor management skills and understanding among staff. Additionally, we have consistently implemented monitoring and feedback mechanisms for labor-management issues, achieving a 100% completion rate of improvement tasks for half year. These efforts resulted in an increase in both the Labor-Management Empathy Index and the Labor-Management Capability Index.

[Mid-to-Long Term Roadmap Establishment]



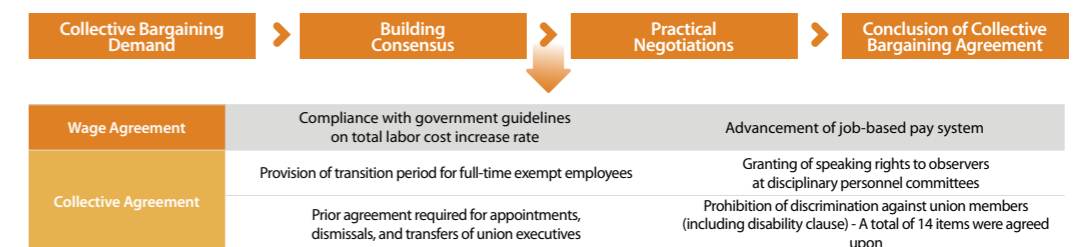
[Continuous Improvement Tasks for 3 Consecutive Quarters]

Category	H2 2022	H1 2023	H2 2023
Labor-Management Empathy Satisfaction	3.77 points	3.79 points	3.92 points
Improvement Task Feedback	100% completion (7 tasks)	100% completion (6 tasks)	100% completion (5 tasks)
	6 tasks Newly Identified	5 tasks Newly Identified	6 tasks Newly Identified

Resolution of labor-management issues

KOBC has worked together with labor and management to reach a no-strike agreement and improve the operation of the employee welfare fund for mutual development. Since the establishment of the labor union, we have successfully achieved a no-strike agreement for three consecutive years and, through labor-management cooperation, have agreed to enhance the return on the employee welfare fund within the year. Moreover, through joint efforts to improve the working environment, we have created a better workplace. As part of fostering a work-life balance and a communicative, growth-oriented organizational culture, various systems related to family-friendly policies, safety and health, and organizational culture were reviewed and implemented after improvements.

[Negotiation Process and Agreement Conclusion]



[Improvement of Working Environment]



GOVERNANCE

The Sea Connecting Everyone



Management & Approach

KOBC has established a systematic governance structure to realize sustainable management.

To ensure responsible board governance, we have established a board operating system to enhance board activation, transparency, and professionalism. For transparent ethical management, we have built a compliance and ethical management system, and have advanced the internal accounting management system and conflict of interest prevention system. Additionally, we promote ethical culture through ethics training and customized programs for employees.

To establish an integrated risk management system, we have developed a medium- and long-term financial management plan to enhance financial stability and implemented a feasible business risk management process. Furthermore, to strengthen Stakeholder Engagement in decision-making processes, we have improved communication channels, implemented feedback mechanisms, and expanded public data sharing.

- 78 Responsible Board of Directors Operation
- 82 Transparent Ethical Management
- 86 Integrated Risk Management
- 89 Stakeholder Engagement

Responsible Board of Directors Operation

Responsible Board of Directors Operation

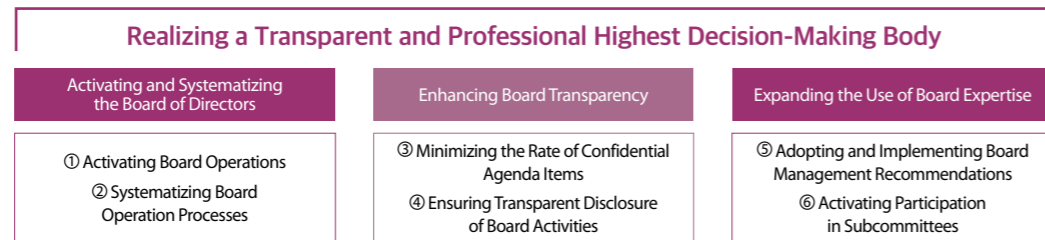
Board of Directors Management

The Board of Directors of KOBC is the highest decision-making body responsible for determining the 's management policies. The Board actively participates in management, enhancing transparency and professionalism to implement responsible governance. A systematic board management framework has been established, setting clear directions for board operations, and professional directors have been appointed to improve the efficiency and expertise in managing the organization. Furthermore, operational standards and processes were developed to activate board operations. KOBC is committed to continually improving the functions of the Board of Directors to achieve sustainable management.

Board management system

KOBC has set the goal of realizing "a transparent and professional highest decision-making body," with three strategic priorities: "Activating and Systematizing the Board," "Enhancing Board Transparency," and "Expanding the Use of Board Expertise." Based on these strategies, six key initiatives have been established. We will diligently implement these strategies and initiatives to strengthen the practical role of the Board and enhance our transparency..

- Goals
- Strategies
- Key Initiatives



[Board Composition]

Position	Name	Affiliation	Term of office
Executive Chairman	Ahn Byeong-gil	Former 21st National Assembly Member, Former CEO of Busan Ilbo	2024.10.02 ~ 2027.10.01
Executive Auditor	Hwang Seong-min	Former Executive Auditor of Gyeonggi Housing & Urban Development Corporation, Former Executive Auditor of KAMCO Ship Investment Management	2023.10.30. ~ 2025.10.29.
Executive Director	Kim Woo-ho	Former Deputy Director of Korea Maritime Institute, Former Director of the Planning & Coordination Division at Korea Maritime Institute	2022.08.30. ~ 2024.08.29.
Non-Executive Director	Park Sam-dong	Current Chairman of Du-Chuk Scholarship Association, Former Member of Gyeongsangnamdo Provincial Assembly	2022.12.30. ~ 2024.12.29.
Non-Executive Director	Park Ji-woo	Current Outside Director at Koryo Credit Information, Former CEO of KB CAPITAL.	2023.10.30. ~ 2025.10.29.
Non-Executive Director	Shin Yeong-ran	Current Professor at the Graduate School of Global Logistics, NATIONAL Korea Maritime & Ocean University, Former Non-Executive Director of Busan Port Authority	2023.10.30. ~ 2025.10.29.
Non-Executive Director	Lee Byeong-hee	Current Education Policy Advisor at Gyeongsangnamdo Office of Education, Former Member of Gyeongsangnamdo Provincial Assembly	2023.10.30. ~ 2025.10.29.

Increase of 3 Board Meetings

Compared to the Previous Year From 11 meetings(2022) to 14 meetings(2023)

Pre-Review Rate of Agenda Items

Achieved 100%

Board Meeting Agenda Rejection Rate

0%

Implementation of Board Suggestions

100%
42 cases(2022), 44 cases(2023)

Activation of board of directors operations

KOBC has established operational standards to activate its Board of Directors' operations. We regularly provided information requested by the board, including business status and plans, and held board meetings regularly to institutionalize the operation of the board. Additionally, we mandated a pre-meeting briefing procedure, where the agenda items were explained in advance of the meeting, and department heads provided explanations and answers during the actual meeting. In 2023, we held 14 board meetings, three more than the previous year, and achieved a 100% pre-review rate for agenda items. We will continue our efforts to further enhance the activation of board operations.

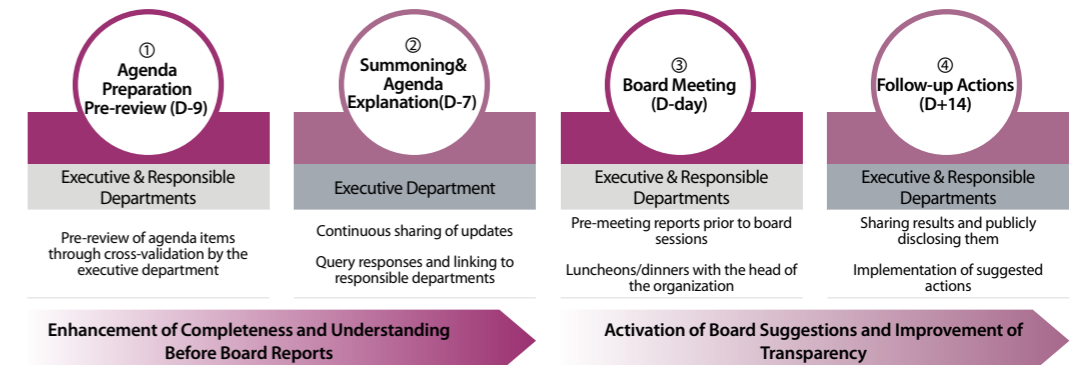
[Regularization of Board Operations]



Systematization of board of directors' operations

In order to enhance active management participation and strengthen the role of the Board of Directors, KOBC has established a systematic board operation process. Detailed procedures were created for every step, from the proposal of agenda items to feedback after the board meeting, and these steps are strictly followed. We conduct cross-validation between the executive and responsible departments to pre-review board agenda items and set up a stage for explanation of the agenda. Regular board meetings are held with the participation of both the executive and responsible departments, and board meeting results are disclosed with 100% implementation of management suggestions.

[Systematization of Board Operation Process]



Responsible Board of Directors Operation

Responsible Board of Directors Operation

Enhancing Board of Directors Transparency

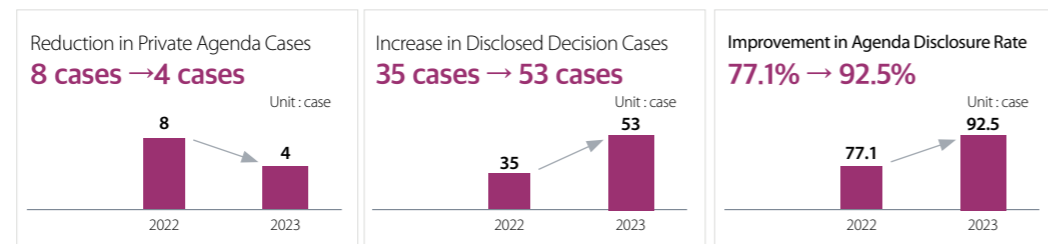
KOBC has made efforts to improve the transparency of its board of directors in response to the increasing emphasis on decision-making transparency in both internal and external environments. We have set a target for the confidentiality rate of board agenda items, enhancing the disclosure rate of board resolutions. Additionally, the activities of non-executive directors and the status of the ESG Steering Committee were disclosed, expanding the scope of corporate disclosures. As a result of these efforts, we achieved a perfect score in its 2023 management disclosure related to the board.

Improvement in board agenda disclosure rate

KOBC has set a specific target to maintain a non-disclosure rate of less than 10% for board resolutions, aiming to ensure transparency in management. After each board meeting, the general and responsible departments consult to determine whether an agenda item should be disclosed, based on justifiable grounds. Through this improved process, the board agenda disclosure rate increased from 77.1% in 2022 to 92.5% in 2023.

