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**BUILDING
TRUST & CREATING
SUSTAINABLE VALUE**

Sustainability Report 2022

BUILDING TRUST & CREATING SUSTAINABLE VALUE



INTERACTIVE REPORT USER GUIDE

The 2022 HDC Hyundai Development Company Sustainability Report was published as an interactive PDF so that readers can easily find the information they want. Readers can click buttons and headings at the top to quickly jump to related information pages.

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INTRODUCTION

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CEO MESSAGE



Dear Stakeholders

Since its foundation in 1976, HDC Hyundai Development Company has grown into a developer representing Korea by leading innovation in the construction industry through building landmarks such as Apgujeong Hyundai Apartment Complex, IPARK Tower, Haeundae IPARK, and Suwon IPARK CITY. I would like to express my deep gratitude to all stakeholders, including shareholders, customers, business partners, local communities, and employees, who have encouraged the growth and development of our company.

The past two years have been a period in which sustainability management strategies have become more important due to the prolonged COVID-19 pandemic, global economic crisis caused by the collapse of the global supply chain, increase in natural disasters from accelerated climate change, and conflicts between countries. Moreover, ESG management that considers not only financial performance but also non-financial performance such as environmental, social, and governance sectors has become an essential element for corporate survival.

In line with this trend and social requirements, HDC Hyundai Development Company supports the UN SDGs (United Nations Sustainable Development Goals) for a sustainable future and the carbon-neutral goal of the Paris Agreement, and is materializing ESG management. To ensure sustainable growth, we will be committed to reducing greenhouse gas emissions and environmental impact through eco-friendly business and technology development, practicing shared growth and win-win management across the supply chain, and internalizing ethical and compliance management. Our ESG management activities and performance will be transparently disclosed through the sustainability report, business report, and website.

We ask for your interest and encouragement so that HDC Hyundai Development Company can again leap forward, together as a comprehensive real estate company that creates sustainable values based on trust without being shaken by any external influences.

November 2022

Vice President & CEO of HDC Hyundai Development Company **Ik-Hoon Choi**

A stylized, handwritten signature in black ink that reads "Ik-Hoon Choi".

COMPANY OVERVIEW

HDC Hyundai Development Company has a firm belief in a better life. To realize our belief, we are committed to providing satisfaction and impression to customers, contributing to the development of communities and society, and creating a happy future for all together. As of the end of December 2021, the number of our employees was 1,722 and we engaged in 66 projects in Korea and 4 projects in the world. Our sales in 2021 reached around KRW 3.4 trillion. HDC Hyundai Development Company, as a comprehensive real estate company that delivers an affluent life, will provide customers with various lifestyles and cultural experiences and create a reliable future.

Project Competitiveness in 2021

(As of operating sites from Jan. to Dec. 2021)

9th

Construction capability evaluation ranking

40

Number of housing projects

1,722 persons

Number of employees

5

Number of architecture projects

21

Number of infrastructure projects

4

Number of overseas projects

Key Financial Results in 2021 (consolidated basis)

KRW 3.36 trillion
Sales

KRW 273.4 billion
Operating profit

KRW 23.15 trillion
Order backlogs
(non-consolidated basis)

A+
Credit rating
(NICE)

COMPANY OVERVIEW



HISTORY

1970-1999

- 1976** Established Korea Urban Development
- 1977** Established Halla Engineering & Construction
- 1981** Completed the first overseas project (Jizan Cement Plant, Saudi Arabia)
- 1986** Merged with Halla Engineering & Construction and Korea Urban Development (Established Hyundai Development Company)
- 1987** Completed development of Apgujeong Hyundai Apartment Complex
- 1990** Conducted preliminary inspection by pre-residents for the first time in Korea
- 1991** Constructed the first 30-story apartment in Korea (Hyundai Apartment in Bundang)
- 1992** Developed Korea's first Precast Concrete method
- 1994** Opened the Customer Satisfaction Center
- 1996** Listed on the KRX
- 1999** Inaugurated Se Yung Chung as Honorary Chairman, Mong Gyu Chung as Chairman
Became independent from Hyundai Group

2000-2010

- 2000** Changed CI and declared a corporate slogan "Think Innovation"
- 2001** Launched an apartment brand "IPARK"
- 2003** Integrated residential and commercial building brands into IPARK
Introduced industry's first electronic construction performance certification system
- 2004** Acquired Korea's first eco-friendly building certification (Samsung-dong IPARK)
Established IPARK Social Volunteer Corps
- 2005** Established Pony Chung Foundation

2011-2022

- 2011** Relocated the headquarters to Yongsan Hyundai IPARK Mall
- 2012** Declared new CI and BI
- 2016** Proclaimed a new corporate slogan "Faith in a Better Future" in commemoration of the 40th anniversary
Proclaimed "imagine IPARK," a slogan of IPARK apartment brand
- 2017** Established the first consignment management real estate investment company for HDC private rental housing
- 2018** Spun off Hyundai Development Company into HDC Holdings and HDC Hyundai Development Company
- 2020** Launched "My Homie," a service platform for residents
Held the 1st Technology Proposal Competition
- 2021** Operated "HDC Dream Developer," a future urban development talent nurturing program
- 2022** Appointed the CSO (Chief Safety Officer) and reformed the safety and quality organization
Operated the Safety & Health Committee under the BOD
Launched the Construction Innovation Group
Operated HDC SAFETY-I ACADEMY

Business Areas

Development & Operation

Starting with the construction of Apgujeong Hyundai Apartment Complex in 1987, HDC Hyundai Development Company has secured capabilities and know-how to successfully conduct large-scale urban development projects such as Seoul Samsung-dong, Suwon, and Busan Haeundae projects with the launch of "IPARK" brand in 2001.

We have also been at the forefront of promoting public convenience through private-invested infrastructure projects that enhance the value of local communities by improving convenience and accessibility, including the Seoul-Chuncheon Expressway, the first private-proposed SOC project in Korea. We provide products and services that increase the value of space from the perspective of "region," ranging from housing projects to complex development that designs various functions of infrastructure, residential and commercial space, office, and leisure in an integrated manner.

URBAN DEVELOPMENT

- Apgujeong Hyundai Apartment Complex
- Haeundae IPARK (Multi-purpose complex)
- Suwon IPARK CITY (Private city development)
- Cheongju Gagyeong IPARK
- Daejeon Doan IPARK CITY
- Yeongtong IPARK Castle
- Cheongna Medical Complex
- Gimhae Buwon Urban Development
- Gwangmyeong Cultural Complex
- Jamsil MICE Private Investment Project
- Masan Marine New City Development

COMMERCIAL FACILITY & OFFICE INVESTMENT AND OPERATION

- IPARK Tower
- Yongsan IPARKMALL (Yongsan private-invested station)
- Haeundae IPARK (Commercial facility)
- Suwon IPARK CITY (Commercial facility)

Private Lease

- Dongtan Lake Park IPARK
- Ilsan IPARK 2
- Gocheok IPARK

PRIVATE INVESTMENT IN SOC

- Busan New Port (Phases 2-3, Phases 2-4)
- Busan Harbor Bridge
- Seoul-Chuncheon Expressway
- Suseok-Hopyeong Expressway
- Ulsan New Port (Phase 1-1),
- Gimhae Light Rail transit
- Daegu Art Museum
- Pyeongtaek Port East Dock
- New Daegu-Busan Expressway
- Seochang-Gimpo Expressway
- Tongyeong Natural Gas Power Generation
- Incheon New Port hinterland Development

HOTEL & RESORT DEVELOPMENT AND OPERATION

- PARK ROCHE Resort & Wellness
- PARK HYATT BUSAN Hotel
- PARK HYATT SEOUL Hotel
- IPARK Condominium
- Oak Valley Zone 1 Golf Course



Haeundae IPARK (2011)

Business Areas

Housing

HDC Hyundai Development Company has been suggesting new paradigms in housing and leading the housing culture in Korea by supplying more than 400,000 apartment units since its foundation.

Based on strong brand power and top-notch construction capabilities, we are playing a leading role in all areas of housing including apartments, officetels, residential complexes, as well as urban renovation projects. With the pride of being recognized as the top residential brand in Korea, we create a unique lifestyle for IPARK.

APARTMENT, OFFICETEL &
RESIDENTIAL COMPLEX

- Samseongdong IPARK
- Daegu Wolbae IPARK (Blocks 1 and 2)
- Wiryae IPARK (Blocks 1 and 2)
- Eunpyeong New Town IPARK
- Deokso IPARK
- Masanman IPARK
- Sokcho Cheongho IPARK
- Byeollae IPARK SUITE (Serviced residence)
- Unjeong IPARK
- IPARK Forest Gate (officetel)
- Songpa IPARK (officetel)
- Songdo American Town IPARK
- Daegu Chimsan-dong Residential Complex
- Gocheok IPARK
- Pyeongtaek Godeok 1 (officetel)
- Pyeongtaek Godeok 2 (officetel)
- Sokcho Yeongrang-dong IPARK SUITE

URBAN RENOVATION

- Samseongdong Central IPARK
- Songpa Helio City
- Jamsil Olympic Park IPARK
- Godeok Central IPARK
- Cheongdam IPARK (Remodeling)
- Jamsil III's
- Daechi IPARK
- Godeok Forest IPARKS
- Seomyeon IPARK
- Sinchon Forest IPARK
- Dream Forest IPARK
- Sanseong Station FORESTIA
- Busan Myeongnyun IPARK
- Mudeungsan IPARK
- Mokdong Central IPARK
- Ahyeon IPARK
- Wangsimri TENSHELL



Gangnam Central IPARK (2022)

Business Areas

Architecture

HDC Hyundai Development Company has demonstrated architecture that changes the history of cities and enhances the utilization of space with innovation beyond imagination. With our differentiated set of capabilities—such as stunning design, superior technology, and deep expertise—we are transforming the world by building landmarks that reflect the times and represent the region. We will continue to pave the way by creating convenient and attention-grabbing architecture to further enrich people's lives.

OFFICE

- Korea East-West Power Headquarters
- MBC New Headquarters
- Daum Communications Headquarters
- Hyundai Marine & Fire Insurance
- Gwanghwamun Headquarters remodeling
- Gangnam Finance Center (I-TOWER)

COMMERCIAL BUILDING & HOTEL

- The Hyundai - Cheonho store (Building extension)
- The Hyundai - Trade center store (Building extension)
- Hyundai Homeshopping (Building extension)
- Starfield COEXMALL

CULTURE & SPORTS

- Uijeongbu Sports Complex
- Haevichi Country Club JEJU
- CGV Apjujeong
- Jeju Teddy Bear Museum
- HHI Culture & Arts Center
- Gocheok Sky Dome
- Suwon IPARK Museum of Art (SIMA)
- Daejeon World Cup Stadium
- Suwon Convention Center

LOGISTICS CENTER & KNOWLEDGE INDUSTRY CENTER

- Yangji Logistics Center 2
- Seongnam Knowledge Industry Center
- Magok Industrial Complex
- Anseong Gayu District Logistics Center
- Uijwang Chopyeong District Knowledge Industry Center

FACTORY & OTHERS

- Moorim P&P Integrated Mill
- HDC Hyundai EP Dangjin Plant
- Hyundai Heavy Industries Yongyeon Plant
- Saehan Gumi Plant
- Dongwha Pharmaceutical Chungju Plant
- HDC Hyundai EP Ulsan EPS Plant (Line extension)
- HDC Hyundai PCE Yeosu Plant
- Kyowon University BTL
- Blue Mountain CC Accommodation
- Hyundai Elevator Chungju Factory

EDUCATION FACILITY & HOSPITAL

- Seoul National University (Kyujanggak Institute for Korean Studies)
- Hankuk University of Foreign Studies (Yongin Dormitory)
- Masan National Tuberculosis Hospital
- Gangneung Asan Hospital
- Ulsan University Hospital Cancer Center

Yangji Logistics Center (2019)

Business Areas

Infrastructure

Based on know-how accumulated for decades in the fields of road, bridge, railway, subway, river, harbor, and complex development, HDC Hyundai Development Company has successfully built social infrastructure to contribute to reinforcing national competitiveness and industrial growth. In particular, the successful construction of Dunbyeong Bridge, a V-shaped circular cable-stayed cable-stayed bridge boasting a beautiful scenery in harmony with nature, proved once again that we are a strong player in the infrastructure field. We are endeavoring to secure a firm competitiveness in winning orders for infrastructure projects in both private and public sectors.

To contribute to the creation of a sustainable society, we also intend to engage in the modernization of old sewage treatment plants and resource recovery facilities to pioneer new markets, such as subterraneanization of these facilities and proposals for secondary development using existing sites.