Achievement of Zero Penalty
in Board-Related Management Disclosure

[Initiatives]



Expansion of management disclosure items

KOBC has significantly expanded its management disclosure items and implemented timely disclosures to enhance corporate transparency. The scope of disclosures now includes the activities of individual non-standing directors and the status of the ESG Operations Committee. Additionally, we strengthened education and organized annual training programs to ensure compliance with proper disclosure content and deadlines.

Background

Request for enhanced transparency in board operations

Activities

Expansion of management disclosure items (activities of individual non-executive directors, status of the ESG Operating Committee) ⇒ Strengthening annual learning organizations and training to ensure compliance with appropriate disclosure content and deadlines

Key Achievements

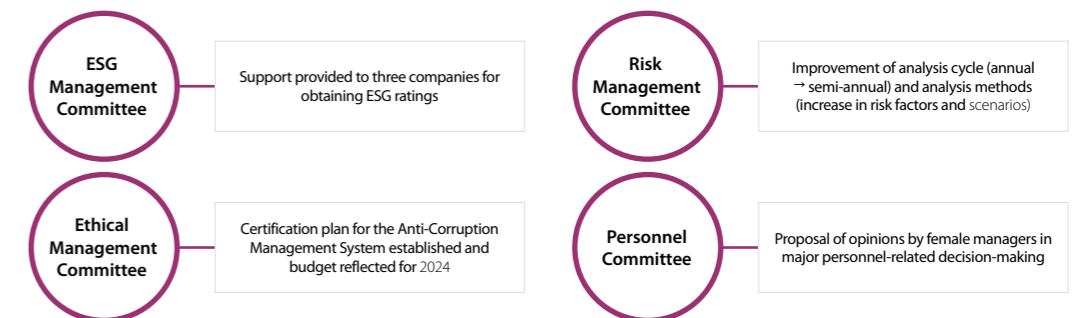
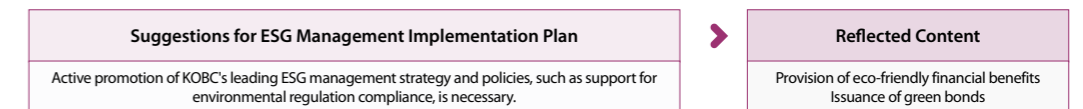
No penalties for management disclosures related to the board in 2023

Enhancing Board Expertise

KOBC is striving to enhance the expertise of its board of directors to secure a comprehensive perspective necessary for effective management. In particular, the role of non-executive directors with specialized expertise has been strengthened to encourage active management participation. Additionally, the appointment of new executives with expertise and the activation of management suggestions have further reinforced the board's professionalism. Moving forward, we will continue to build an innovative governance structure based on the expertise of its board.

Strengthening the role of non-executive directors

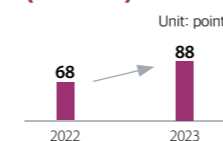
KOBC incorporates high-quality suggestions from non-executive directors with specialized expertise into its organizational operations to create management outcomes. Through management suggestions, the special support program for small to medium shipping companies was improved, expanding its scope in terms of amounts, targets, and methods. Furthermore, through its ESG management plan, we have promoted initiatives such as offering eco-friendly financial benefits and issuing green bonds. In addition, the participation of non-executive directors in management has been expanded in various subcommittees, including the ESG Management Committee, Risk Management Committee, Ethical Management Committee, and Personnel Committee.



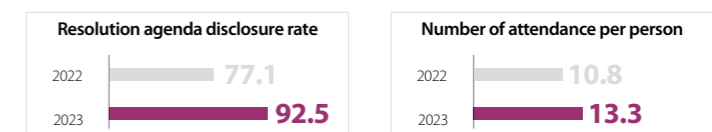
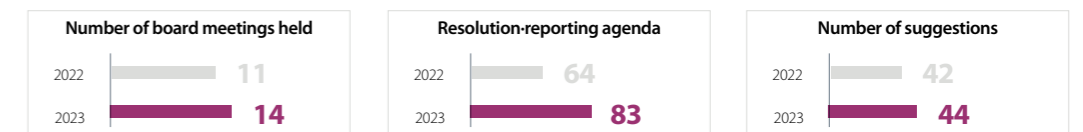
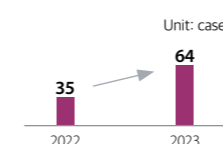
Diversification of board composition

KOBC is diversifying its board composition to secure a comprehensive perspective in decision-making bodies and strengthen its expertise. We have set three goals: converting non-executive auditors to full-time auditors, selecting candidates with expertise, and meeting gender equality objectives. By diversifying the board composition, we have enhanced its professionalism. As a result, the board activation index, related to the number of board meetings, agenda items, and suggestions, increased by 20 points compared to the previous year. Moving forward, we will continue to strive for innovative management through the formation of an executive team with expertise and responsibility.

Board Activation Index **Increased by 20 points (29.4%)**



Number of Action Requests Based on Audit Findings **Increased by 82.86%**



Transparent Ethical Management

Transparent Ethical Management

Sustaining a High Rank in Overall Integrity
Two Consecutive Years
 2nd out of 7 institutions (2022)
 3rd out of 12 institutions (2023)

Compliance and Ethical Management System

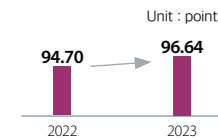
KOBC is committed to becoming an exemplary institution characterized by integrity and transparency. We have established an ethical management strategy to solidify our foundation and have advanced its internal accounting management system to prevent corruption. Additionally, to fulfill our duties as a public institution, we have implemented a conflict of interest prevention system and spread a culture of integrity and ethics among employees through various programs and training. Moving forward, we will continue to strengthen and improve our advanced ethical management system to thoroughly prevent corruption and malpractice, ensuring transparent ethical management as a leader in maritime finance.

Ethical management implementation strategy

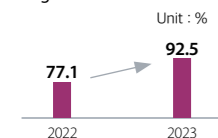


- Vision
- Slogan
- Implementation Directions
- Key Initiatives

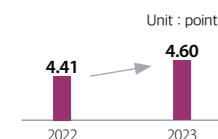
Overall Integrity Score
Increased by 1.94 Points



Score Increase in the Category of "Violation of Integrity Obligations within the Organization"



Internal Control Self-Assessment and Design Evaluation
Score Increased



Establishing an ethical management foundation

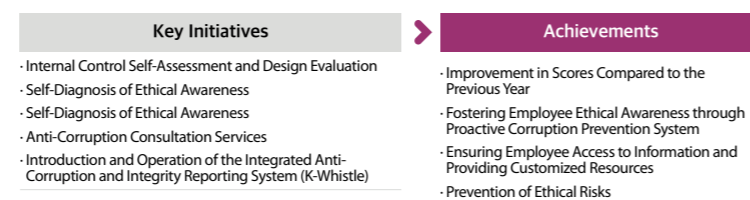
KOBC is dedicated to establishing a transparent and sustainable ethical management system. We have proactively revised our ethical management systems, setting clear disciplinary standards and expanding the operation of our dedicated bodies, the Ethics Management Committee and the Ethics Management Task Force. We also revised our disciplinary actions for major offenses such as drunk driving, sexual harassment, and financial misconduct to align with public servant-level standards, while updating personnel regulations to include provisions on dealing with power harassment.



Building an ethics management cooperation system

KOBC has established an ethics management cooperation system with the private sector. The organization co-hosted a memorandum of understanding (MOU) with Transparency Korea, fostering mutual exchanges and cooperation on anti-corruption and integrity activities. To enhance integrity, KOBC has improved information exchange and regulatory systems. Additionally, KOBC ensures accessibility to ethics management laws and manuals for employees by operating ongoing consultation channels with officials responsible for anti-corruption regulations and maintaining an internal website and bulletin boards.

[Achievements in Strengthening the Ethics Management System]

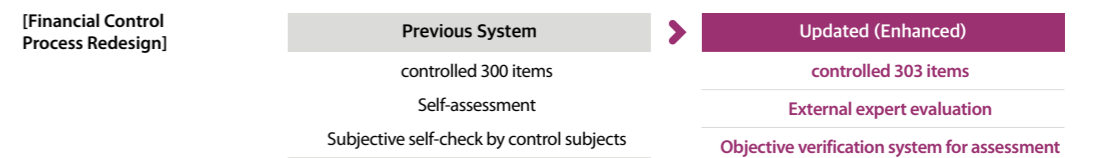


Ensuring financial soundness

KOBC is committed to ensuring the reliability and transparency of its accounting management as a financial institution. Specifically, we have enhanced our internal accounting management system and financial reporting processes to ensure professionalism and objectivity. Additionally, we have strengthened our internal control system to minimize ethical risks that could arise in practical processes. Moving forward, we will continue to fulfill our responsibilities as a financial institution by further strengthening our accounting management system and internal control system with reliability and transparency.

Enhancement of internal accounting management system

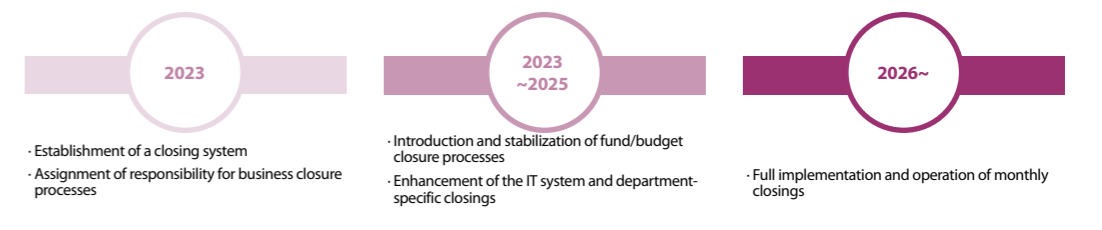
To enhance the internal accounting management system, KOBC has redesigned and evaluated existing systems and re-structured its financial control processes. Furthermore, we have established a foundation for improved internal accounting management operations by developing operational guidelines and enacting relevant regulations. Additionally, internal accounting management system training has been provided to accounting staff across departments to ensure effective implementation.



Enhancement of the closing process

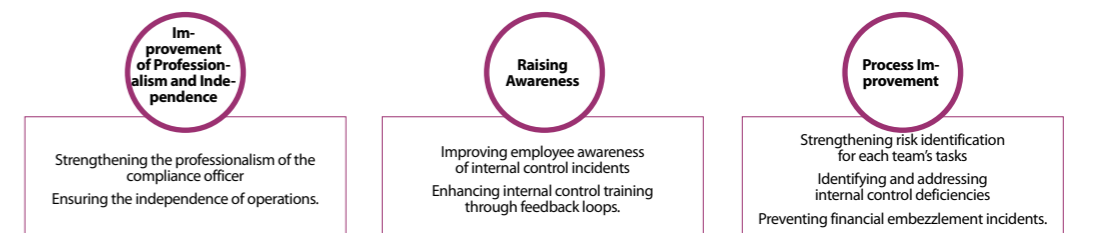
KOBC has established a long-term roadmap for improving the monthly closing process, aiming for a gradual enhancement. By utilizing the Araon System, the nation's first Maritime PF (Project Financing) business system, we have improved our closing system, clarified roles within each unit, and set responsibilities for business closures. As a result, we achieved zero major issues in the 2023 year-end audit.

[Long-Term Roadmap for Monthly Closing Improvement]



Strengthening internal controls

KOBC is minimizing ethical risks in operational processes by reinforcing internal controls. We have amended our personnel regulations to enhance the independence and professionalism of the compliance officer, and have strengthened qualification requirements. Additionally, internal control awareness has been heightened through practical case-based training. Furthermore, by identifying and improving risks and deficiencies in the internal control processes of each team, we have improved our internal control systems.



Major Issues in 2023 Year-End Audit
Zero

Reduction of Closing Period through the Use of Accounting Closing System

Transparent Ethical Management

Transparent Ethical Management

Conflict of Interest Prevention

KOBC ensures that all employees comply with the Conflict of Interest Prevention Act and operate under a system that allows them to pursue public interests as public officials. Through a mid- to long-term roadmap, we have promoted the activation of the Conflict of Interest Prevention System, establishing clear criteria for the restriction of stock ownership, which has significantly reduced violations. In addition, we have focused on intensive education and promotion on conflict of interest prevention, enhancing the ethical awareness of our employees. Going forward, we will continue to strengthen the Conflict of Interest Prevention System and strive to promote a culture of integrity and ethical management.

Establishment of the conflict of interest prevention system

KOBC is establishing a management system to integrate the Conflict of Interest Prevention Act within the organization, aiming to cultivate the norms and values required for ethical behavior as public officials. We have developed a mid- to long-term roadmap to implement the Conflict of Interest Prevention System in three phases: introduction, establishment, and maturity. In addition, specific monitoring methods have been put in place to prevent conflict of interest risks, including self-assessments, a continuous consultation hotline, a reporting center, and inspections by the Conflict of Interest Prevention Officer. Through the establishment of the Conflict of Interest Prevention System, We are committed to institutionalizing conflict of interest prevention, ensuring fair performance of duties by preventing conflicts of interest, and aiming to achieve zero recruitment corruption and contract incidents caused by conflicts of interest.

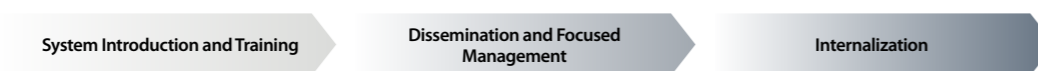
	Introduction Phase (2021–2022)	Establishment Phase (2023)	Maturity Phase (2024–2025)
mid- to long-term roadmap	<ul style="list-style-type: none"> Establishment and Revision of Internal Standards Efforts to Build -wide Consensus 	<ul style="list-style-type: none"> Institutionalization and Activation of Conduct Standards Internalization through Education and Promotion 	<ul style="list-style-type: none"> Enhancement of the Compliance System for Mandatory Conduct Standards Refinement of Preventive Measures and Monitoring
Monitoring	Self-Assessment, Continuous Consultation Hotline, Reporting Center, Inspection and Verification by the Conflict of Interest Prevention Officer		

Establishment of criteria for restricted stock ownership

KOBC has established clear criteria for restricted stock ownership and conducted biannual checks on whether such stocks are traded or held. A "Confirmation of Trading and Holding of Restricted Stocks" has been collected from all employees, and during the 2023 inspection period, all employees have completed the disposal of restricted stocks. Furthermore, we plan to collect an "Employee Stock Trading Restriction Pledge" from new hires. Going forward, we will continue to establish clear criteria for restricted stock ownership and work towards achieving zero violations of restricted stock trading, as well as a 100% collection rate of pledge forms.

Internalization of conflict of interest prevention awareness

KOBC is internalizing the awareness of Conflict of Interest Prevention among employees through education and promotion. To strategically internalize this, we have established a three-phase process consisting of "System Introduction and Training," "Dissemination and Focused Management," and "Internalization." First, we distribute relevant materials and provide training to help employees understand, and then focus on managing areas where conflicts of interest are likely to arise, such as contracts and recruitment. Finally, internalization of conflict of interest prevention awareness was promoted through activities such as integrity quizzes and consultations.



Violation of Conflict of Interest
ZERO
(No Recruitment Corruption, Contract Incidents, or Employees Holding Restricted Stocks)

Maintaining Fair Recruitment Excellence Certification
4 consecutive years

Expansion of Compliance and Ethical Management Culture

KOBC is promoting the spread of the values of compliance and ethics, alongside enhancing the -wide awareness of anti-corruption and integrity culture, through the introduction of various educational policies. We have driven the internal and external expansion and internalization of integrity culture through employee participation programs. In addition, we have focused on strengthening the effectiveness of compliance and ethical management education by offering tailored ethics training. Moving forward, we will continue to lead the integrity culture as a trusted maritime finance institution.

Employee participation program

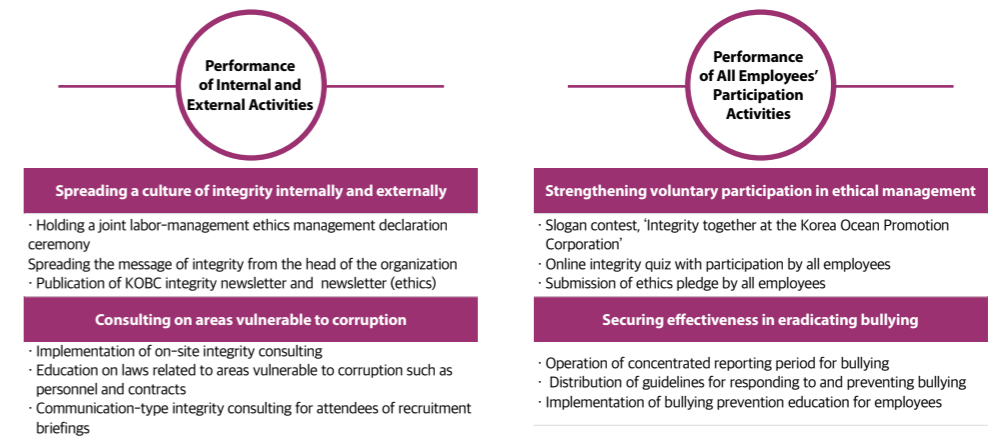
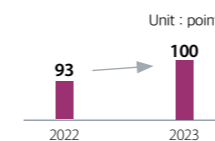
KOBC is promoting the spread of integrity culture through the operation of employee participation programs. To expand the integrity culture internally and externally, we hosted the Labor-Management Joint Ethical Management Declaration Ceremony, published integrity newsletters and bulletins, and conducted consulting in corruption-prone areas. Additionally, we expanded employee participation through the ethics management slogan contest, integrity quizzes, and submission of employee ethics pledge forms. We also ensured the effectiveness of eliminating abusive practices by conducting a focused reporting period on such behaviors and distributing guidelines.

Labor-Management Joint Ethical Management Declaration Ceremony



Anti-Corruption Training Points by the Anti-Corruption and Civil Rights Commission (ACRC)

Achieved 100%



Customized ethics training

KOBC is working to strengthen the effectiveness of compliance and ethical management training through Customized Training. We ensured that all employees are familiar with anti-corruption laws and codes of conduct by diversifying communication channels. We also provided customized training tailored to employees' roles and responsibilities, considering factors such as career stage, corruption-prone areas, and department. Additionally, compliance training was provided to compliance officers, focusing on practical internal control cases. As a result, we achieved a 100% score in the Anti-Corruption Education Program of the Anti-Corruption and Civil Rights Commission and ranked 3rd in the Ministry of Oceans and Fisheries' Integrity Index.

Category	Training Content
Common (All Employees)	Anti-Corruption Laws and Codes of Conduct through Diversification of Communication Channels, including Online Platforms
By Life Cycle	Acquisition of Customized Integrity and Ethical Awareness Based on Job Levels and Promotion Status
Corruption-Prone Areas	Interactive Integrity Consulting for Participants of Public Recruitment Briefings and Communication of Key Considerations in Corruption-Prone Areas (Contracts), along with Listening to Concerns
By Department	Dissemination of Anti-Corruption Cases and Amendments to the Improper Solicitation and Gift Act (ISGA) by Department
Compliance Training	Enhancement of Employee Awareness on Internal Controls through Practical Internal Control Case Studies and Checklist Training for Compliance Officers

Integrated Risk Management

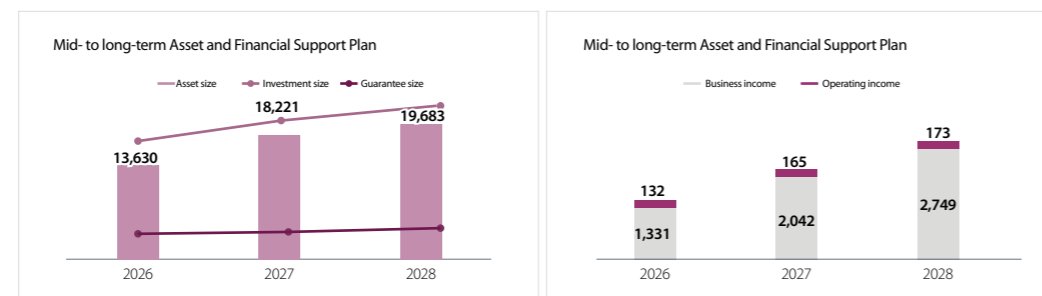
Integrated Risk Management

Financial Risk Management

KOBC manages financial risks systematically by securing financial stability and soundness. The organization has established a long-term financial management plan to strategically manage debt ratio and adequate cash reserves. By implementing a fund operation council and a reporting system for fund status, we have enhanced the efficiency of fund management. Furthermore, we improved its financial structure through systematic liquidity management and maintaining equity investments, while securing financial soundness by diversifying foreign currency financing.

Establishment of a mid- to long-term financial management plan

KOBC has established a long-term financial plan to promote the stability and soundness of its financial structure. By strategically managing adequate cash reserves and debt ratio, the organization has set the financial support plan for 2028 at 1.7 times the current amount. Additionally, by establishing a system for continuous monitoring and response to financial status, reassessing and evaluating business plans, and providing feedback, we have built a stable and sound financial structure.

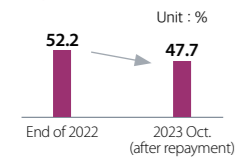


Improvement of fund management efficiency

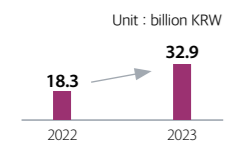
KOBC is reducing costs and improving profitability through efficient fund management. By conducting pre-assessments of financial institutions exposed to credit risk and expanding the operation of long-term financial products, we have secured both profitability and stability. Furthermore, internal controls have been strengthened through internal regulations related to financial operations and the establishment of a fund management committee. Additionally, a continuous cash management system is implemented, with regular updates on business expenditure performance and plans, and a weekly fund status reporting system is set up.