ROAD & BRIDGE

- Road from Hwayang to Jukgeum (District 3)
- Gangnam Beltway (Private sector investment project, District 7-1)
- 12th Expressway from Damyang to Seongsan (Districts 5 and 9)
- 40th Expressway (Eumseong-Chungju District 3)
- Yanghwa Bridge Renovation

MARINE STRUCTURE, HARBOR & OTHERS

- Gangwon Yeongjin-Gyohang Area Coastal Improvement Project
- Ulsan New Port South Seawall (District 2-1)
- Saemangeum Waterproofing (Dongjin District 5)
- Masan Marine New Town
- BMW Driving Center

PLANT

- Taean Thermal Power Plant (Units 9 and 10, electric generation construction)
- Dongducheon LNG Power Plant
- Goseong Sewage Treatment Plant (extension and advanced treatment system)
- Hadong Thermal Power Plant (Units 1~6, desulfurization facility)
- Tancheon Water Treatment Center (Extension)
- Samcheonpo Thermal Power Plant (Units 1~6, civil engineering and construction)
- Nowon Recycling Center

RAILROAD & SUBWAY

- Incheon International Airport Passenger Terminal 2 (Connecting railways)
- Suseo High-speed Railways from Suseo to Pyeongtaek (Districts 6-2 and 4)
- Incheon Subway Line 2 (District 203)
- Honam High-speed Railway (District 3-4, roadbed and others)

Hwayang-Jukgeum District 3, Dunbyeong Bridge (2019)

Business Areas

Overseas Business

Beginning with the Jizan Cement Plant construction in Saudi Arabia, HDC Hyundai Development Company has successfully conducted various projects including bridges, plants, ports, and environmental facilities all over the world across Asia, the Middle East, South America, and Africa. As a result, we have earned the trust of local clients and government institutions in those countries. Our steadfast and substantive project management know-how and accumulated capabilities as a developer will lead the way into new successes in foreign real estate as well as infrastructure investment and development projects.

PLANTS & ELECTRICAL WORKS

- Al-Jubail Riyadh water Line "C" Pumping-Station(Saudi Arabia)
- Bangkok Water Treatment Plant (Thailand)
- Tihama Substation Project(Saudi Arabia)
- Water Supply Project for Sudair Region (Saudi Arabia)
- Josloc Lube Oil Blending Plant (Saudi Arabia)
- Al-Jubail Product Water, Blending & Distribution System(Saudi Arabia)
- Jizan Cement Plant Project(Saudi Arabia)
- Farasan Desalination & Power Plant (Saudi Arabia)
- SAFCO Sulphuric Acid Plant(Saudi Arabia)

CIVIL WORKS

- Hung Ha Bridge and Approach Road(Vietnam)
- Coastal Bridge and Road(India)
- Gore Tepi Road(Ethiopia)
- Design Build Works for Banegas Bridge and Approach Road Construction Project(Bolivia)
- Sabah Rural Trunk Road Package B-2(Malaysia)
- Toll Expressway PJ Sec. 11 Ipoh to Sungai Perak(Malaysia)
- Al-Khamasin Tathleeth-Khamis Mushayt Road B-2 Saudi Arabia(Saudi Arabia)
- Seawater Supply Return Canal No. 1(Saudi Arabia)
- Al-Qassim Industrial City, Phase 2 Development(Saudi Arabia)
- Al-Jubail Refinery Complex I
- Rural Roads & Bridges, Trengganu(Malaysia)

ARCHITECTURAL WORKS

- BSMMU Hospital(Bangladesh)
- Kampong Beribi Gadong Staff House(Brunei)
- ADC Offices Clubs Building & Earthworks(Saudi Arabia)
- Sungai Perak Bridge, Teluk Lumut Road, Perak(Malaysia)
- King Fahad Industrial port Main Administration B/D (Saudi Arabia)
- Public Housing Program Jeddah Site 2, Dist. 4(Saudi Arabia)
- Al-Jomaih Work shop Design (Saudi Arabia)

Banegas Bridge in Bolivia (2017)

HDC Hyundai Development Company's Vision

HDC Hyundai Development Company aims to become Korea's best comprehensive real estate company by recovering core competitiveness in each field and achieving business goals by stage based on sustainable management system.



SUSTAINABILITY STRATEGY

14 ESG Strategy

15 ESG HIGHLIGHTS



Gocheok Sky Dome (2015)

ESG Strategy

ESG management is becoming more and more important as a way for organizations to pursue sustainability management. HDC Hyundai Development Company has established strategic directions for each area of Environmental, Social, and Governance with the goal of contributing to the harmonious development of people, society, and the environment in order to achieve the ESG management vision of "Sustainable Company."



ESG HIGHLIGHTS

Quality Management Innovation and Occupational Safety and Health

- Reporting danger with the QR code attached to the safety helmet

Ensuring workers' right to stop work

- Recruited the best experts in Korea in the field of structure and quality

Launched the Construction Innovation Team

Improvement of construction safety capability and quality management

- Safe housing support (2022)

30-year warranty against structural defects

* Legal warranty period of 10 years

- Reinforced support for small-scale field partners

Support for safety management costs

Fair Supply Chain Management and Shared Growth with Partners

- The 2nd technology proposal competition
Selected 4 excellent works, applied for 1 joint patent

91 applications from 76 companies

- Partners that signed the shared growth agreement (subcontractors) (93.4% of all partners)

342 firms

- Financial support for business partners

KRW 48 billion

Win-win fund operation and interest-free loan

- Awarded 25 excellent partners

KRW 320 million

Pursuing Customer Satisfaction

- Improvement of air quality in underground parking lots

Smart ventilation system

Real-time air quality analysis and automatic operation of supply/exhaust fans

- Enhancing convenience and security for residents

Facial recognition access system

- Special safety inspection on IPARK complexes (2022)

69 complexes / about 60,000 households

Securing Core Talent

- 28 participants in the 1st and 2nd HDC Dream Developer

Cultivation of talents for future city development

- Work-life balance

Flexible commuting system, supports for leisure, medical expense, housing, etc.

Eco-friendly Management

- Construction waste recycling rate (5.8%p increase from the previous year)

93.7%

- Purchasing of green products

KRW 117.6 billion

* Data in 2021 unless otherwise specified



ENVIRONMENTAL

17 Sustainable Environmental Management

19 Minimizing Environmental Impact

22 Responding to Climate Change

23 Developing Eco-friendly Technologies

AMERICAN TOWN IPARK

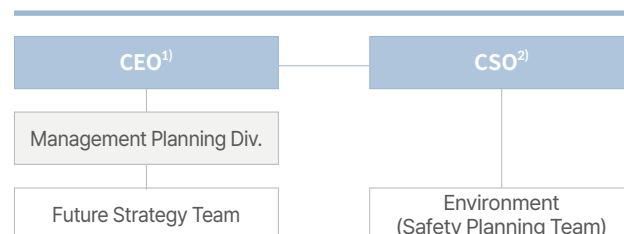
Sustainable Environmental Management

Environmental Organization and R&R

Head Office

At HDC Hyundai Development Company, the Future Strategy Team is leading the establishment of ESG strategy and response to climate change and resource circulation. The Environment Team under the CSO is in charge of managing environmental management system certification, environmental performances at sites, and environmental education.

Organizational Chart



1) CEO: Chief Executive Office

2) CSO: Chief Safety Officer

Construction Site

At each site, environmental staff is responsible for preventing environmental problems that may occur during the entire construction process and controlling them so as not to cause damage to the surrounding environment and local residents. Major roles include managing environmental licensing, ISO14001, waste, noise/vibration, and scattering dust, installing and maintaining environmental facilities such as washing machines, waste separation storage, and dustproof cover as well as conducting environmental education, responding to civil complaints due to noise and scattering dust, and controlling energy consumption and GHG emissions. We plan to operate an environmental manager who is in charge of environmental work, focusing on sites with high environmental risks.

Environmental Management Strategy

Environmental Policy and Goals

We established environmental policies and goals to conduct environmental management strategies with a sense of responsibility for the preservation of global environment. HDC Hyundai Development Company monitors environmental management activities across business divisions and continuously measures and manages environmental performance.

HDC HYUNDAI DEVELOPMENT COMPANY

Environmental Policy

A sustainable company that contributes to the harmonious development of people, society, and the environment

HDC Hyundai Development Company, as a comprehensive real estate company that creates sustainable values based on trust, puts the ESG aspect first in all management activities and practices the following environmental policy.

- We continuously develop environment-friendly space and technology to create the value of affluent life.
- We use resources and energy efficiently and reduce pollutants and greenhouse gas emissions to respond to climate change.
- We provide a safe and pleasant living environment to members of society through the use of green materials and the construction of eco-friendly buildings.
- We raise employees' awareness of environment through education, and discover and apply eco-friendly elements during work.
- We transparently disclose environmental management performances and regularly improve the environmental management system.
- We comply with environmental standards and regulations, and faithfully conduct stakeholders' requirements.

All employees recognize the importance of the environment and minimize environmental impact, fulfilling our corporate social responsibility.

August 01, 2022
HDC Hyundai Development Company
CEO, Choi Ik-Hoon

Choi

Environmental Goals and Key Tasks



Zero environmental accidents

- Zero fines and penalties for violating environmental laws
- Zero leakage of environmental pollutants outside the workplace



Minimizing energy use and GHG emissions

- Using eco-friendly and high-efficiency construction equipment
- Practicing low-carbon activities in daily life



Reducing waste generation and enhancing resource circulation

- Reinforcing separate waste collection and minimizing mixed waste discharge
- Increasing the recycling rate of construction waste



Purchasing green products and constructing eco-friendly buildings

- Expanding green product purchase ratio
- Expanding eco-friendly building certification



Strengthening biodiversity protection activities

- Building biodiversity protection facilities to residential complex
- Protecting ecological environment and habitats of animals and plants surrounding worksites

Sustainable Environmental Management

Operation of Environmental Management System

HDC Hyundai Development Company acquired the environmental management system (ISO14001) certification in 1997 to effectively manage environmental impacts and risks from business activities and has maintained it. The scope of certification includes civil engineering, construction, steel installation, landscaping works, etc., covering all of our business areas. The environmental management system is operated according to the process of "Plan → Do → Check → Act."

PDCA Process



Plan: Establish environmental goals and processes for creating results meeting the organization's environmental policy,
Do: Execute processes according to the plan,
Check: After monitoring and measuring the environmental policy implementation process,
Act: Take action for continuous improvement through the review by the management

Environmental Education

Green Management Education and Training

To improve the awareness of environmental management of our employees and partners, we provided education on eco-friendly machinery facilities, green certification, zero-energy housing, firefighting, and on-site environmental management at the head office and construction sites.

Green Management Education



ISO14001 Certificate



Minimizing Environmental Impact

Waste Management

Compliance

HDC Hyundai Development Company manages waste treatment status at the head office and business sites in real time. In particular, at construction sites, it is important to properly treat construction waste such as sludge, waste earth and stone, waste wood, waste boards, waste asphalt and concrete, and waste synthetic resin.

At each construction site, environmental manager discharges waste through the waste lawful disposal system (Allbaro) in accordance with relevant laws and guidelines. The status of construction waste and designated/general waste submitted by our company is available through the Allbaro system.

Waste Management Status

In 2021, a total of 810,566 tons of construction waste was generated from our sites, all of which were treated legally.

Particular, 93.7% of waste generated from construction sites was recycled through separate collection, sorting, and intermediate treatment. Going forward, we will strengthen the recycling of resources by reducing the proportion of mixed waste and landfill waste through more systematic separation and sorting of waste.

There were no hazardous (designated) waste that seriously affects the environment during the construction process.

Main Screen and Emission Data Input Screen of the Allbaro System



Separated Waste Storage



Waste Discharge Status

(Unit: ton)

Classification	2019	2020	2021
Total amount of construction waste generated	528,965	576,293	810,566
Construction waste			
Reuse/recycling	470,142	506,467	759,355
Landfill	0	84	0
Incineration	58,823	69,742	51,211
Hazardous waste			
Generation	0	0	0

Construction Waste Recycling Rate

(Unit: %)

2019	88.9
2020	87.9
2021	93.7

Enhancing Waste Recycling

Fundamental suppression of waste generation in the construction phase and efficient use of generated waste starts with the recognition that waste is also a resource. We will continue to further reduce waste and enhance resource recycling activities by preparing company-wide guidelines for waste management and recycling expansion and guidelines for selecting waste treatment partners.