Debt Ratio Improvement through Bond Repayment

Improved by 4.5%p

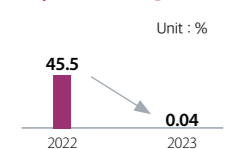


Fund Management Income Achieved Billion KRW 32.9



Low-Return Account Fund Management

Decreased by 45.4%p



Financial structure improvement

KOBC systematically manages liquidity and improves its financial structure through capital attraction. By benchmarking relevant organizations, we assessed our internal situation and calculated the appropriate retained liquidity in connection with the annual business scale and asset composition. This approach has enhanced our ability to respond proactively to sudden capital outflows, such as guarantee accidents and uncollected investment funds, and improved the efficiency of fund management. As a result, the investment amount increased from 79 billion won in 2022 to 288.1 billion won, and the shipping participation rate rose 12.2%p year-on-year to 89.8%.

Diversification of foreign currency procurement

KOBC has strengthened its ability to respond to funding needs by diversifying foreign currency procurement channels. We have obtained an international credit rating equivalent to the national rating and is actively conducting investor relations (IR). Additionally, a dedicated task force (TF) for foreign currency bond issuance has been established to proactively secure foreign currency. Furthermore, we increased our foreign currency credit limit to enhance its capacity to respond to fluctuating funding needs. As a result of these efforts, we successfully issued USD 300 million in foreign currency bonds and received the Grand Prize at the Ministry of Oceans and Fisheries' Innovation Excellence Awards in the second half of 2023.

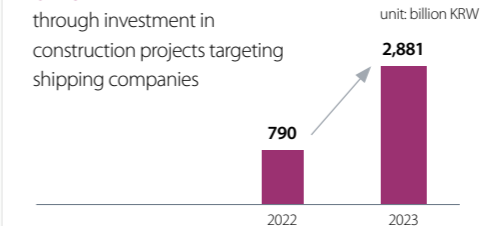
Improvements in 2022

- Relied on borrowing limits from other banks for foreign currency needs
- Difficulties in responding to large-scale investment demands
- Lack of interest rate competitiveness.

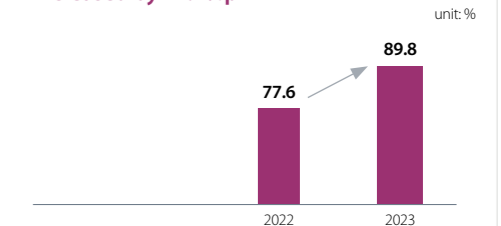
Response Strategy in 2023

- Issuance of Global Foreign Currency Bonds
- Proactive Foreign Currency Acquisition
- Improvement of Funding Cost Competitiveness
- Securing Short-Term Foreign Currency Liquidity through Increased Borrowing Limits

Capital increase of 288.1 billion KRW



Shipping participation rate increased by 12.2%p



Integrated Risk Management

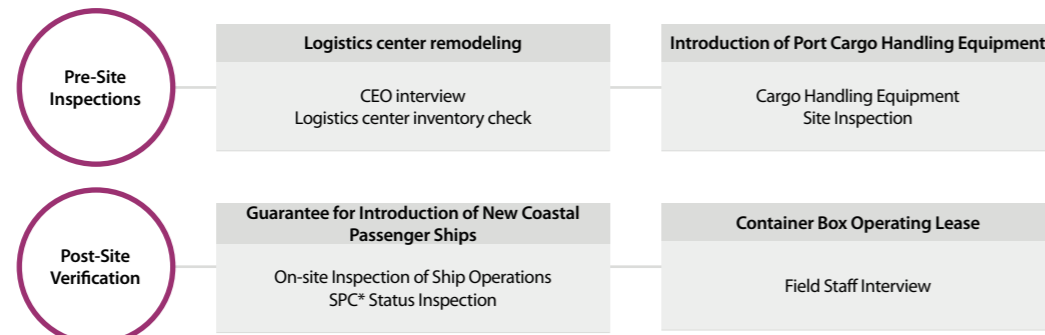
Stakeholder Engagement

Business Operation Risk Management

KOBC supports Business Operation Risk Management to prevent various risks that arise in the operations of shipping companies. We have established evaluation criteria for each operational business to assess feasibility, while expanding support for the port, logistics industries, and small shipping companies through rational budget allocation and achieving efficient cost management through internal budget savings. Furthermore, to respond promptly to various environmental changes and issues facing the shipping industry and maintain competitiveness, we have established a collaborative cooperation system.

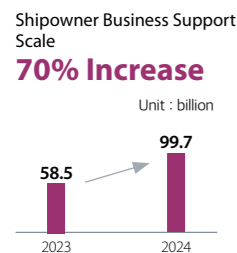
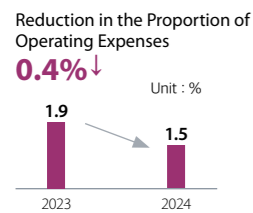
Enhancement of feasibility in business evaluation

KOBC has strengthened its business assessment and evaluation system to ensure business feasibility. During the pre-site inspections and post-site verification processes, we review the financial and operational risks of the businesses. We have established specific evaluation criteria for each business, considering its unique characteristics, to enhance its risk management capabilities. Additionally, we have formulated a strategy for bonds and overseas investments in line with the expansion of port and logistics finance, developed decision-making criteria for the new Green Bonds project, and improved the evaluation criteria for shipowner businesses.



*SPC (Special Purpose): A system in which each ship has a separate owner to prevent damage to investors in other ships, shippers, and banks that have loaned money to other ships in the event of a shipping going bankrupt in the event of an accident. It refers to a special purpose.

Number of Financial Mismanagement and Corporate Card Fraud Incidents
Maintained Zero Instances



Enhancement of the business budget management system

KOBC has minimized business risks by implementing a systematic budget estimation and review process to promote the budget in a rational and efficient manner. The budget estimation was strengthened, and after in-depth budget discussions, approval was obtained from the Ministry of Oceans and Fisheries. In addition, the budget was streamlined in conjunction with the Araron system, and the budget management system was enhanced. These efforts have helped maintain a zero incidence of financial accidents.

Response to changes in business environment

KOBC supports domestic shipping companies to appropriately respond to environmental changes and risks arising during the business promotion process. In response to the downturn in the container market and the high-interest financial burden, we monitored the demand for general container boxes and provided financial support of KRW 12.5 billion for container boxes. Additionally, considering the rise in vessel prices and the financial cost burden on shipping companies, we expanded our shipowner support projects through a joint procurement project network.

Strengthening Stakeholder Communication

KOBC strengthens communication with stakeholders to incorporate their feedback into decision-making. In response to evolving environmental changes, we have redefined our vision, core values, and management goals, sharing them with stakeholders. This ongoing dialogue has allowed us to actively integrate public and stakeholder perspectives into our management, contributing to the growth of our operations. Moving forward, we will continue to listen to stakeholder voices and uphold our responsibilities as a public corporation.

Sharing the vision with stakeholder

KOBC has established and implemented strategies linked to its vision, core values, and management objectives, reflecting both internal and external environmental changes. By diagnosing the existing value system, we have redefined our mission and vision. New core values — Innovation Growth, Win-Win Cooperation, Future Leadership, and Sustainability — were derived and shared with stakeholders through various communication channels.

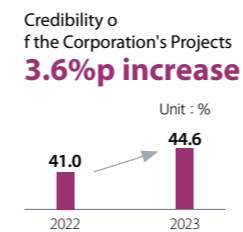
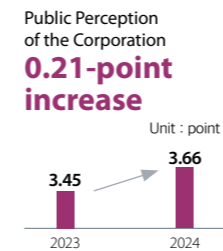
[New Core Values]

Core Value 1: Innovative Growth	Core Value 2: Win-Win Cooperation
<ul style="list-style-type: none"> Maritime Finance Supply Increased by 49% Compared to the Previous Year Expansion of Business Scope through Amendments to the Korea Ocean Business Corporation Act First-ever Issuance of Foreign Currency Bonds by the Corporation 	<ul style="list-style-type: none"> Analysis of National Vessel Carbon Emissions and Establishment of Database Establishment and Commencement of Crisis Response Fund Operations Expansion of Excellent Shipowner Certification Program
Core Value 3: Leading the Future	Core Value 4: Sustainability
<ul style="list-style-type: none"> Commencement of On-Site Training for Shipping Market Analysis Methodology Expansion of Long-Term Contracts Utilizing KOBC Freight Index Commencement of Digital Level Assessment for the Shipping Industry 	<ul style="list-style-type: none"> Commencement of ESG Rating Acquisition Consulting for National Shipping Companies Management of Operational Efficiency in Maritime Finance Business Savings of KRW 1.6 Billion in Operating Expenses through Management Efficiency

Stakeholder communication performance feedback

KOBC is committed to ensuring that stakeholder and public participation as well as communication, are effectively reflected in the institution's operations. We actively gather ideas, suggestions, and feedback through communication channels such as the Idea Contest, Management Innovation Advisory Committee, RM (Relationship Management) for individual companies, and various departments. These contributions are incorporated into our communication strategies, business operations, and management directions to further enhance and develop our projects.

Type	Primary Channels	Role	Direction for Reflection
General Public	Innovative Public Idea Contest	Idea Generation from Students in Maritime Finance & Shipping Information Sector and Professionals in Related Industries	Securing Public Engagement and Ideas through Internal Employee Mentoring on the Ground
Related Industries	Management Innovation Advisory Committee	Suggestions from Expert Groups in Related Industries on the Corporation's Operational Areas	Expanding the Role in ESG (Environmental, Social, and Governance) Management
Shipping Companies	-Specific RM (Relationship Management),	Initiating New Projects Based on Identifying Shipping Companies' Needs and Other Relevant Industry Stakeholders	Financial Support for Struggling Shipping Companies and Addressing Gaps in the Financial Support System



Stakeholder Engagement

Korea Ocean Business Corporation - Korea Technology Finance Corporation Youth Board Exchange Event



Expansion of Public Information Disclosure

KOBC expands the sharing and opening of public data we hold to provide more comprehensive information to the public. We have strengthened internal and external cooperation to enhance the accuracy of management disclosures, and improved the information disclosure service to uphold the public's right to know. Moving forward, we will continue to expand its information disclosure channels to ensure that the public can easily access the information they need at any time.

Enhancing the accuracy of management disclosures

KOBC has been strengthening internal and external collaborations to enhance the accuracy of its management disclosures. As part of its external exchange activities, we have continuously collected areas for improvement and actively participated in the common platform on Alio and the Ministry of Economy and Finance's voluntary ESG disclosure items. Additionally, through its Youth Board Exchange Program, we have facilitated work exchanges with other public institutions and shared best practices. In order to expand internal information disclosure, we have reduced the rate of non-disclosure of board agenda items. As a result, we have recognized as the only outstanding institution in management disclosure improvement among the affiliated agencies of the Ministry of Oceans and Fisheries.



Improvement of information disclosure service

KOBC makes efforts to improve information disclosure and respond promptly to public information requests through enhancements to its website. By introducing a viewer program on the website, we significantly improved the usability and convenience of content for the public. Additionally, the website is updated more than four times a month, ensuring continuous addition of new information. Particularly, to ensure swift responses to information disclosure requests, we provided staff training and proactively reviewed and updated the criteria for non-disclosure information. As a result, 289 criteria were refined, strictly defining non-disclosure information and enhancing the public's right to know.

Website Public Satisfaction Survey
86% "Satisfied"

Legal Processing Deadline (10 days)
100% Compliance

Legal Deadline Compliance Since the Introduction of the Information Disclosure System
4 years of consecutive compliance

Stakeholder Engagement

Public Data Sharing and Opening

KOBC expands the sharing and opening of public data to strengthen communication with stakeholders in the shipping industry. By upgrading the our Freight Index, we have redefined the benchmark for the shipping market and contributed to the stable revenue generation of domestic shipping companies. In addition, we have systematically managed the Ship-owner DB by consolidating various data from shipping companies, improving the efficiency of related operations and ensuring accuracy and objectivity in the data. Moving forward, we will further enhance the data collection and development process and expand data openness to lead the advancement of South Korea's shipping industry.

Enhancement of the KOBC freight index

KOBC has expanded its database by collecting various source data to enhance the KOBC Freight Index, while increasing exposure through media, related organizations, and offline events to diversify our utilization. As a result, the number of long-term shipping contracts based on the freight index has increased, significantly boosting the revenue and profits of shipping companies.

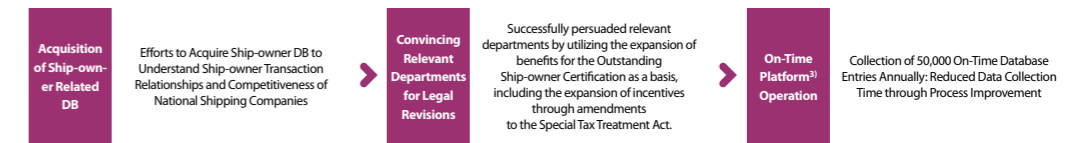
[Diversification of KOBC freight index exposure and utilization]



Establishment of ship-owner platform foundation

KOBC has systematically managed the Ship-owner Database (DB) based on the Ship-owner Platform. In order to understand ship-owner trading relationships and the competitiveness of national shipping companies, we established the Ship-owner DB, gathering information and cargo volume data from 5 national shipping companies and 100 shipper companies. Furthermore, we built a punctuality database with approximately 50,000 records annually, utilizing it to improve the data collection process.

[Process of Building the Ship-owner Platform]



Korea Digital Management Innovation Awards

Digital Leader Award



2023 10th Maritime and Fisheries Information Service & Business Idea Competition
Grand Prize

Appendix

Management & Approach

KOBC aims to disclose the 's sustainable management performance and development trends through quantitative performance and financial data for the three years (2021/2022/2023) on environment, society, and governance.

KOBC has described the report content and pages that are in line with the UN Global Compact 10 Principles, UN Sustainable Development Goals (UN-SDGs), GRI (Global Reporting Initiative) Standards, which are international common goals for social responsibility.

Furthermore, by disclosing climate-related financial information according to the TCFD (Task Force on Climate-related Financial Disclosures) standards for the first time and utilizing K-ESG indicators, we have expanded ESG disclosure items compared to the existing ones and advanced our response to climate change. In the future, we will continue to practice active sustainable management through data management based on trust and transparency and gradual expansion of ESG disclosure items.



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**CERTIFICATIONS, AWARDS,
AND MEMBERSHIPS**



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**THIRD PARTY
ASSURANCE STATEMENT**

Fact Book

Fact Book

Environmental Performance

Category	Unit	2021	2022	2023	
Greenhouse Gas Reduction Performance					
Baseline Emissions	tCO2eq	7.97	7.97	6.80	
Scope 1+Scope 2 Emissions	tCO2eq	3.15	4.76	0.87	
Reduction rate compared to standard emissions	%	60.48	40.28	87.21	
** Greenhouse gas emissions and energy usage are reflected based on the National Greenhouse Gas Management System (NGMS), and the detailed calculation scope is as follows - Greenhouse gas emissions: Busan headquarters (Scope 2 emissions from leased buildings will be excluded from 2021 due to changes in the aggregation criteria) - Energy usage: Busan headquarters - As a result of the NGMS verification, it was difficult to measure energy usage separately at the Busan headquarters, so energy usage will be excluded from aggregation from 2022. ***Greenhouse gas reduction performance is based on 2018, the year of establishment of the corporation.					
Current Status of Low-Emission Vehicles					
Low-emission vehicles	Type 1	unit	0	3	5
	Type 2	unit	3	0	0
	Type 3	unit	0	0	0
General vehicles	unit	2	1	0	
Excluded vehicles	unit	0	0	0	
Total	unit	5	4	5	
Green product purchase performance					
Green product purchase implementation plan (A)	million KRW	43	50	66	
Green purchase amount	million KRW	108	66	134	
Green purchase ratio	%	251	132	68	
Environmental compliance					
Environmental law violation status	case	0	0	0	

Social Performance

Category	Unit	2021	2022	2023			
Number of employees							
Executive	CEO	Standing Quota	person	1	1	1	
		Standing Current	person	1	1	1	
	Director	Non-Standing	person	0	0	0	
		Standing Quota	person	1	1	1	
	Director	Standing Current	person	1	1	1	
		Non-Standing	person	4	4	4	
	Auditor	Standing Quota	person	0	0	1	
		Standing Current	person	0	0	1	
	Auditor	Non-Standing	person	1	1	0	
		Standing Directors Quota	person	2	2	3	
Full-time	General regular	Quota (Separate Quota)	person	162	167	162	
		Current	person	0	0	1	
	Indefinite contract	Quota	person	146	161	152	
		Current	person	5	5	5	
Total number of employees			person	5	4	4	
			person	169	174	170	
Female employees	Total		person	30	39	40	
	Executive		person	1	0	1	
	Full-time		person	29	39	39	
Non-regular	Temporary	Full-time	person	5	6	12	
New Recruitment Status							
Standing Executive				person	1	1	1
Regular Employee	All		person	12	19	4	
	Youth		person	10	18	3	
	Female		person	5	10	3	
	Disabled		person	2	1	0	
	Non-metropolitan Area		person	10	18	2	
Experiential Youth Intern	All		person	13	10	18	
	Female		person	9	9	8	
	Disabled		person	0	0	3	
Work status							
Number of regular employees	Total		person	139.25	149.33	149.75	
	Male		person	116	119.17	115.83	
	Female		person	23.25	30.17	33.92	
Average length of service	Total		month	36	44	55	
	Male		month	38	48	60	
	Female		month	28	31	39	

Fact Book

Social Performance

Category	Unit	2021	2022	2023		
Employment status of disabled people						
Number of regular workers	person	158	177	176		
Number of disabled employees	person	4	5	10		
Number of disabled persons required to be employed	person	5	6	6		
Employment rate of disabled persons	%	2.53	2.82	5.68		
Number of job changers						
Ratio of job changers	Male	%	2.5	5.6		
	Female	%	3.7	2.6		
Current Status of Flexible Working Hours						
Flexible work system	Flexible working hours	Male	person	31	34	47
		Female	person	9	8	16
	Selective working hours	Male	person	63	67	57
		Female	person	12	26	33
	Total	person	115	135	153	
Remote work system	Work from home	Male	person	109	106	0
		Female	person	32	29	0
Number of users of shortened work hours during pregnancy/childcare period	Pregnancy	person	3	2	1	
	Childcare	person	32	38	40	
	Total	person	35	40	41	
Current status of work/family balance support system						
Number of people using childcare leave	Male	Number of users	person	3	11	14
		Usage rate	%	27.3	52.4	60.9
	Female	Number of users	person	8	10	9
		Usage rate	%	72.7	47.6	39.1
	Total	person	11	21	23	
Number of people using maternity leave	person	4	2	1		
Number of people using spouse childcare leave	person	8	5	6		
Number of people using family care leave	남성	person	45	54	52	
		여성	person	4	6	6
	Total	person	49	60	58	
Number of people using family care leave	Total	person	0	1	1	
Labor union membership status						
Total number of workers (number of employees)	person	133	150	163		
Number of people who are members of a labor union (applied to collective agreement)	person	123	139	135		
Ratio of members of a labor union (applied to collective agreement)	%	92%	93%	83%		
Implementation of labor-management council	time	4	4	4		
Status of social contribution activities						
Number of employee volunteer activities	time	2	4	5		
Amount of social contribution donations	KRW	207,652,000	477,600,000	547,858,360		

Fact Book

Social Performance

Category	Unit	2021	2022	2023		
Employee safety and health						
Industrial accident rate	%	0	0	0		
Number of work-related injuries	person	0	0	0		
Number of work-related deaths	person	0	0	0		
Average salary of employees						
Average salary per person	General regular employees	Total	Thousand KRW	78,767	80,028	83,882
		Male	Thousand KRW	82,219	84,795	89,505
	Indefinite contract employees	Female	Thousand KRW	61,520	61,182	64,660
		Total	Thousand KRW	41,075	45,429	47,299
	Male	Thousand KRW	45,573	53,072	49,637	
		Female	Thousand KRW	37,798	40,837	45,339
Retirement Pension System						
Retirement Pension Management Amount (DB)	Million KRW	3,724	5,227	5,836		
Retirement Pension Management Amount (DC)	Million KRW	88	97	247		
Retirement Pension Management Amount Total	Million KRW	3,812	5,324	5,836		
Number of Subscribers (DB)	person	143	152	171		
Number of Subscribers (DC)	person	2	2	10		
Total Number of Subscribers	person	145	154	181		
Average education credits per employee						
Number of education completion targets (Education completion targets are measured as employees of grade 3 or lower)	person	120	120	120		
Customer satisfaction survey						
Customer satisfaction survey	level	c	c	c		
Purchase performance						
SME product purchase performance	Total purchase amount	Million KRW	7,197	8,154	19,868	
	SME product purchase amount	Million KRW	5,713	4,261	12,121	
Severely disabled person product purchase performance	Total purchase amount	Million KRW	7,175	8,057	19,769	
	Severely disabled person product purchase performance	Million KRW	151	109	231	
Spending on local suppliers						
Spending on local suppliers	Total purchases	million KRW	7,197	8,154	19,868	
	Small and medium-sized enterprises	million KRW	5,713	4,261	12,121	
	Technology development	million KRW	305	664	264	
	Women's enterprises	million KRW	346	790	966	
	Social enterprises	million KRW	308	253	567	
	Severely disabled people	million KRW	151	109	231	
	Self-reliance Warrior Village	million KRW	0	0	0	
Personal Information Protection						
Results of Personal Information Management Level Diagnosis	level	Good	S	B		

(1) Among the indicators for diagnosing the level of personal information management, there is an indicator regarding whether the results of measures are being taken for requests for personal information viewing, correction/deletion, processing suspension, etc., but KOBC has no record of receiving complaints.