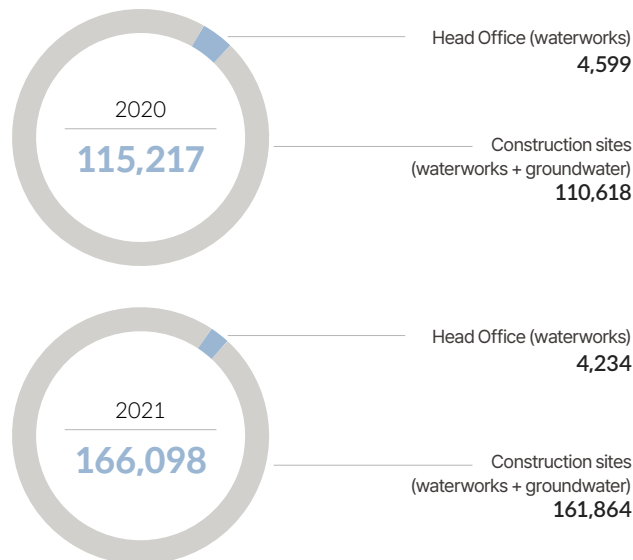
Minimizing Environmental Impact

Water Management

While water consumption has increased in line with industrial advancement, the amount of water available to mankind is decreasing due to pollution from economic activities. HDC Hyundai Development Company is striving to reduce the water consumption used in the operation of water sprinkling facilities, wheel washing facilities, and toilets. Wastewater generated at sites is handled through wastewater treatment facilities for removal of pollutants before being discharged to comply with legal water quality. Moreover, we are applying designs and engineering to boost water recycling to buildings and expanding water resource protection activities such as using rainwater for landscaping in apartment complexes.

Water Consumption at Worksites

(Unit: ton)



Scattering Dust Management

With the recognition that fine dust adversely affects public safety and health, we entered into a voluntary agreement to reduce high-concentration fine dust with the Ministry of Environment to systematically manage scattering dust. To reduce the generation of scattering dust, dust-proof fence is installed at the site boundary and scattering dust prevention facility is also operated during storing, transporting, loading and unloading of soil and outdoor cutting work. In addition, we operate wheel washing facilities and dedicated personnel to prevent soil in construction sites from being leaked outside through vehicles' tires, while cleaning the area around the site with water on a regular basis.

Scattering Dust Reduction Activities



Noise & Vibration Management

To minimize the environmental impact on local residents due to noise and vibration generated from the entire construction process, we not only install soundproof fences and portable air soundproof but also use low-noise and low-vibration equipment. Moreover, we closely identify the expected damage area and periodically measure the noise level to prevent damage to the surrounding area.

Noise & Vibration Reduction Activities



Minimizing Environmental Impact

Biodiversity Conservation

Ecological Environment Protection by Project Stage

We are looking for biodiversity conservation measures that can be used from building to landscaping in each stage of pre-evaluation and design, construction, and follow-up management.

We consider permeability and circulation of rainwater by using porous materials and select trees matching existing vegetation when designing infrastructure within the complex. We also secure biodiversity by greening the rooftop space of apartments and ancillary facilities and creating habitats for living creatures such as ponds, streams, bird houses, old trees, and piles of stones.

Ecological pathways are installed to prevent the habitats of wild animals and plants from being destroyed, ensure passageways for wild animals, and maintain the continuity of the ecosystem. Low-noise and low-vibration construction methods are also applied to prevent damage to their habitats.

We continuously monitor the process of vegetation change in green spaces of apartment complex and reflect the results on planting techniques in the complex.

Biological Species Protection



Ecological pathway



Narrow-mouthed frogs' habitat

Biodiversity Conservation Activities at Construction Sites

At our business sites, we strive to protect the habitats and food sources of birds, mammals, fish, amphibians and reptiles by managing the habitat status of legally protected species, and to minimize environmental impacts and damage to forests and habitats. In particular, at major construction sites, we protect the ecological environment by installing temporary bridges and roads during bridge construction, minimizing changes in riverbeds, avoiding nighttime construction, and applying low-noise equipment and methods.

Major Biodiversity Conservation Activities

Construction Site	Status of Legally Protected Species	Biodiversity Conservation Activities
National Expressway No.65 Construction (Pohang-Yeongdeok, District 4)	Otter	Minimizing streambed changes and temporarily removing silt protector during upstream migration and breeding season of yellowfish and sweetfish, which are food sources for otters, by installing temporary bridges and roads when constructing bridges
Roadbed and other construction of Jungang Line Dodam-Yeongcheon Double Track Railway District 4	Mandarin duck, kestrel, falcon, long-billed plover, otter, wild cat, flying squirrel	Avoiding nighttime construction, minimizing environmental damage, and applying low-noise equipment and construction methods
Pyeongtaek Seotan General Industrial Complex	kestrel, grey frog hawk	Preventing the capture and overfishing of food sources
Rest Area Installation and 6-Lane Extension on Seoul-Chuncheon Expressway	Mandarin duck	Conducting low-noise and low-vibration methods even though damages to habitats from this project are expected to be minimal
Incheon New Port Hinterland Complex (Phase 1, Zone 2) Development	Spoonbill, oystercatcher, eastern curlew, saunders's gull	Promoting general reduction measures as the area, which was landfilled, is not a major feeding and breeding site for migratory birds and the possibility of habitation is expected to be low
National Expressway No.32 Construction (Asan-Cheonan, District 4)	Mandarin duck, kestrel, narrow-mouthed frog	Minimizing damage to forests and habitats and conducting periodic monitoring
National Expressway No.32 Construction (Asan-Cheonan & Inju-Yeomchi, District 1)	Bean goose, mandarin duck, white-tailed sea eagle, eagle, kestrel, otter, wild cat	Avoiding nighttime construction and minimizing environmental damage
Jigae-Namsan Connection Road Private-Invested Construction	Goshawk, kestrel	Protecting food sources
Gimhae Science Park General Industrial Complex Development Project	Kestrel, eagle	Restricted construction during the bird breeding season and focused on small-scale construction
The H The First-Tier IPARK	Magpie, crow, and 2 other species of birds, wild cat	Minimizing environmental damage due to construction

Response to Climate Change

Energy and GHG Management

Energy Consumption

HDC Hyundai Development Company has been striving to save energy at the head office and construction sites. In 2021, the total energy consumption across the company was 637TJ, of which electricity accounted for 81.8%. Energy saving campaigns and use of energy-efficiency materials will be expanded to reduce energy consumption.

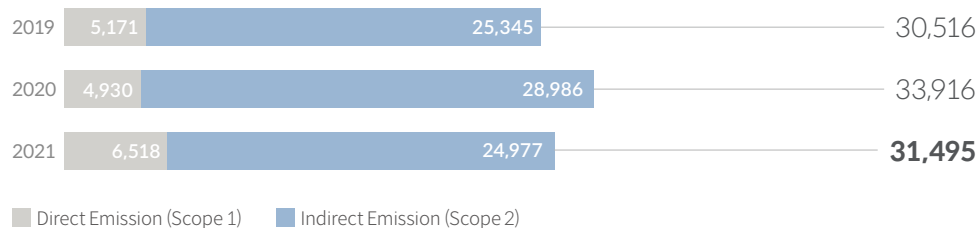
GHG Emissions

Our GHG emissions have underperformed the legal standards set in the guidelines for GHG target management and operation. We are not subject to laws such as the emission trading system or the GHG target management system. However, to fulfill corporate social and environmental responsibilities, the company voluntarily builds a GHG inventory and discloses its emission data to government agencies, shareholders, and ESG evaluation agencies.

As a result of efforts to reduce energy consumption and GHG emissions at the head office and construction sites, our total GHG emissions in 2021 decreased 7.1% year-on-year to 31,495 tCO₂eq. Direct emissions (Scope 1) were 6,518 tCO₂eq and indirect emissions (Scope 2) from electricity and steam amounted to 24,977 tCO₂eq.

GHG Emissions

(Unit: tCO₂eq)



Purchasing of Green Products

Green Purchasing Policy

Green purchasing is an activity to save and efficiently use resources and energy to minimize greenhouse gas emissions and environmental pollution.

HDC Hyundai Development Company has designated products that have obtained eco-label and high-efficiency energy mark certifications as priority items when purchasing electrical appliances, equipment, and other materials. In 2021, the ratio of green purchasing to total material purchasing was 13.1%.

Green Purchasing Items



Eco-label certification

General furniture, kitchen furniture, steel flooring, plywood flooring, fluorescent lamps, indoor flooring materials, adhesives, etc.



Low-carbon certification

PVC windows, PVC wallpaper, plaster board, flame-resistant wallpaper, insulation, etc.



High-efficiency mark certification

Transformer, uninterruptible power supply, booster, in-line pump, supply/exhaust and ventilation fan, hot water boiler, etc.



Eco-friendly mark certification

Toilet, faucet fittings, gas boiler, water meter, refrigerator, etc.

Developing Eco-friendly Technologies

R&D of Eco-friendly Technologies

Eco-friendly R&D

We are researching and developing technologies for customers and the environment, such as carbon fiber separation hinge application, independent control ventilation system with air cleaning function, zero-energy housing, review of changes in CO₂ concentration due to wall greening, and floor impact and noise measurement.

In 2021, we secured core technology for BIPV (Building Integrated Photovoltaic) louver for apartment houses through development and verification. Considering that existing rooftop PV facilities alone cannot meet the continuously increasing mandatory application rate of renewable energy, we applied PV module to the louver blades of AC unit room.

Technology Development for PhotoVoltaic Louver



Sep. 2019 Completed joint patent registration with HDC I-Controls for "DC power distribution system including household ESS"

Mar.~Aug. 2021 Verified the working mock-up mechanism and power generation jointly with HDC I-Controls

The company holds eco-friendly patents such as ventilation system and control method for reducing carbon dioxide and improving energy efficiency, eco-friendly soil binder composition, wet/semi-dry slope greening construction method, and eco-friendly concrete composition/crack reduction construction method.

Major Eco-friendly Patents

Ventilation system and control method for reducing carbon dioxide and improving energy efficiency

Composite sound insulation structure floor system that absorbs impact sound

Eco-friendly soil binder composition and wet and semi-dry slope greening construction method

Eco-friendly concrete composition for underground structure and crack reduction method

Method and system for centralized collection and storage of multi-generational home network data

DC lighting module and lighting system

Eco-friendly Management of Buildings

From eco-friendly energy modules to smart management systems and smart home technologies aimed at improving customer convenience, we are committed to providing buildings that can efficiently manage energy in the era of climate change based on a systematic roadmap. The modularized renewable energy system ensures convenient maintenance and can reduce energy use in buildings by providing data-based energy management services. It is expected that building energy consumption will be reduced by about 30% (different by site conditions) through modularization, standardization, and active control.

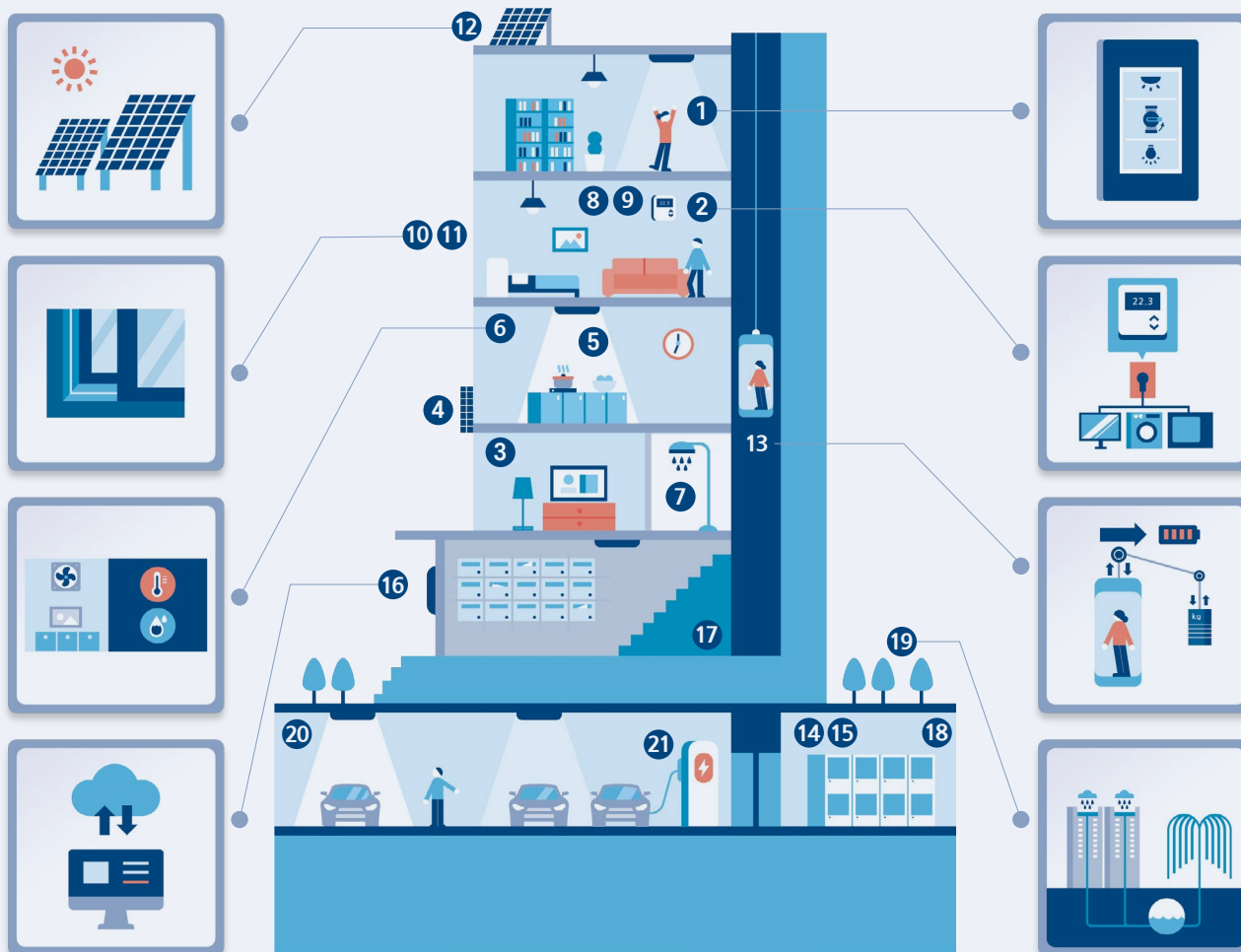
We are planning a cloud-based integrated system linked to the HDC data platform to help residents effectively use facilities. This system will allow them to reduce energy consumption based on their lifestyle patterns and minimize waste generation by notifying the time of facility maintenance in advance, thereby increasing their satisfaction.

In response to increasing needs for eco-friendly architecture, we are focusing on developing an energy management system and renewable energy specialty modules optimized for IPARK Zero Energy Buildings (ZEB). We are also developing IPARK's unique energy management solutions, such as PV louver blades of AC unit room as well as rooftop solar power facilities to obtain the ZEB level 5 certification, which will be mandatory for apartment houses from 2024.

To improve the convenience and security of residents, we have developed and applied a smart home system that remotely controls energy use and access to each household. The development of I'Park Home app, an integrated version of existing four apps (One Pass, Remote Call, Parking Space, and Smart Home) was completed and the service started in July 2022. In addition, a service that allows residents to directly control home appliances through the I'Park Home app is being developed in cooperation with large domestic home appliance makers. A system that automatically tracks moving vehicles in an underground parking lot with intelligent CCTV is being tested at Ilsan IPARK. Digital technologies for the protection of residents' safety and privacy are also under development, such as network separation among households, intelligent situation-aware CCTV on the ground section, and cyber security.

Developing Eco-friendly Technologies

IPARK Eco-friendly System



Household

1. Batch light off and standby power blocking system
2. Wireless communication-based standby power blocking outlet
3. Eco-friendly, high-efficiency LED lighting with adjustable color temperature and brightness
4. AC unit room louver integrated solar panel
5. DC distribution lighting system
6. Energy-saving heat exchange ventilation system
7. Bathroom ventilation with timer switch
8. Real-time energy monitoring system
9. Real-time air quality measurement and automatic ventilation system
10. Double-glazed window for insulation, soundproofing, windproof, moisture-proof, and condensation prevention
11. Continuous insulation line design

Communal Space

12. Rooftop fixed solar power plant
13. Regenerative braking elevator
14. Energy saving pump
15. Integrated power control system
16. Smart management service from Disaster Prevention Office and Management Office
17. Automatic closing of windows in winter season
18. Energy supply to communal space through solar power generation
19. Hydroponic facilities and landscape watering using rainwater

Parking Lot

20. Intelligent CCTV-based smart parking solution
21. Electric vehicle charging outlet with emergency bell

Developing Eco-friendly Technologies

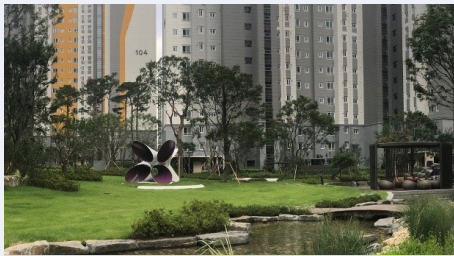
Eco-friendly Landscape

Eco-friendly Landscape Design

IPARK is transforming into a space where residents can enjoy a pleasant environment and various leisure activities beyond the concept of a simple home. As interest in health and the environment is increasing due to fine dust, yellow dust, and Covid-19, we are providing excellent residential environment to residents by creating various eco-friendly landscaping facilities such as theme gardens, trails, landscape forests, and ecological ponds.

On top of that, planting is performed according to patterns and points that consider appropriate density based on the plant growth environment and characteristics of each species, and the landscape is also designed for complexes and spaces in consideration of major points and seasonal changes.

Eco-friendly Landscaping Cases



Panoramic Landscape: Sagajeong IPARK's Central Garden



IPARK Objet: Dream Forest IPARK



IPARK Total Design: Daejeon IPARK CITY

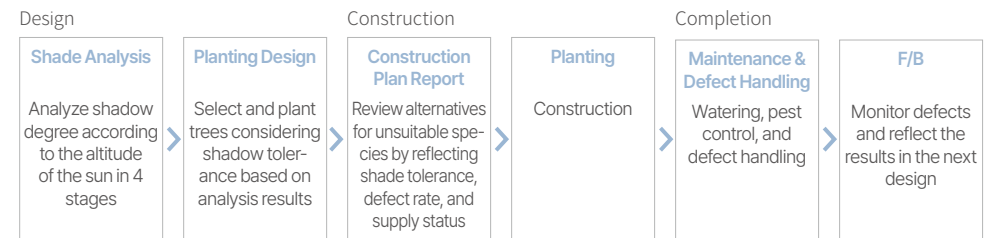


Landscape Planting: Sinchon Forest IPARK

Landscaping Technology for Trees in Shaded Areas

Due to the recent skyscraperization of apartment buildings, it has become unavoidable to plant trees in shaded areas. The company verifies the effectiveness of the planting process by reviewing the sustainability of tree growth in the shade and inspecting the damage caused by sunlight. The planting process aims to select appropriate trees by preparing necessary procedures from the design stage to post-completion, and to enhance the rooting and growth sustainability of trees.

Tree Planting Process in Shaded Area



Reinforced Planting Plan to Reduce Defects

Possible Cause of Defect	Planting Plan
Lack of sunlight	<ul style="list-style-type: none"> Predict sunlight status through shade analysis and select suitable planting species
Planting at inappropriate times	<ul style="list-style-type: none"> Actively reflect antitranspirant, winterization materials, humectants, and tree nutrients in the design and budgeting process considering the completion schedule
Speedy construction	<ul style="list-style-type: none"> Prepare a plan to implement planting work in a timely manner for transplantation
Short of water	<ul style="list-style-type: none"> Install drip irrigation water bag at the beginning of construction Reinforce watering works when transferring maintenance guidelines after completion
Basic planting	<ul style="list-style-type: none"> Issuance of soil inspection result confirmation prior to soil import Introduce soil ameliorant for early rooting
Poor drainage	<ul style="list-style-type: none"> Strengthen drainage plan Avoid planting in rainy weather
Building wind	<ul style="list-style-type: none"> Help rooting by tightening wood pole in the strong building wind zone

Developing Eco-friendly Technologies

Greening System for Artificial Ground

HDC Hyundai Development Company has secured all-weather artificial ground greening technology that can be applied to the roof of community center and management building, and the landscaping section by grafting "vegetation unitbox artificial ground greening technology" to "research on performance improvement through unification of waterproof and rootproof."

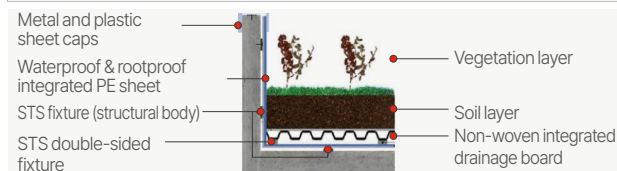
The hybrid waterproof and root penetration resistance system enables winter construction, process simplification, and cost reduction. The artificial ground greening technology, which combines the extensive green roof vegetation unitbox to the existing waterproof and rootproof system, enables artificial ground greening in winter and shortening of construction period.

Greening System for Artificial Ground

- **Composition** : Integration of hybrid waterproof and rootproof + vegetation UnitBox
- **Feature** : Substitution of plain concrete, dry method, winter construction, shortened period, cost reduction



Cross-section of Artificial Ground Greening System



Eco-friendly Building Certification

We obtained a total of 37 eco-friendly certifications on buildings completed in 2021, including green architecture (former eco-friendly building certification), building energy efficiency rating, Ministry of Land, Infrastructure and Transport's total energy consumption system and energy saving plan evaluation, Seoul's total energy consumption system for buildings, eco-friendly housing evaluation, long-life housing construction, and health-friendly type.



Eco-friendly certified building (completed in 2021)



SOCIAL

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Talent-centered Management

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Park Roche (2018)

Creating Safe Workplace

Strengthening Safety, Quality, and Health Management

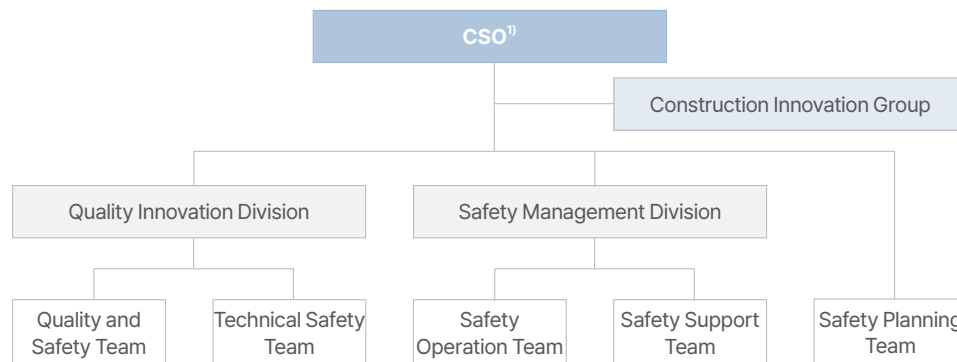
Restoring a Safety-first Culture

A recent accident in Gwangju has damaged our trust and corporate value. In response, we are making an effort to set the basics and principles right-mindedly and establish the on-site culture that puts safety first to restore stakeholder trust. To ensure the highest safety and quality in the industry, we appointed the CSO (Chief Safety Officer) with independent decision-making authority and further strengthened safety and quality organization. We will rebuild customer trust by internalizing the safety and quality culture through strengthening safety and quality systems and innovation in on-site construction management.

Enhancing Organizational Expertise

To ensure worker safety and preemptive accident prevention based on newly established safety and quality innovation strategy, we expanded the safety organization, secured rescue safety quality, and enhanced technical quality organization for adequacy review and inspection, thereby securing the function of Check & Balance from the professional perspective.

Safety and Quality Organization



1) CSO (Chief Safety Officer)

Safety and Quality Innovation

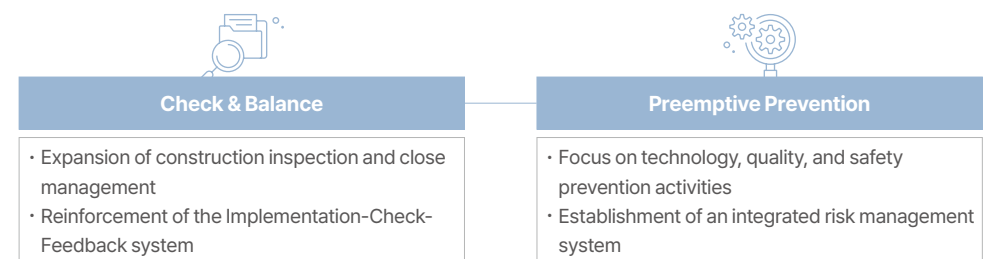
"Check & Balance" and "Preemptive Prevention" are the core of strategic direction for safety and quality innovation aimed at enhancing safety and quality technology competitiveness and building accident prevention system. Detailed strategic tasks are as follow.

We will reinforce the ability to respond to the Serious Accidents Punishment Act by expanding comprehensive detailed inspections, find and eliminate the root cause of accidents, managing risk levels, and standardizing risk management.

We intend to establish a technical safety system through technology review by project stage, DFS (Design for Safety) establishment, and construction plan management. In addition, we will enhance professional competence and support field application technology through training at Safety-I Academy and management of related guidelines and inspection of on-site support.

By establishing a risk management system, monitoring risks on a regular basis, and intensively managing high-risk issues, we will focus on risk prevention through the Construction Innovation Group participated by external experts.