(2) The diagnosis of the level of personal information management is conducted annually by the Personal Information Protection Commission under the Prime Minister's Office. The diagnostic indicators are divided into quantitative indicators and qualitative indicators, and the scores calculated based on a total of 61 indicators as of 22 are divided into 5 grades and grades are calculated. *S (90 points or more), A (80~90 points), B (70~80 points), C (60~70 points), D (less than 60 points)

Governance and Economic Performance

Category	Unit	2021	2022	2023
Financial Statements				
Assets				
I. Current assets	KRW			
1. Cash and deposits	KRW	866,130,253,776	935,037,892,943	945,978,862,868
II. Financial assets	KRW	9,814,240,297,139	7,411,238,949,680	6,027,373,714,242
1. Financial assets measured at fair value through profit or loss	KRW	7,299,497,510,586	5,339,706,769,508	3,646,648,701,966
2. Financial assets measured at fair value through other comprehensive income	KRW	1,421,013,118,493	1,401,732,277,995	1,398,904,900,563
3. Financial assets measured at amortized cost	KRW	1,070,689,397,047	652,429,566,980	969,460,595,300
4. Financial guarantee assets	KRW	23,040,271,013	17,370,335,197	12,359,516,413
III. Investments in subsidiaries and associates	KRW	3,773,525,198,998	2,807,528,257,918	4,769,821,566,093
1. Investments in subsidiaries	KRW	467,673,135,443	365,593,467,227	473,712,706,839
2. Investments in associates	KRW	3,305,852,063,555	2,441,934,790,691	4,296,108,859,254
IV. Investment property	KRW	7,923,361,629	7,715,093,606	7,506,823,703
V. Tangible assets	KRW	6,380,393,729	5,000,346,250	7,910,987,112
VI. Intangible assets	KRW	3,191,211,687	7,182,936,909	7,425,593,822
VII. Other assets	KRW	20,434,754,590	42,347,698,183	47,059,922,460
1. Net defined benefit assets	KRW	124,510,213	1,185,743,284	617,410,619
2. Other receivables	KRW	20,117,003,413	39,071,505,973	45,841,832,205
3. Other assets	KRW	193,240,964	21,566,444	600,679,636
4. Subrogated receivables	KRW	-	2,068,882,482	-
Total assets	KRW	14,491,825,471,548	11,216,051,175,489	11,813,077,470,300
Liabilities				
I. Insurance contract liabilities	KRW	4,896,887,681	-	-
II. Financial liabilities	KRW	2,981,525,156,414	2,363,102,954,313	2,746,180,841,524
1. Borrowing liabilities	KRW	2,821,946,958,551	2,230,603,216,502	2,685,233,335,148
2. Financial guarantee liabilities	KRW	158,491,945,670	131,009,072,255	56,171,518,845
3. Derivative liabilities	KRW	-	997,446,578	1,327,742,888
4. Lease liabilities	KRW	1,086,252,193	493,218,978	3,448,244,643
III. Other liabilities	KRW	2,326,199,316,668	1,484,384,624,853	1,407,428,633,479
1. Provisions	KRW	2,582,231,02	2,073,698,366	2,764,569,374
2. Current income tax liabilities	KRW	9,449,893,750	29,632,970,994	32,618,598,067
3. Deferred income tax liabilities	KRW	2,299,661,716,009	1,439,422,561,344	1,352,031,784,368
4. Other liabilities	KRW	14,198,844,533	13,051,773,408	19,692,283,960
5. Other liabilities	KRW	306,631,355	203,620,741	321,397,710
Total liabilities	KRW	5,312,621,360,763	3,847,487,579,166	4,153,609,475,003

Governance and Economic Performance

Category	Unit	2021	2022	2023
Capital				
I. Capital	KRW	2,949,325,855,000	2,994,057,405,000	3,133,875,295,000
II. Capital surplus	KRW	-	63,514,950,344	211,155,473,486
III. Capital Adjustment	KRW	-163,406,253,071	-162,844,846,031	-162,844,846,031
IV. Accumulated Other Comprehensive Income	KRW	20,675,811,375	77,409,669,391	82,592,044,576
V. Retained Earnings	KRW	6,372,608,697,481	4,396,426,417,619	4,394,690,028,266
1. Amount of Bad Debt Reserve	KRW	70,823,009,633	69,801,418,181	43,675,847,922
2. Amount of Bad Debt Reserve Not Accumulated	KRW	-	-	-
3. Expected Amount of Bad Debt Reserves	KRW	1,021,591,452	26,125,570,259	19,437,023,449
Total Capital	KRW	9,179,204,110,785	7,368,563,596,323	7,659,467,995,297
Total Capital and Liabilities	KRW	14,491,825,471,548	11,216,051,175,489	11,813,077,470,300
Consolidated financial information				
Assets				
Total assets	million KRW	15,040,759	11,782,946	12,445,716
Current assets	million KRW	822,037	724,837	44,386
Non-current assets	million KRW	14,218,722	11,058,109	12,401,330
Liabilities				
Total liabilities	million KRW	5,845,062	4,393,822	4,764,755
Current liabilities	million KRW	86,557	199,510	976,217
Non-current liabilities	million KRW	5,758,505	4,194,312	3,788,538
Capital				
Total	million KRW	4,964,914	7,389,124	7,680,961
Profit and Loss				
Sales	KRW	5,370,498,783,875	324,012,480,530	385,166,298,764
Operating income	KRW	4,958,220,974,114	-1,816,742,158,857	-243,453,801,263
Net income for the period	KRW	4,187,449,883,774	-1,986,315,991,600	4,246,066,012
Companies included in consolidation				
Comprehensive Income Statement and Key Indicators				
I. Operating Income	KRW	5,370,498,783,875	271,637,786,561	312,507,574,664
1. Insurance Sales Income	KRW	12,214,640,391	-	-
2. Investment Sales Income	KRW	5,358,284,143,484	271,637,786,561	312,507,574,664
(1) Interest Income	KRW	100,692,071,094	107,261,110,545	119,194,589,248
(2) Commission Income	KRW	35,486,081,998	66,668,112,684	43,365,651,043
(3) Dividend Income	KRW	27,394,115,486	92,463,206,439	115,576,224,468
(4) Profit from Evaluation and Disposal of Financial Products	KRW	5,131,879,431,755	1,431,931,884	15,078,134,379
(5) Credit Loss Allowance Recovered	KRW	62,567,163,935	2,756,320,658	17,939,339,227
(6) Other Provisions Recovered	KRW	25,066,339	676,768,406	98,691,529
(7) Other Operating Income	KRW	240,212,877	380,335,945	1,254,944,770
II. Operating Expenses	KRW	438,370,777,207	2,084,956,521,963	565,568,725,973
1. Insurance Sales Expenses	KRW	43,600,100	-	-
2. Investment Sales Expenses	KRW	412,285,713,738	2,048,527,144,148	530,178,786,846
(1) Interest expense	KRW	43,460,979,505	51,848,019,665	60,606,238,831
(2) Commission Expenses	KRW	780,000	-	-
(3) Loss on valuation and disposal of financial products	KRW	366,971,740,703	1,977,387,392,339	465,557,435,317

Governance and Economic Performance

Category	Unit	2021	2022	2023
(4) Amount transferred to allowance for credit losses	KRW	63,564,390	17,827,998,548	622,647,018
(5) Amount transferred to other provisions	KRW	158,701,080	-	-
(6) Other operating expenses	KRW	1,629,948,060	1,463,733,596	3,392,465,680
3. General management expenses	KRW	26,041,463,369	36,429,377,815	35,389,939,127
III. Operating profit (loss)	KRW	4,932,128,006,668	-1,813,318,735,402	-253,061,151,309
IV. Non-operating income	KRW	895,282,236,813	1,826,332,416,377	730,060,566,703
V. Non-operating expenses	KRW	72,576,017,241	2,820,513,496,486	499,138,565,280
VI. Net income (loss) before income tax expense	KRW	5,754,834,226,240	-2,807,499,815,511	-22,139,149,886
VII. Income tax expense (income)	KRW	1,574,206,379,137	-831,317,535,649	-20,402,760,533
VIII. Net income (loss) for the period	KRW	4,180,627,847,103	-1,976,182,279,862	-1,736,389,353
IX. Other comprehensive income	KRW	13,070,846,792	56,733,858,016	5,182,375,185
1. Comprehensive income not subsequently reclassified to income or loss for the period	KRW	7,244,635,162	57,048,052,562	5,681,904,831
(1) Other comprehensive income - fair value measurement financial assets	KRW	7,293,440,907	-6,816,251,033	-2,069,496,375
(2) Equity method capital changes	KRW	-	63,537,276,532	8,043,510,317
(3) Remeasurement factors for defined benefit plans	KRW	-48,805,745	327,027,063	-292,109,111
2. Comprehensive income subsequently reclassified to income or loss for the period	KRW	5,826,211,630	-314,194,546	-499,529,646
(1) Equity method capital changes	KRW	5,826,211,630	-314,194,546	-499,529,646
X. Total comprehensive income (loss)	KRW	4,193,698,693,895	-1,919,448,421,846	3,445,985,832
XI. Earnings (loss) per share	KRW	7,118	-3,342	-3
Statement of Changes in Equity				
Beginning capital	KRW	4,955,653,303,390	9,179,204,110,785	7,368,563,596,323
Net income for the period	KRW	4,180,627,847,103	-1,976,182,279,862	-1,736,389,353
Remeasurement of net defined benefit liabilities	KRW	-48,805,745	327,027,063	-292,109,111
Other comprehensive income - fair value measurement financial assets valuation gains and losses	KRW	7,293,440,907	-6,816,251,033	-2,069,496,375
Equity method capital changes	KRW	5,826,211,630	63,223,081,986	7,543,980,671
Payment of dividends	KRW	-	-	-
Ending capital	KRW	9,179,204,110,785	7,368,563,596,323	7,659,467,995,297
Summary Statement of Cash Flows				
I. Cash Flows from Operating Activities	KRW	-149,809,889,807	645,706,060,048	-672,720,289,070
1. Cash generated from operations	KRW	-220,323,542,598	547,649,697,071	-781,757,338,435
2. Interest received	KRW	-100,692,071,094	-107,261,110,545	-119,194,589,248
3. Interest paid	KRW	43,460,979,505	51,848,019,665	60,606,238,831
4. Dividends received	KRW	-27,394,115,486	-92,463,206,439	-115,576,224,468
5. Payment of corporate taxes	KRW	1,574,206,379,137	-831,317,535,649	-20,402,760,533
II. Cash Flows from Investing Activities	KRW	250,749,735,480	59,970,435,551	-256,932,493,873
III. Cash Flows from Financing Activities	KRW	206,256,382,824	-481,580,358,493	777,459,630,594