Strategic Direction for Safety and Quality Innovation



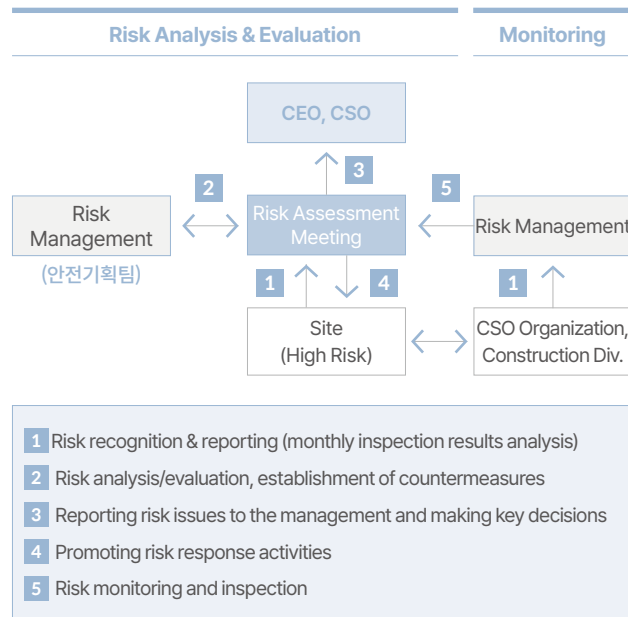
Creating Safe Workplace

Advancing Safety and Health Management System

Systematizing Risk Management

HDC Hyundai Development Company has established a cycle of "risk identification-assessment-response-monitoring/reporting-re-identification," and conducts risk assessment by area according to on-site inspection and analysis once a month on a regular basis.

Risk Management Framework



Strengthening Risk Management and Response

We unify risk management entities, conduct prevention-focused monitoring and feedback, and set plans to improve the previous month's inspection results. Furthermore, we prepare management strategies by each risk level and solutions through company-wide collaboration.

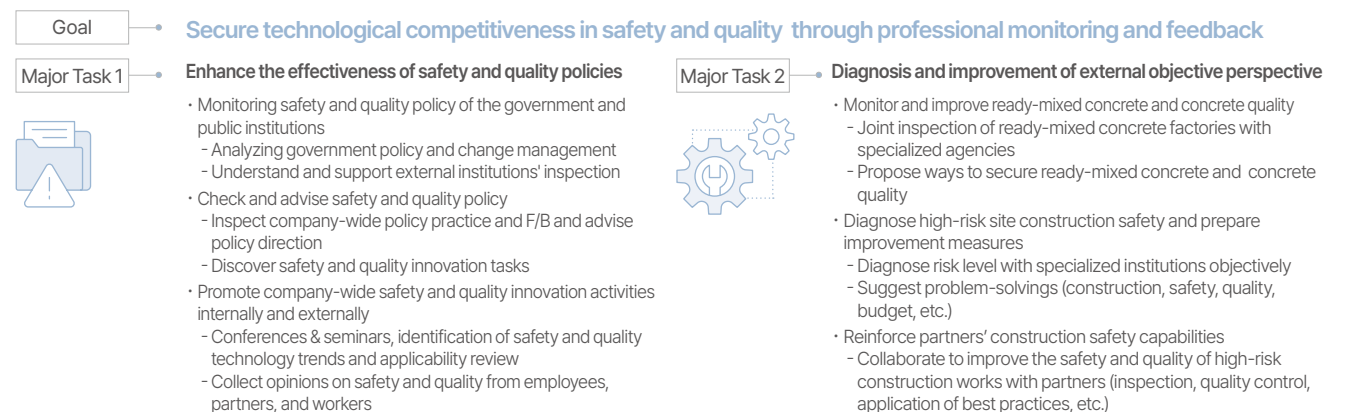
Response Direction by Risk Level

High Risk	Middle Risk	Low Risk
<ul style="list-style-type: none"> Joint inspection (technology/quality/safety) Risk assessment meeting (with related teams) Reporting risk issues to the management 	<ul style="list-style-type: none"> Special inspection and training Track management of improvements and actions 	<ul style="list-style-type: none"> Sharing of risk factors Implementation of quality and safety education

Operation of Construction Innovation Group

The Construction Innovation Group is an independent decision-making body attended by internal and external experts in each field. It consists of two divisions related to construction quality and safety. The Construction Innovation Group focuses on monitoring and feedback to prevent recurrence of construction safety accidents and renovate safety and quality management system to enhance customer trust.

Roles and Functions of the Construction Innovation Group



Creating Safe Workplace

Operation of the Safety and Health Committee

We are operating the Safety and Health Committee to improve the safety and health system and make responsible decisions. The Committee deliberates and decides on the adequacy of safety accident prevention, legal compliance (Serious Accidents Punishment Act, Occupational Safety and Health Act, Construction Technology Promotion Act, etc.), safety and health security, and implementation performance. The committee is held once a quarter to make decisions on goals, budget, organization, implementation results, and response plans for safety and health, and the results are reported to the BOD (Board of Directors).

Major Deliberation and Resolution Agendas

Beginning of Every Year

- Safety and health policies and goals
- Company-wide safety, health, and quality management policies
⇒ Including the role of members, investment, and talent nurturing plan, etc.
- Budget and facility status related to safety and health
- Previous year's results and next year's plans for safety and health

Quarterly

- Safety and health inspection and quality control results according to related laws
- Occupational accident status and recurrence prevention measures
- Deliberation, resolution, and implementation by the Occupational Safety and Health Committee or the labor-management council ⇒ Including procedures for hearing opinions from workers and their implementation
- Hazardous risk factor check, improvement process setup and practice
- Authority of staff in charge of safety and health management and budget
- Setup and practice of safety and health evaluation standards/procedures for partners
- Inspection of safety and health education
- Establishment and implementation of response procedures such as work stop/evacuation/report in case of imminent danger
- Amendment and supplementation of safety and health related regulations
- Agendas raised by the chairman in consideration of improving corporate safety, health, and quality control

BOD and Committee Operation for Safety and Health in 2022

Major safety and health issues have been discussed and deliberated by the Board of Directors. After the members of the Safety and Health Committee were appointed in July 2022, the issues have been reported to the Board of Directors after approval by the Safety and Health Committee. The Safety and Health Committee receives reports on workplace safety and health, supervision and evaluation of quality control, construction accidents, occupational accidents and serious accidents, and establishes company-wide safety, health, and quality management policies. The company held the Safety and Health Committee in November 2022 to receive approval for safety, health, and quality activities in the third quarter of 2022, and we plan to report the approval to the 10th BOD meeting.

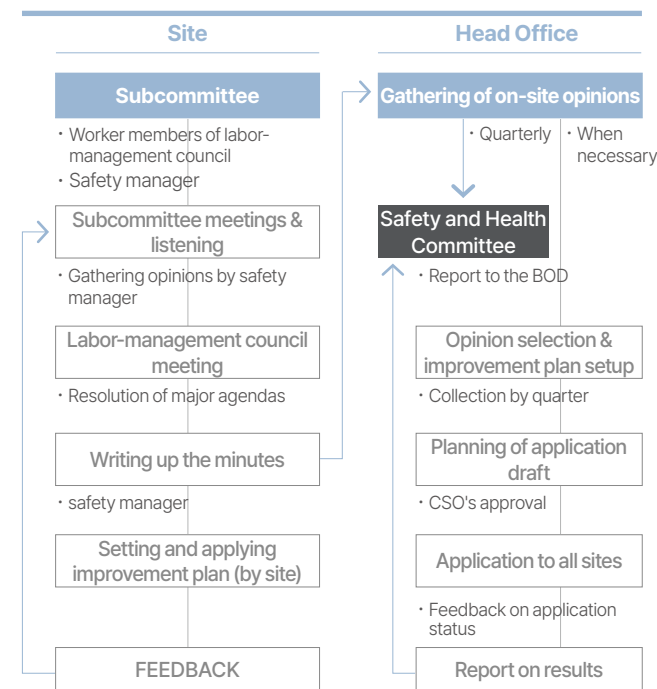
Major Safety and Health Agendas in 2022

Date	Meeting	Major Agenda
Feb.09	1st BOD	• Report on measures to prevent recurrence of accidents
Mar. 03	2nd BOD	• Report on measures to prevent recurrence of accidents
Mar. 29	Shareholders' meeting	• Stipulating the establishment of Safety and Health Committee by accepting shareholders' proposal
Apr. 11	5th BOD	• Report on safety and health activities in 2022 (safety paradigm shift) • Discussion on launching the Safety and Health Committee and regulation setup • Discussion on appointing the Safety and Health Committee members and chairperson
Jun. 10	7th BOD	• Resolution of launching the Safety and Health Committee and regulation setup
Jul. 19	8th BOD	• Appointment of the Safety and Health Committee members and chairperson (Jeong Ik-Hee (chairperson/executive), Kwon In-So (non-executive), Choi Ik-Hoon (executive))
Nov. 09	Safety & Health Committee	• Approval of safety, health, and quality activities in 3Q 2022
Dec. (plan)	10th BOD	• Report on matters approved by the Safety and Health Committee (planned)

Operation of the Safety and Health Subcommittee

Each construction site operates the safety and health subcommittee consisting of worker representatives, worker members, and safety managers bimonthly to communicate closely with them on safety and health issues. The subcommittee listens to workers' opinions for accident prevention, establishes and applies improvement measures, and provides feedback on the results of measures. The subcommittee was held 107 times at 55 sites from the first quarter to third quarter of 2022 and 272 out of 296 items were treated. The subcommittee operation result was reported to the first Safety and Health Committee.

Board Committee Operation Process



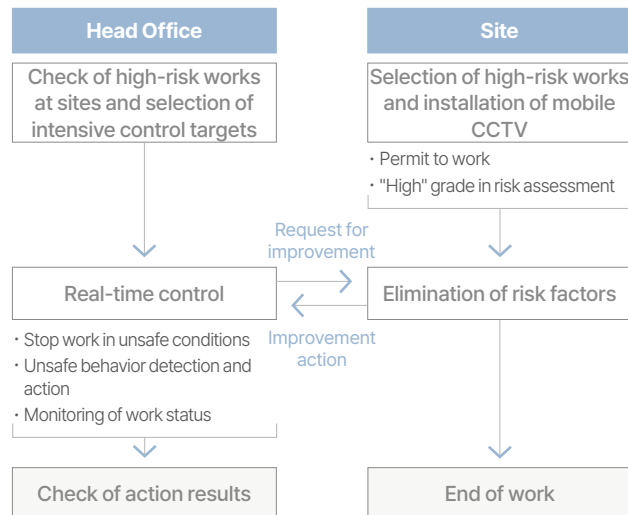
Creating Safe Workplace

Reinforcement of Monitoring by the Head Office

The head office is intensively monitoring risk factors at all sites, especially sites with high risk that require PTW (Permit to Work) and risk assessment through the CCTV integrated control center. Through this system, the CSO can identify the status of high-risk works in real time and immediately remove risk factors, which enables a higher level of safety and health management.

The status of high-risk works and the results of improvement are notified to partners every month to prevent the same risk from reoccurring.

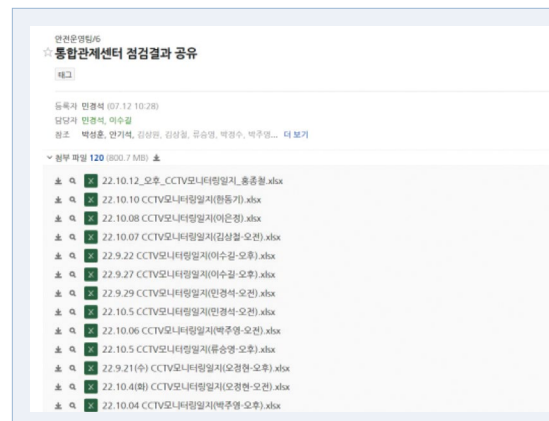
Monitoring System between Head Office and Sites



CCTV Integrated Control Center



Inspection Result Sharing System



Enhancing Independent Safety Management of Partners

The registration process has been improved to reflect the safety evaluation results when registering new and existing suppliers. This process will help our partners improve their safety capabilities and carry out active safety and health activities.

Improvement of partner registration process (to be implemented in 2H 2022)

New Partners	Existing Partners
<ul style="list-style-type: none"> Confirming the CEO's will for safety and compliance with legal requirements Reflecting evaluation criteria in indicators 	<ul style="list-style-type: none"> Conducting safety evaluation twice a year (1H and 2H) Linking partners' participation and implementation results to evaluation indicators Strengthening evaluation criteria

Reflection of safety evaluation results

- Expanding incentives for partners with excellent safety evaluation
- Restricting registration of partners with unsatisfied safety evaluation standards

Consulting

- Supporting the establishment and operation of safety management system
 - Reinforcing responsibility for safety and health activities
- Conducting competency-building training

Creating Safe Workplace

Safety and Health Activities

Safety Check and Diagnosis

By objectively evaluating the level of safety control at sites, we identify fundamental vulnerabilities, establish counterplans, and conduct preemptive prevention activities. In particular, we are focusing more on closely managing high-risk sites.

Response to Related Laws

Social interest and demand for safety are increasing, and related laws and regulations are also being strengthened. Our company is strengthening preemptive prevention activities to actively respond to safety and health-related laws and regulations, including the Serious Accidents Punishment Act. We closely manage safety and health issues based on control plans by risk level and adjust the level for prompt response when necessary. On top of that, the risk management system, which had been different by each site, was standardized to ensure execution power.