Governance and Economic Performance

Category	Unit	2021	2022	2023	
IV. Increase (decrease) in cash and cash equivalents before reflecting the effects of exchange rate fluctuations	KRW	-	-	-	
V. Effects of exchange rate fluctuations on cash and cash equivalents	KRW	-9,800,649,996	3,493,076,755	-9,865,877,726	
VI. Net increase in cash and cash equivalents	KRW	310,689,305,252	214,295,487,110	-162,059,030,075	
VII. Beginning cash and cash equivalents	KRW	183,053,100,581	493,742,405,833	708,037,892,943	
VIII. Ending cash and cash equivalents	KRW	493,742,405,833	708,037,892,943	545,978,862,868	
Economic Value Creation					
Operating Profit	KRW	4,932,128,006,668	-1,813,318,735,402	-253,061,151,309	
Net Profit	KRW	4,180,627,847,103	-1,976,182,279,862	-1,736,389,353	
Sales	KRW	5,370,498,783,875	271,637,786,561	312,507,574,664	
Board of Directors Operation Status (New)					
Number of Board Meetings Held	case	10	11	11	
Distribution of Stakeholder Value					
Shareholders	Dividends	Thousand KRW	0	0	0
Executives	Salary, bonuses, welfare expenses	Thousand KRW	13,109,041	18,661,789	15,547,450,551
Community Contribution Fund	Contributions to Busan Social Economy Fund, etc.	Thousand KRW	430,000	630,000	760,000
Government	Taxes and public charges	Thousand KRW	1,993,767	2,767,950	3,001,079,548
	Corporation tax	Thousand KRW	1,574,206,379	-831,317,536	-20,402,760,533
Total		Thousand KRW	1,589,739,187	-809,257,797	-1,853,470,434

Certifications, Awards, and Memberships

Awards and Certifications

Date	Awards and Certifications	Awarding Organization
2023.January.30.	2022 Second Half Innovation Best Practice Competition 'Minister of Oceans and Fisheries Award'	Ministry of Oceans and Fisheries
2023.April.21.	Selection of Public Institution Customer Satisfaction Excellence Organization	Ministry of Strategy and Finance
2023.April.27.	Selection of 2022 Deal of the Year	Maritime Money, a global ship finance magazine
2023.August.09.	'23 Ocean and Fisheries Information Service and Business Idea Contest Excellence Award	Ministry of Oceans and Fisheries
2023.November.15.	Digital Management Innovation Award of the Republic of Korea	Ministry of Science and ICT
2023.December.15.	2023 ESG Management Innovation Award Other Public Institution Environment (E) Category Grand Prize	Republic of Korea ESG Management Awards Committee

GRI Standards Index

GRI 1 : Foundation 2021

Topic	GRI Disclosure
Statement of use	KOBC published this report in compliance with the GRI Standards. (Reporting period: 2023.01.01. ~ 2023.12.31.)
GRI 1 used	GRI 1 : Foundation
Applicable GRI Sector Standard(s)	N/A

GRI 2 : General Disclosures 2021

Topic	NO.	GRI Disclosure	Page	Remark
The Organization and Its Reporting Practices	2-1	Organizational details	14	
	2-2	Entities included in the organization's sustainability reporting	-	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	94, 98	
	2-5	External assurance	112	
Activities and Workers	2-6	Activities, value chain and other business relationships	20~25	
	2-7	Employees	95	
	2-8	Workers who are not employees	95	
	2-9	Governance structure and composition	15	
	2-10	Nomination and selection of the highest governance body	15, 78	
Governance	2-11	Chair of the highest governance body	15, 78	
	2-12	Role of the highest governance body in overseeing the management of impacts	79~81	
	2-13	Delegation of responsibility for managing impacts	79~81	
	2-14	Role of the highest governance body in sustainability reporting	29	
	2-15	Conflicts of interest	84	
	2-16	Communication of critical concerns	29, 89~91	
	2-17	Collective knowledge of the highest governance body	81	
	2-18	Evaluation of the performance of the highest governance body	-	
	2-19	Remuneration policies	69	
	2-20	Process to determine remuneration	70	
Strategy, Policies and Practices	2-21	Annual total compensation ratio	97	
	2-22	Statement on sustainable development strategy	12~13, 28, 65	
	2-23	Policy commitments	28	
	2-24	Embedding policy commitments	28	
	2-25	Processes to remediate negative impacts	82, 86~88	
	2-26	Mechanisms for seeking advice and raising concerns	66	
	2-27	Compliance with laws and regulations	54, 82~85	
	2-28	Membership associations	-	
	2-29	Approach to stakeholder engagement	32, 89~91	
	2-30	Collective bargaining agreements	41, 82	

GRI Standards Index

GRI Standards Index

📌 GRI 3 : Material Topics 2021

Topic	NO.	GRI Disclosure	Page	Remark
GRI 3: Material Topics 2021	3-1	Process to determine material topics	34	
	3-2	List of material topics	35	
	3-3	Management of material topics	35	

📌 GRI 200 : Economic Performance

Topic	NO.	GRI Disclosure	Page	Remark
GRI 201	201-1	Direct economic value generated and distributed	14, 101	
	201-2	Financial implications and other risks and opportunities due to climate change	41~44	
	201-3	Defined benefit plan obligations and other retirement plans	97	
GRI 203	203-1	Infrastructure investments and services supported	50~61	
	203-2	Significant indirect economic impacts	50~58	
GRI 204	204-1	Proportion of spending on local suppliers	98	
GRI 205	205-1	Operations assessed for risks related to corruption	83	
	205-2	Communication and training about anti-corruption policies and procedures	82~85	
GRI 206	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No Violations	

📌 GRI 300 : Environment Performance

Topic	NO.	GRI Disclosure	Page	Remark
GRI 302	302-4	Reduction of energy consumption	45	
	305-1	Direct (Scope 1) GHG emissions	94	
GRI 305	305-2	Energy indirect (Scope 2) GHG emissions	94	
	305-5	Reduction of GHG emissions	45, 94	

📌 GRI 400 : Social Performance

Topic	NO.	GRI Disclosure	Page	Remark
GRI 401	401-1	New employee hires and employee turnover	95	
	401-3	Parental leave	71, 96	
	403-1	Occupational health and safety management system	62~64	
GRI 403	403-2	Hazard identification, risk assessment, and incident investigation	62~63	
	403-4	Worker participation, consultation, and communication on occupational health and safety	62~63	
	403-5	Worker training on occupational health and safety	63	
	403-6	Promotion of worker health	62	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	62-63	
GRI 405	405-1	Diversity of governance bodies and employees	95	
	405-2	Ratio of basic salary and remuneration of women to men	97	
GRI 413	413-1	Operations with local community engagement, impact assessments, and development programs	61	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No violations	
	417-2	Incidents of non-compliance concerning product and service information and labeling	No violations	
	417-3	Incidents of non-compliance concerning marketing communications	No violations	

UNGC/UN-SDGs

UNGC/UN-SDGs

Classification	Principles
Human Rights	1. We support and respect the protection of internationally proclaimed human rights.
	2. We make sure that they are not complicit in human rights abuses.
	3. We uphold the freedom of association and the effective recognition of the right to collective bargaining.
Labor	4. We uphold the elimination of all forms of forced and compulsory labor.
	5. We uphold the effective abolition of child labor.
	6. We uphold the elimination of discrimination in respect of employment and occupation.
Environment	7. We support a precautionary approach to environmental challenges.
	8. We undertake initiatives to promote greater environmental responsibility.
	9. We encourage the development and diffusion of environmentally friendly technologies.
Anti-corruption	10. We work against corruption in all its forms, including extortion and bribery.

Goals	Indicator	Implementation
3 GOOD HEALTH AND WELL BEING	3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases	KOBC operates a childcare leave system and a work-family balance support system to create a family-friendly work environment.
4 QUALITY EDUCATION	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	KOBC has established the 'KOBC Job Promotion System' to create sustainable, quality direct and indirect jobs, and is discovering talent through timely hiring and increasing the number of employees based on the expansion of business areas and expanding opportunities for youth work experience.
5 GENDER EQUALITY	5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women	KOBC is expanding the number of female executives, managers, and female employees, and is especially expanding professional manpower for nurturing female leaders.
7 AFFORDABLE AND CLEAN ENERGY	7.3 By 2030, double the global rate of improvement in energy efficiency	As part of efforts to reduce energy consumption, KOBC has converted all public vehicles to electric vehicles and expanded the Energy Conservation Promotion Committee, and is encouraging employees to practice energy both at work and at home.
8 DECENT WORK AND ECONOMIC GROWTH	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	As a specialized maritime finance institution, KOBC is strengthening financial support for shipping companies to secure eco-friendly ships in order to respond to the upcoming climate change crisis.
11 SUSTAINABLE CITIES AND COMMUNITIES	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	In response to increased safety threats and complaints from islanders due to aging ships, KOBC is improving the quality of life of islanders and revitalizing local tourism through the Pohang-Ulleung super-fast passenger ship financing.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	KOBC is consistently pursuing sustainable management activities and transparently disclosing its management performance through the disclosure of its sustainable management report.
13 CLIMATE ACTION	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	KOBC is striving to reduce carbon emissions through the monthly mailbox emptying campaign and the labor-management joint 'Eco-friendly Sea Together' relay as a practice for internalizing environmental management.
14 LIFE BELOW WATER	14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans	KOBC has launched the 'Sea Love Volunteer Corps', a -wide participation campaign to promote an environmental protection culture within the , and is conducting coastal cleanup activities. It has also designated sea turtles as the maritime protected species of the year to promote coexistence between humans and nature.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5 Substantially reduce corruption and bribery in all their forms	KOBC co-hosted a business agreement ceremony with the Korea Transparency Initiative to thoroughly prevent corruption and bribery cases, and is strengthening the -wide ethics foundation by expanding the operation of the Ethics Management Council and the Ethics Management Promotion Team.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.6 Develop effective, accountable and transparent institutions at all levels	KOBC is proving transparency by increasing the disclosure rate of agenda items decided by the board of directors and expanding the items of management disclosure as part of its efforts to reflect the internal and external management environment.
17 PARTNERSHIPS FOR THE GOALS	17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships & nbsp;	KOBC is strengthening its eco-friendly shipping information capabilities by establishing a public-private-public decarbonization collaboration network to activate the eco-friendly, decarbonized ecosystem of the Korean shipping industry.