Executive-Driven Safety Inspection Day

On the 4th of every month, safety inspection in which the management participates is conducted to further remove harmful risk factors in advance and spread the the culture of safety management practices. The management directly visits sites to check the status of high-risk works and whether work plan, method, and safety control are properly implemented, and discusses ways to improve safety management with partners.

Executive-Driven Safety Inspection at Sites



Strengthening Safety and Health Education

Supports for system establishment and safety and health education at the head office level are conducted to raise on-site managers' awareness of safety, minimize safety management gap, and prevent safety accidents that may occur on-site. Moreover, we will continue to run the SAFETY-I ACADEMY, which started in 2022, to foster core safety and health competencies and spread basic knowledge, thereby creating our own core safety and health values.

Safety and Health Education Strategy



Lay the foundation for realizing core safety and health values

- Safety education and awareness-raising of supervisors through external specialized institutions
- Support for building on-site systems and education
 - Support for system establishment in the early stage of construction
 - Support for workers engaging in high-risk works
- Preparation and provision of education materials to workers engaging in high-risk works



Establish and operate an education system

- Fostering in-house experts and instructors through collaboration with external professional educational institutions
- Institutionalizing compulsory completion of educations
- Upgrading education materials



Build a differentiated safety culture and encourage employees' voluntary participation

- Conducting competency improvement training through external professional organizations and in-house instructors
- Establishing a safety management training system for partners
- Building an education performance management system (IT solution)

Creating Safe Workplace

Quality Management Innovation

Strengthening the Roles and Responsibilities of Quality Management Organization

For more thorough quality management, the Quality Innovation Division operates Technical Safety Team and Quality Safety Team and has clarified the roles and responsibilities of each team to improve work expertise. Quality Safety Team is in charge of construction quality safety inspection, quality management and support, ISO, guidelines and training, while Technical Safety Team manages technical safety inspection and support, DFS, construction plan review, technical guidelines and laws.

Role and Responsibilities of Quality Innovation Division

Technical Safety Team



Design check

- Review of design adequacy of major construction types from the design stage (construction period and methods)
- Establishment of DFS (Design for Safety) database

Construction Plan

- Pre-review of construction plan (Consultation with related teams and improvement of construction procedures)

Technical check and support

- Tightening inspection on compliance with construction plan
- Support for on-site technical safety management (rescue, process, retaining, lifting)

Quality Safety Team



Inspection and evaluation

- Inspection on construction status (compliance with plans)
- Review of construction drawings and details
- Evaluation of on-site quality and safety management ability

Patrol

- Regular inspection by construction risk grade
- Basic construction quality management such as compliance with temporary facility installation status and maintenance period, and concrete management

Planning/Education/Certification

- Regular employee quality training
- External inspection status analysis and education
- Training on case studies of internal and external standards and guidelines

Enhancing Inspections on Construction Status

The company is focusing on expanding technical safety inspections and further solving the fundamental causes of on-site non-conformities. In the event of an accident, we identify the cause and monitor the implementation of improvement measures, analyze monthly inspection results, and regularly share feedback and technical quality and safety letters throughout the company, reinforcing construction quality and safety.

Construction Status Inspection Plan

Category	Regular/Special Inspection	Joint Inspection
Technology	<ul style="list-style-type: none"> • Technical check (construction difficulty level 1 and 2) • Inspection on execution of construction plan 	<ul style="list-style-type: none"> • Joint inspection on high-risk sites by experts by construction type (civil works/structure/method/equipment/safety)
Quality	<ul style="list-style-type: none"> • Patrol inspection (1~3 times/year by construction difficulty level) • Periodic inspection on construction quality: 3 times / by site (beginning to completion) 	<ul style="list-style-type: none"> • Joint inspection by the Construction Innovation Group

Reinforcing Frame Construction Work Standards

We have improved the quality by strengthening the standards for frame construction. By adjusting concrete slump and mixing, which are the most essential standards, and diversifying concrete slump by construction site, we are improving construction efficiency and concrete quality. In addition, the head office's approval procedure when changing on-site construction methods was added and we discover excellent partners and restrict the bidding of undervalued suppliers through frame construction inspection, ensuring safety management.

Special Safety Inspection on Completed Complexes

To secure facility safety of apartment complexes (within 10 years of construction), the company conducts special safety inspections. By identifying physical and functional defects and taking appropriate measures through the Korean Building Structural Technology Society, we relieved anxiety about building safety and promoted trust recovery.

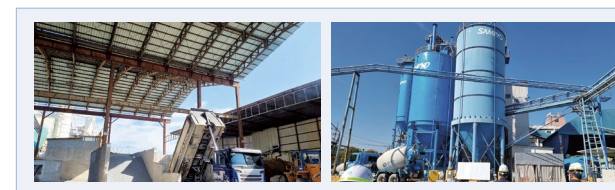
Inspection on Completed Complexes



Ready-mixed Concrete Factory Inspection

It is difficult to recognize quality errors of ready-mixed concrete due to its characteristics, and when errors occur, serious structural defects and huge costs are unavoidable. Therefore, for systematic quality control of ready-mixed concrete, we cooperate with an external professional organization to secure the quality of ready-mixed concrete through step-by-step monitoring from production to construction.

Ready-mixed Concrete Factory Inspection



Creating Safe Workplace

Quality Management Improvement

Application of Automatic Pile Penetration Measurement System

HDC Hyundai Development Company has introduced an automatic pile penetration measurement system (SMART construction technology) to eliminate possible risk factors during pile construction. By transmitting the information measured by the barcode and the pile penetration meter to the web server and managing the data with mobile devices or PCs, the final penetration amount of the pile driving is automatically checked to prevent human accidents and greatly improve safety.

Development of Hinges Made of Carbon Fiber Materials

Carbon fiber demonstrates excellent mechanical performance, light weight, and various colors as it is made through high-density carbon fiber melt-spinning technology. We have developed an eco-friendly carbon fiber hinge that does not cause rust or oil leakage and does not require plating and polishing, and are reviewing the application to construction sites.

Development of Structural Panel to Reduce Floor Impact Sound

Social conflicts due to noise between floors are getting serious. To address this problem, we have developed a panel that blocks floor impact noise and has recently completed a patent registration. We will continue to develop technologies to create a comfortable living environment for residents.

Development of Anti-shake Device for PVC Windows

We have developed anti-shake device for PVC windows to prevent vibration defects caused by the operation of the automatic locking device when opening/closing PVC windows. As the previously applied steel device is vulnerable to condensation and does not have a great effect on vibration mitigation, we have developed and applied a non-exposure type device without condensation risk.

Implementation of Technology Proposal Contest

As part of the shared growth program with partners, we have been introducing technologies from excellent partners through a technology proposal contest since 2020. A total of 96 proposals from 77 companies were submitted in the first technology proposal contest in 2020, and four excellent works have been selected and commercialization is in progress. In the 2nd contest in 2021, 91 proposals were submitted by 76 companies, and 4 excellent works are currently being tested for field application.



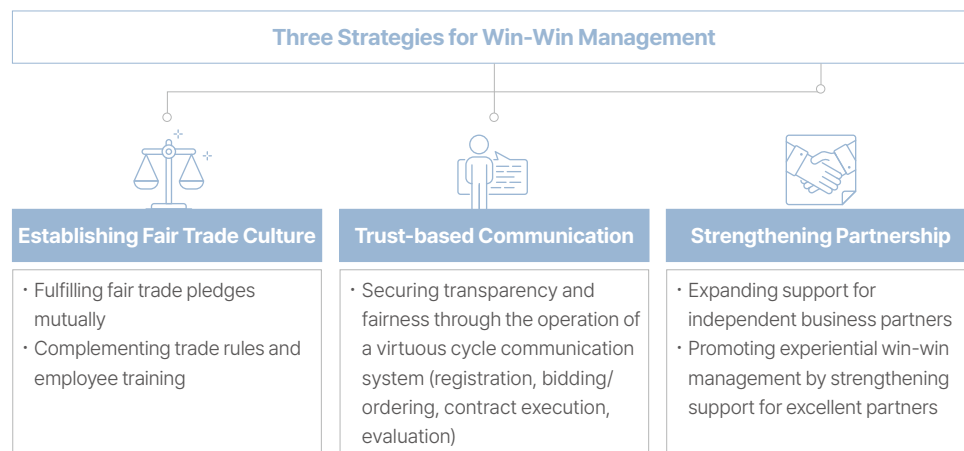
Supply Chain and Win-win Management

Sustainable Supply Chain Management

Win-Win Management Principles and Management System

To promote shared growth with partners, HDC Hyundai Development Company is committed to systematizing sustainable supply chain management and operating programs for mutual growth with them.

Three Principles for Win-Win Management



By transparently disclosing all results from registration to evaluation to partners, we secure the legitimacy and transparency of the process, and promote systematic and fair evaluation. We have disclosed guidelines for partner registration and strengthened safety and quality evaluation when selecting excellent suppliers. Moreover, we operate a mutual evaluation system that the company conducts regular partner evaluation four times a year and partners also carry out on-site evaluation four times a year. This system helps identify and supplement the deficiencies at sites and establish a horizontal relationship. HDC Hyundai Development Company will continue to communicate with partners based on trust and promote their sustainability through systematic and fair management.

Improving the Partner Operation System

HDC Hyundai Development Company has improved payment conditions to prevent disputes with partners and to ensure smoother contract execution. It has been institutionalized so that settlement within 1 month and payment within 2 months after construction is completed, and the Dispute Mediation Committee is operated to support amicable resolution of disputes through mutual consultation with partners. In addition, we check settlement and contract status through a regular fair trade monitoring system to ensure that delayed interest is paid.

Partner Operation Process



Supply Chain and Win-win Management

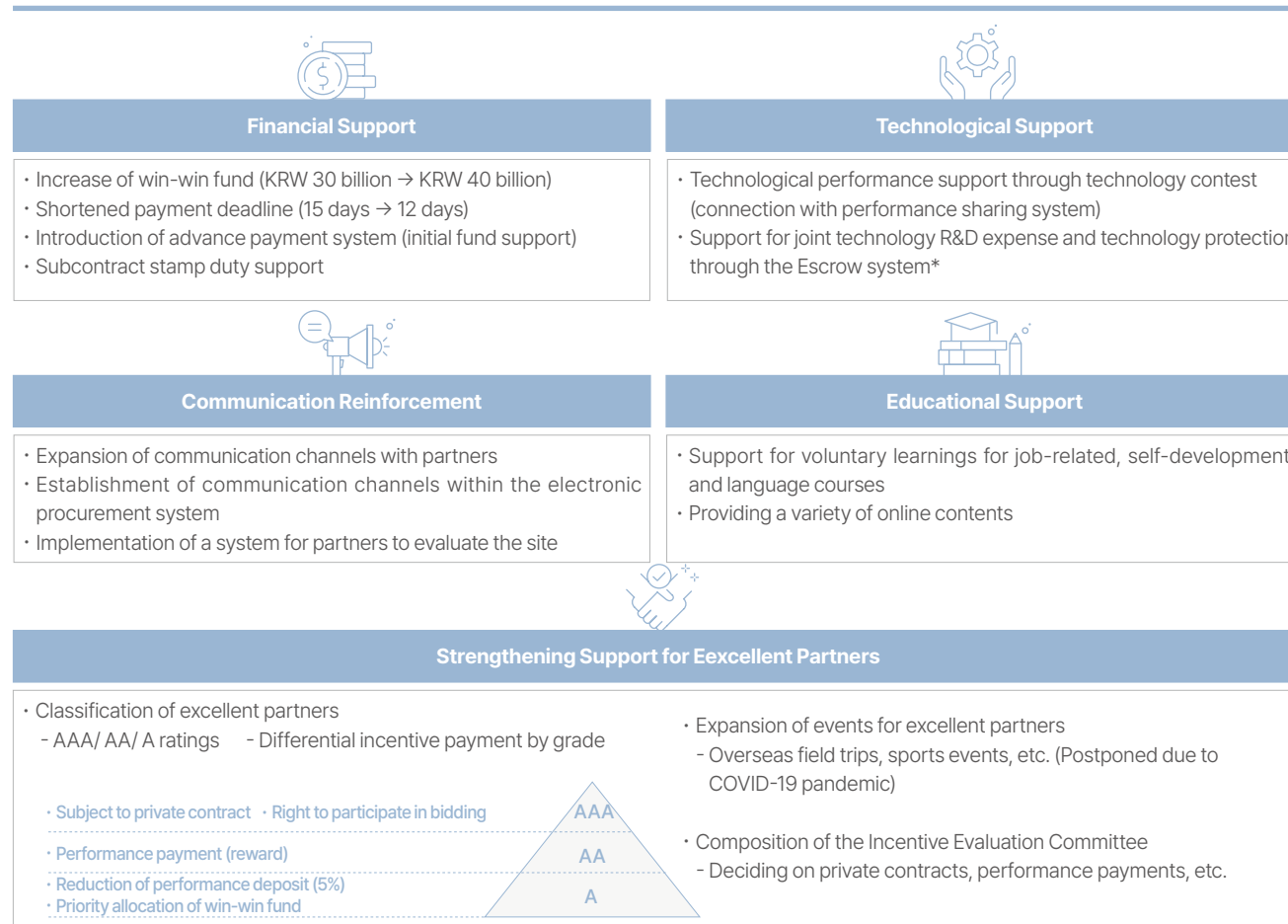
Establishing Fair Trade Culture

It is necessary to establish fair trade culture within the company and partners for the effective operation of improved partner operation system. As part of this, we delivered the fair trade declaration to partners and pledged to practice fair trade with them. In addition, we strengthened the penalty criteria against non-compliance with fair trade and contract and conducted feedbacks and employee training to establish fair trade culture. Business rules for fair trade in subcontracts will also be prepared.

Win-win Management Partnership

HDC Hyundai Development Company is further strengthening partnership with suppliers by expanding supports for win-win growth. Those include active support in financial, technological, and educational aspects, expansion of communication channels to collect partners' opinions, and reinforcement of incentives for excellent partners. Our efforts to expand support for win-win growth are expected to greatly contribute to instilling a sense of belonging and motivating the employees of partners. Going forward, we will establish a supply chain ESG management policy, a code of conduct for partners, and ESG evaluation support plans to secure a sustainable supply chain.

Win-win Management Partnership System



* Escrow System: A system that stores a company's technology data at the Korea Foundation for Cooperation of Large & Small Business, Rural Affairs, which is a third institution, and uses the data to prove the fact of technology development and possession in case of technology leakage or patent controversy

Supply Chain and Win-win Management

Compliance Program

Operation of Fair Trade Compliance Program

To prevent legal violations such as unfair trade in advance, the company has been operating the Compliance Program since 2017. We have also revamped internal compliance system with regard to education and supervision and specified action plans for compliance.

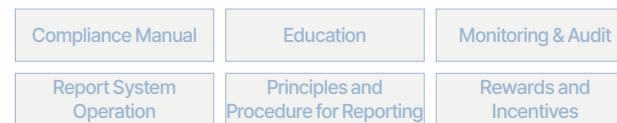
Independence and Role of the Compliance Officer

HDC Hyundai Development Company appoints the Compliance Officer as a general manager of CP operation and guarantees independence. The Compliance Officer performs all tasks from establishing the CP operation plan, auditing the CP status and requesting correction of the audit results, requesting improvement and correction of violations of fair trade-related laws, and training employees for CPs. CP operation plans and activities are reported to the CEO.

CP Operation Organization

The Compliance Officer cooperates with the department dedicated to fair trade and the Compliance Council consisting of the head of each division for efficient CP operation. Meanwhile, the Compliance Council plays the role of deliberation and advice on violations of the law, and coordinating work between departments related to compliance.

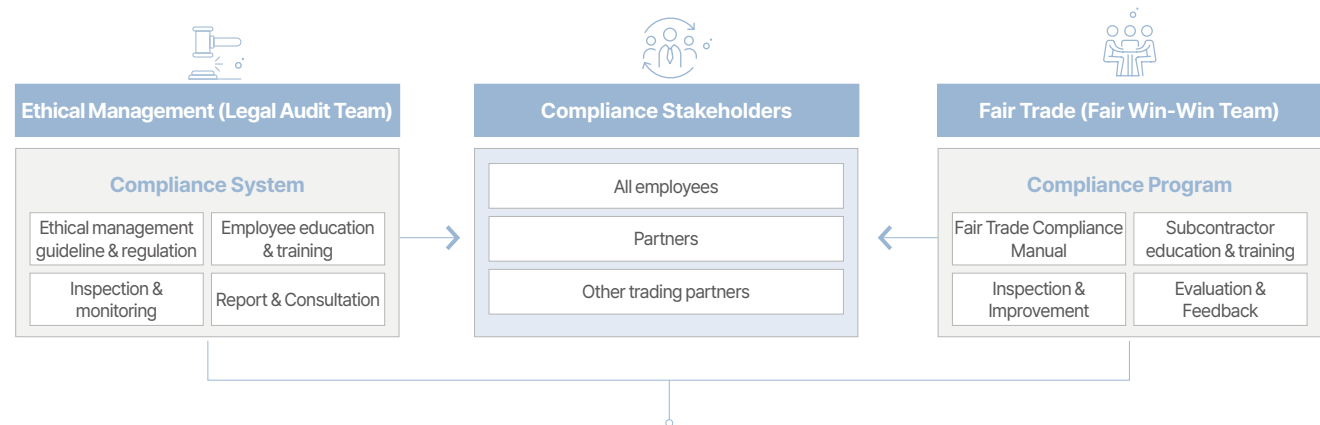
CP Operation System



Rewards for Excellent CP Operation Sites and Employees

HDC Hyundai Development Company encourages active and voluntary participation of employees in the CP program by granting incentives to excellent CP operation sites and employees. In the CP evaluation in 2021, incentives were given to two sites and two people.

Establishing CP Operating system in Connection with Compliance System



Inducing the establishment of a fair trade culture through mutual complementation

Strengthening in-house compliance system by combining "Compliance System" and "Compliance Program" based on ethical management
 Establishing internal guidelines & norms through production of "Fair Trade Compliance Manual"
 Systematic operation by launching the Compliance Committee, and raising employees' awareness of compliance through continuous fair trade education

Supply Chain and Win-win Management

CP Education

Training programs are provided based on the annual training plan so that employees can understand fair trade-related laws and regulations. In 2021, a total of 4,157 persons from our company and partners participated in 15 CP trainings.

CP Trainings in 2021

Course	Date	Target	No. of Trainees
Subcontract training for new partners	Mar. 2021	Partner	189
Fair trade training session 1 for PAM position	Mar. 2021	PAM	12
Initial on-site training session 1	Apr. 2021	Construction site	34
Ethical training (fair trade) session 1 for employees	May 2021	All employees	1,608
Fair trade training session 1 for professional contract workers	Jul. 2021	Experienced employee	8
Training on mutual cooperation (subcontracting law, etc.)	Aug. 2021	Partner	192
Initial on-site training session 2	Sep. 2021	Construction site	27
Fair trade training session 2 for PAM position	Sep. 2021	PAM	13
Fair trade training session 2&3 for professional contract workers	Oct. 2021	Experienced employee	4
Quiz-based fair trade training session 1	Oct. 2021	All employees	114
Quiz-based fair trade training session 2	Nov. 2021	All employees	127
Fair trade training session 4 for professional contract workers	Nov. 2021	Experienced employee	5
Fair trade training by inviting external instructors	Nov. 2021	Cost manager	30
Ethical training (fair trade) session 2 for employees	Dec. 2021	All employees	1,737
Total			4,100

CP Components and Operational Performance

HDC Hyundai Development Company operates the CP using the eight evaluation criteria recommended by the Fair Trade Commission. Key achievements for 2021 are as follows.

CP Evaluation Criteria and Major Achievements

CP Evaluation Criteria (8 Components)	Major Performances in 2021
Preparing CP standards and procedures <ul style="list-style-type: none"> Proclamation of introduction and operation internally and externally, and establishment of standards 	<ul style="list-style-type: none"> (Nov. 2017) Introduction of CP and declaration (Nov. 2017) 3rd revision of fair trade compliance guideline
Commitment and support from top management <ul style="list-style-type: none"> Expression of will and policy for fair trade Support for operating budget and workforce 	<ul style="list-style-type: none"> (Mar.) Fair trade agreement ceremony and Best Partners Day (Apr.) HDC partners meeting by construction type (Dec.) Production and distribution of fair trade poster / website renewal (Dec.) Production and distribution of PR materials for CP
Appointment of the Compliance Officer <ul style="list-style-type: none"> Responsibility for CP operation 	<ul style="list-style-type: none"> (Nov.) Appointment of the Compliance Officer (Head of Audit Team)
Production and use of compliance manual <ul style="list-style-type: none"> Establishment and revision of a manual for sharing fair trade laws 	<ul style="list-style-type: none"> (Nov.) 3rd revision of the compliance manual (Dec.) Production and distribution of compliance manual e-book
Compliance training <ul style="list-style-type: none"> Regular training, special target training, executive training, etc. 	<ul style="list-style-type: none"> (Apr., Sep.) Field training at the beginning of construction / 22 sites (May, Dec.) Ethical training (fair trade) / All employees (Oct., Nov.) Quiz-based fair trade training session 1 & 2 / All employees (Nov.) Special lecture by external lecturer on fair trade / Cost manager
Establishing internal supervision system <ul style="list-style-type: none"> Preparation of the Compliance Committee and internal inspection system 	<ul style="list-style-type: none"> (Monthly) Written contract and subcontract payment monitoring (Jul.) Written fact-finding investigation by the Fair Trade Commission (In case of occurrence) Operation of the Dispute Mediation Committee
Sanctions on violators and incentives <ul style="list-style-type: none"> Operating personal sanction system and incentive system 	<ul style="list-style-type: none"> (Oct.) Preparation of employee sanctions and incentive system (Dec.) Awards for excellent fair trade sites and employees (2 sites, 2 persons)
Effectiveness evaluation and improvement measures <ul style="list-style-type: none"> Feedback, improvement, and grade evaluation 	<ul style="list-style-type: none"> (Jun. 2020) Establishment of automatic notification system when signing a contract (Dec. 2020) Introduction of the pre-contract & post-guarantee system (Jun., Nov.) Participation in CP meeting and forum of Fair Trade Mediation Agency

Respect for Diversity & Talent-centered Management

Talent Recruitment and Nurturing

Ideal Talent

HDC Hyundai Development Company aims to nurture talents who will contribute to creating a world of abundance and trust. We are making a concerted effort to discover and cultivate talents who can create a better future with passion and challenging spirit while complying with integrity in accordance with the code of conduct of Integrity, Grit, and Consilience.

We strive to nurture global developers who can build the future by communicating and cooperating with various stakeholders such as related departments, partners, and clients based on expertise in the areas of development, housing, architecture, civil engineering, and plant.

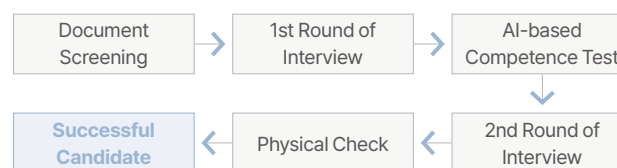


Talent Recruitment Process

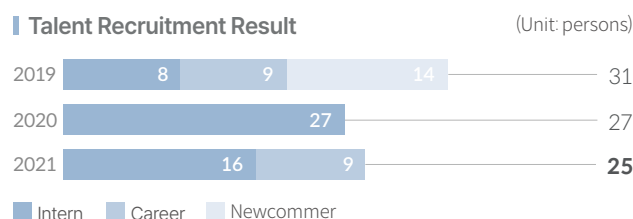
HDC Hyundai Development Company operates a fair recruitment process and provides equal opportunities to applicants. In the first round of interview for regular employees, the head of each department (team leader level) evaluates applicants through asking and answering whether they are suitable for the job. After the first round, we use AI technology to objectively evaluate the potential competency and disposition of the applicant once again to ensure the fairness of the interview.

The final successful candidates are selected through the second round of interview with the management including the CEO and head of divisions. Through these multi-stage interviews and competency tests, we hire the most suitable talent for the company in a fair way.

Recruitment Process



Talent Recruitment Result



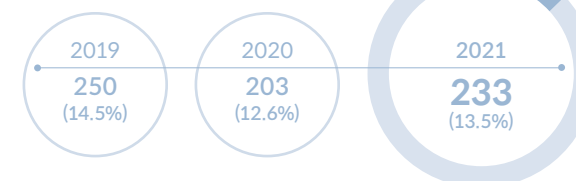
Female Talent Recruitment

Since becoming the first company to appoint a female employee as the site manager in the domestic construction industry in 2013, HDC Hyundai Development Company has made an effort to address the gender imbalance in manager level. In 2019, a female executive was appointed for the first time in the company, and since then, we have strived to ensure that more career development opportunities are offered based on individual efforts regardless of gender.

Female Employment Status

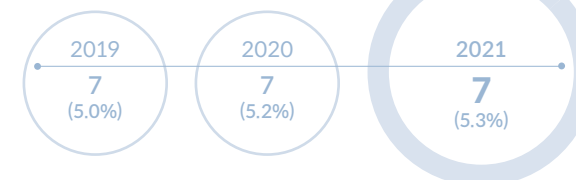
Total Number of Female Employees

(Unit: persons)



Number of Female Managers

(Unit: persons)




Respect for Diversity & Talent-centered Management

Talent Cultivation

Our talent cultivation direction has been set to strengthen the fundamental competitiveness of HDC Group in response to rapidly-changing market environments such as global pandemic and the emergence of new generation. We enhance employee competence and job satisfaction through educational support for nurturing job experts in each field, life redesign program for the elderly and low performers, and the Job Posting system that induces self-directed career development.