Topic	TCFD Recommendation	KOBC Counteraction
Governance	a) Board oversight on climate-related risks and opportunities	· We manage and supervise plans, goals, and performance for carbon reduction within the organization through the Energy Conservation Promotion Committee.
	b) The roles of management in assessing and managing climate change risks and opportunities	· We operate the ESG Management Committee to provide support measures for promoting ESG management for small and medium-sized shipping companies. · We set the direction of organizational operation through the holding of a management advisory meeting and strive to respond to international environmental regulations.
Strategy	a) Risks and opportunities of climate change in the short, medium, and long-term	· (For climate change) 'Establishment of a ship-specific carbon emission management system' was set as one of the four key tasks.
	b) Description of how climate change risks and opportunities impact the organization's business, strategic, and financial plans	· Published an ESG management guidebook to provide a checklist for supporting shipping companies' response to international maritime environmental regulations and strengthening their capabilities.
	c) Description of strategies and financial plans that consider various climate change-related scenarios, including a 2°C or lower scenario	· In response to the acceleration of maritime environmental regulations, we established an ESG strategy to strengthen financial support for securing eco-friendly ships and special guarantees for global low-carbon projects and eco-friendly facilities. · We are supporting the issuance of 'green bonds' for the purpose of strengthening the competitiveness of ships through procurement funds for the construction of eco-friendly fuel propulsion ships, supporting response to environmental regulations, and expanding ESG management in the domestic shipping industry. · Launched an eco-friendly logistics service through the provision of Scope 3 on the shipper's side in response to greenhouse gas regulations.
Risk Management	a) Description of the process for identifying and assessing climate change risks	· Consulting was conducted based on environmental regulation data of financially supported vessels from the carbon emission DB secured through cooperation with specialized agencies and shipping companies.
	b) The organization's processes for managing climate-related risks	· Policy establishment through collaboration with government ministries and review criteria in accordance with these were established, and a public-private-public decarbonization collaboration network system was established.
	c) Description of how to integrate the process for identifying, assessing, and managing climate change risks into the organization's overall Risk Management framework	
Indicators and Targets	a) Indicators used by the organization to evaluate climate-related risks and opportunities align with its strategy and Risk Management process	· We are holding weekly meetings on securing a carbon emission DB for domestic ships as a maritime environment regulation response project and the number of global low-carbon ship support cases.
	b) Greenhouse gas emissions and related risks	· We aim to supply 40 low-carbon fuel ships to shipping companies by 2027. · We aim to achieve the Net-Zero target early from 2050 to 2045 through consultation.
	c) The organization's targets and performance in addressing climate-related risks and opportunities	· In the case of greenhouse gas emissions, we are managing and disclosing Scope 1 and 2 emissions.

Classification	Category	Disclosure No.	Content	Page in the report	
Information Disclosure (P)	Information Disclosure Type	P-1-1	ESG information disclosure method	2	
		P-1-2	ESG information disclosure period	2	
		P-1-3	ESG information disclosure scope	2	
	Information Disclosure Content	P-2-1	ESG core issues and KPIs	35	
		P-3-1	ESG information disclosure verification	2,112	
Environmental (E)	Environmental Management Objective	E-1-1	Establishment of environmental management objectives	40	
		E-1-2	Environmental management system	29	
	Greenhouse Gas	E-3-1	Greenhouse gas emissions (Scope 1 & Scope 2)	94	
		E-3-2	Greenhouse gas emissions (Scope 3)	94	
	Violation of Environmental Laws/Regulations	E-8-1	Violation of environmental laws/regulations	No violations	
Social (S)	Targets	S-1-1	Target setting and disclosure	28	
		Labor	S-2-1	New employee hiring and employment retention	59, 95
			S-2-2	Ratio of permanent employees	95
	S-2-3		Voluntary turnover rate	96	
	Diversity and Gender Equality	S-2-6	Guarantee of freedom of association	97	
		S-3-1	Ratio of female employees	95	
		S-3-2	Ratio of female employees' wages (Compared to average wage)	97	
	Industrial Safety	S-3-3	Employment rate for persons with disabilities	96	
		S-4-1	Safety and health management system	62	
		S-4-2	Rate of occupational accidents	97	
	Human Rights	S-5-1	Establishment of human rights policy	65~66	
	Win-Win Growth	S-6-1	ESG management of suppliers	43	
		S-6-2	ESG support for suppliers	44	
	Local Communities	S-7-1	Strategic social contribution	61	
		S-7-2	Employees' participation in volunteer work	45, 61	
Information Protection	S-8-1	Establishment of an information protection system	58		
Violation of Social Laws/Regulations	S-9-1	Violation of social laws/regulations	No violations		
Governance (G)	Composition of the BOD	G-1-1	Presenting ESG issues within the BOD	79	
		G-1-2	Ratio of independent directors	78	
		G-1-4	Gender diversity in the BOD	95	
		G-1-5	The expertise of independent directors	78	
		G-2-1	Attendance rate of all directors	81	
	BOD Activities	G-2-3	BOD Committees	29	
		G-2-4	Handling of issues within the BOD	79~81	
		G-4-1	Disclosure of violations of the Code of Ethics	No violations	
	Ethical Management	G-5-2	Expertise in audit organization (Accounting/Finance experts within audit organization)	83	
		G-6-1	Violation of governance-related laws/regulations	No violations	

Third Party Assurance Statement

Stakeholders of Korea Ocean Business Corporation

KOSRI (hereinafter referred to as the Assurer) has been requested by Korea Ocean Business Corporation (hereinafter referred to as KOBC) to conduct a third-party assurance of the "Korea Ocean Business Corporation 2024 Sustainability Management Report" (hereinafter referred to as the report). The purpose of the assurance is to provide stakeholders with an objective assurance opinion from an independent assurance body regarding KOBC's report on ESG management direction and sustainability management performance. KOBC is responsible for the preparation of the report and all information and claims within it, while the Assurer conducted the assurance work based on the assumption that the information and data presented in KOBC's report are accurate. This assurance was conducted in accordance with international standards related to report preparation and verification, and the assurance opinion reflecting professional views will be provided to KOBC's management and shared with KOBC's stakeholders.

Assurance Standards

The assurance was conducted in accordance with the international sustainability assurance standard AA1000AS v3, Type 2 and Moderate level, to check compliance with the four principles of AA1000AP (2018) and the reliability and quality of the information in the report. It was also verified whether the report was prepared in accordance with the GRI Standards 2021, the guidelines for sustainability reporting, and the detailed standards specified below.

- **Universal Standards:** 2-1~17, 19~20, 22~25, 27, 29, 3-1~3
- **Topic Standards:** 201-1~3, 203-2, 205-1, 2, 206-1
302-1,4, 303-5, 305-1,2,5, 306-3
401-1~3, 403-1,2,4~8, 404-2~3, 406-1,2, 410-1, 413-1

Assurance Scope

The assurance covered KOBC's sustainability management policies, strategies, goals, implementation, and performance from January 1, 2023, to December 31, 2023 (including some qualitative performance in 2024) and the main claims and key issues identified through the materiality assessment included in the report were the objective of assurance, and the information contained in the report was verified to meet the level of standards in terms of reliability and quality. Financial information included in the appendix of the report, content posted on KOBC's website, and data and information regarding external organizations, such as KOBC's investment companies, partners, and contractors, were excluded from the verification scope.

Verification Method

The Assurer adhered to the agreed assurance standards (Type 2, Moderate Level) and performed the following activities to collect relevant evidence to reduce errors in the reported content

- Verified the consistency of the information included in the report with the attached detailed data and the accuracy and objective quality of the presented information
- Checked the sustainability strategy implementation process and the systems for executing the process, and verified the generation, collection, and reporting process of data in each performance area
- Evaluated and verified the effectiveness of the reporting and management processes for the four principles: inclusivity, materiality, responsiveness, and impact

Limitations and Responses

The Assurer conducted a limited verification work within a constrained period based on the data and materials provided by the reporting organization. The assurance work focused on confirming the compliance with assurance standards and the quality and reliability of the data, including identifying errors, omissions, and false statements, based on the assumption that the information and data presented in the report are sufficient. To address these limitations, the result of the public institution management evaluation was referred and interviews with responsible personnel were conducted.

Independence and Competence

This assurance was conducted by a assurance team with sufficient competence to perform the assurance work, holding CSAP certification from AA in the UK. The Assurer has no conflicts of interest with Korea Ocean Business Corporation that could impair the independence and fairness of the verification, aside from providing third-party verification services.

Assurance Opinion

The Assurer concludes that this report transparently reflects KOBC's sustainability management activities and performance, complies with the four principles of AA1000 AP, and that the reliability and quality of the information in the report meet the standards, and it is prepared in accordance with GRI Standards(2021). The compliance with the four principles presented in AA1000AP (2018) is as follows:

- **Inclusivity :** KOBC has established effective communication channels focused on the interests of stakeholders, defined as the public, local communities, government, National Assembly, maritime and port industries, financial industries, customers, and employees, reflecting the business characteristics of KOBC contributing to the maritime and port industries. It has been confirmed that KOBC is achieving substantial results. Additionally, through materiality assessments, KOBC identifies and prioritizes stakeholders' interests and expectations.
- **Materiality:** KOBC conducts double materiality assessment to identify significant issues related to sustainability management. After deriving a total of 27 issues through the review of international standards and industry issues, bench marking with related organizations, and media analysis, KOBC selected 12 key ESG issues through surveys and internal evaluations from the perspective of double materiality involving internal and external stakeholders. The results of activities related to these issues in 2023 and the risk management results are transparently reported in the report.
- **Responsiveness:** KOBC practices ESG management through the ESG Management Committee, ESG Management Office, and Working Council, with cooperation between labor and management. By securing expertise through committees (risk management, ethical management, personnel) involving non-executive directors, KOBC has established systems for promptly and efficiently addressing major internal and external issues through the analysis and feedback on the direction and performance of ESG management. The Assurer confirmed through the report's results that KOBC is transparently and actively responding to stakeholders' material issues.
- **Impact:** KOBC supports the growth of the maritime industry through financial support and strengthens industrial competitiveness to enhance national competitiveness. KOBC has an efficient system for detailed monitoring, analyzing results, and making improvements through an IT-based system regarding the impact on stakeholders involved in various projects aimed at realizing KOBC's mission. The Assurer confirmed through report verification and stakeholder interviews that these systems are operating effectively.

Recommendations

Within the scope that does not affect the above assurance opinion, the Assurer recommends adjusting the timing and, if necessary, increasing the frequency of materiality assessments to enhance the alignment between the material issues tasks derived from the materiality assessment and KOBC's ESG implementation tasks.



December 6, 2024, Chief Researcher, KOSRI

Jongjae Lee