To nurture future talents, we are operating diverse education programs that sharpen leadership and expertise. Having recruited large-scale new employees and professionals in various fields, in 2022, we are providing various competence building opportunities such as training by class, on-boarding for early organizational adjustment, OJT, external training, and non-face-to-face training using the learning cloud. In addition, we plan to upgrade the education system of each business division by revising the education infrastructure and company-wide education system and establishing a job training system for each organization.

Education Programs (as of Jan. 2022)

Classification	Course
Organization 	HDC change management HDC TED (In-house Expert) CA (Reading Coach) training
Leadership / Position 	1:1 coaching with the management Leader coaching skill improvement New team leader leadership MGL program Entry-level course for new and career employees
Job 	Winter season / legal education Technician support Job competency (sales/development) Job competency (management administration)
Global 	Jobs and duties for overseas dispatchers Support for language education
Common 	Introspection and rebuilding process Legal compulsory education Learning cloud (e-learning)

Performance Evaluation

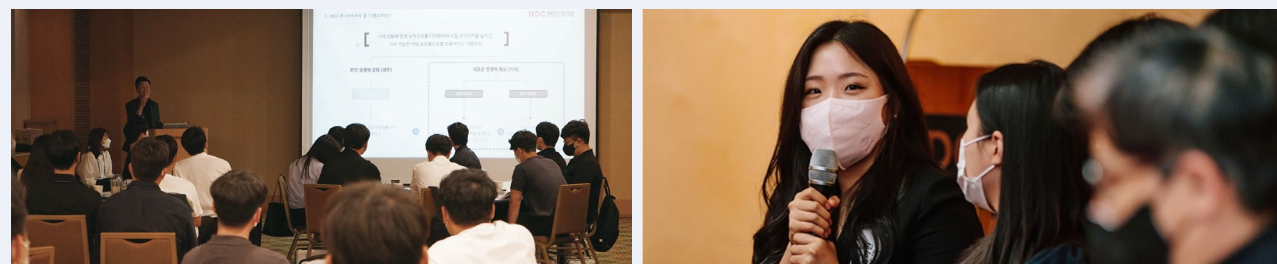
HDC Hyundai Development Company checks the performance of employees through the WPE evaluation system that comprehensively judges working methods, performances, and competency twice a year (in the first and second half). Collaboration and communication with colleagues as well as individual competency and performance are applied as important evaluation criteria.

We have encouraged the growth and motivation of excellent employees through performance-based fair evaluation by unifying the two evaluations (competence/performance) that were applied to the decision of promotion and wage increase. Going forward, we plan to introduce an ordinary evaluation system to supplement the weaknesses of regular and subjective evaluations, and to establish a fair and objective performance management system from work allocation to evaluation. By expanding differential compensation based on performance, we will continuously encourage employee motivation and improve our compensation system.

WPE Evaluation Factors

WORK	PEOPLE	EXPERTISE
Work/Performance Perspective What kind of efforts were made to achieve the goals and what results were achieved?	Collaboration/Attitude Perspective Have you been actively collaborating with your colleagues to achieve results?	Expertise/Competency Perspective Do you have the necessary knowledge, skills, and competencies?

Talent Cultivation Training



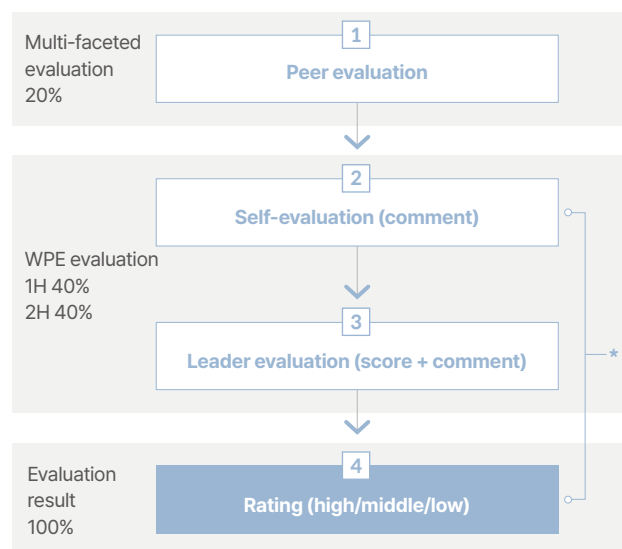
Respect for Diversity & Talent-centered Management

Improving Employees' Quality of Life

Evaluation Process

The evaluation is conducted through a total of 3 stages to determine the high/middle/low grade. The company determines the final evaluation grade by combining peer evaluation and leader evaluation, and makes it mandatory for specific feedback on the gap between self-evaluation and leader evaluation so that coaching and performance evaluation can take place at the same time.

Evaluation Process



* Give specific and honest feedback on the gap between self-evaluation and final evaluation result

Employee Welfare

HDC Hyundai Development Company provides employees with a wide range of welfare benefits such as flexible work, flexible vacation, operation of the employee cooperative, retirement pension, and support for tuition fee and medical expense.

The flexible working system supports work-life balance by allowing employees to freely go to work until 10:00 and leave work after 8 hours. The flexible vacation system allows employees to freely use their vacations throughout the year. If they apply for vacation 10 consecutive working days or 5 consecutive working days twice, welfare points or vouchers worth KRW 500,000 are also provided. The employee cooperative is a system to support family events. All employees automatically become the cooperative members upon joining the company and pay membership fee, and loans up to KRW 10 million is also available. In addition, employees can maintain a healthy and stable life through supports for comprehensive health checkups and medical expense for serious diseases. In the first half of 2022, support for kindergarten expenses and an increase in the standard for employee meals were added, and a housing fund support system is scheduled to be established in the second half. We will continue to improve employee welfare benefits to ensure their quality of life and stable working conditions.

Temp-to-Perm Conversion

To overcome the limitations of the existing HR system and breathe new vitality into the organization, the company is preparing to convert field contract workers engaging in safety and quality jobs to regular workers in the second half of 2022. Through this, we will strengthen our organizational capabilities in the long term and expand our expertise in each field.

Welfare Benefit Programs

Work-life balance Support for healthy life of employees	1. Flexible work system
	2. Flexible vacation
	3. Cafeteria operation
	4. Support for in-house clubs
	5. Resort vouchers
	6. Jeju Haevichi CC membership
	7. Discount on hotel & resort fee
Support for housing and living expense	1. Comprehensive health checkup
	2. Support for medical expenses for serious diseases (implemented in 2022)
	3. Hospitalization expense of employee/spouse/children
	4. Paid sick leave
	5. Employee group insurance (in 2022)
	6. Influenza vaccination support
	7. Covid-19-related support
Support for child education and childcare	1. Housing loan (started in 2022)
	2. Mutual aid loan
Support for family events	1. University tuition
	2. Kindergarten and childcare expenses
	3. Congratulatory money for entering elementary/middle school (to be started in 2022)
Celebration of new employees and tenure	1. Congratulation and condolence vacation
	2. Congratulation and condolence wreaths
	3. Childbirth gift
	4. Funeral assistance
Others	1. Congratulation on joining the company (new employee)
	2. Celebration of long service
Others	1. Holiday points
	2. Field staff support
	3. Fuel expenses for sales positions
	4. Discount at IPARK Mall
	5. Discount at Hyundai Department Store
	6. Discount on Hyundai & Kia cars

Respect for Diversity & Talent-centered Management

Respect for Human Rights of Employees

Win-Win Labor-Management Culture

HDC Hyundai Development Company guarantees the freedom of workers to join and leave the union based on trust and harmony between labor and management, and does not interfere with membership or force them to leave. All employees except for executives, position workers, and some jobs stipulated in the union rule are subject to joining the union.

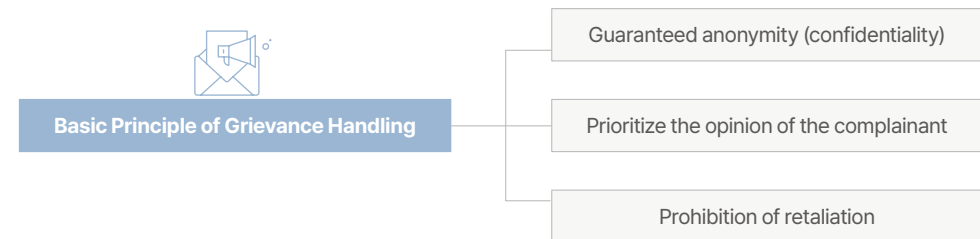
The company discusses issues related to welfare and labor conditions through regular meetings with employee representatives and the labor union. If there is an important matter, we notify the union of the fact as soon as possible and discuss it to guarantee the rights of our employees. Hyundai Development Company will further promote labor-management communication to create a win-win labor-management culture.

Activating Grievance Handling Channels

In the event of grievances or harassment in the workplace, employees can take follow-up measures by reporting them to the head of the organization or the members of Grievance Handling Committee designated in advance. The contents of complaints and the handling process are strictly confidential in accordance with the basic principles of grievance handling. The Grievance Handling Committee is basically composed of employees, employer, and female representatives. However, if there is a request from the complainant, an interview with the head of the personnel affairs team and the head of the department is also possible.

Grievances can be filed through the "grievance handling" menu within the integrated ERP system, and handling methods and procedures can be discussed by phone, e-mail, or face-to-face consultation.

Basic Principle of Grievance Handling



Grievance Handling Committee



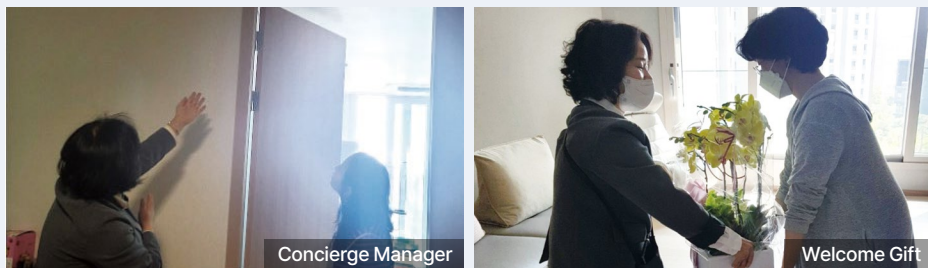
Pursuing Customer Satisfaction

Enhancing Customer Service

IPARK Pink Service

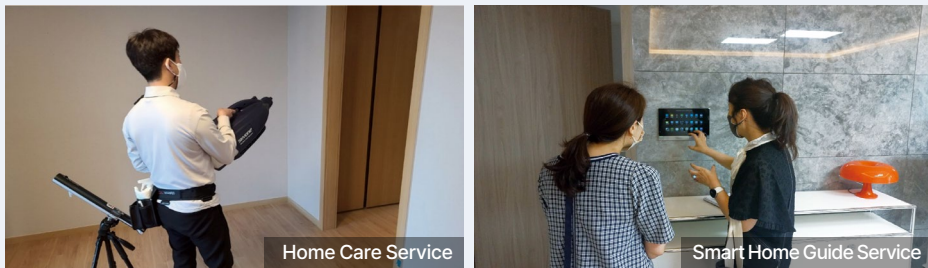
For better customer satisfaction, we provide customers with IPARK's unique active and differentiated services when moving in. Those include "Concierge Manager" who manages from the reception of defects to the status of defect treatment process, "Welcome Gift" service which provides congratulatory gifts such as flowerpots, key boxes, and volume-based bags after moving in, "Home Care Service" that offers a clean living space through sterilization and quarantine within households to remove dust and contamination generated during moving, and "Smart Home Guide Service" that visits and explains how to use the complicated wall pad directly.

IPARK Pink Service



Concierge Manager

Welcome Gift



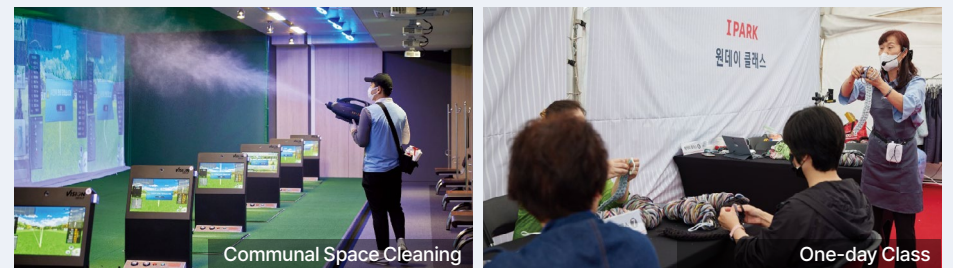
Home Care Service

Smart Home Guide Service

IPARK Blue Service

We provide IPARK's unique brand premium to build trust with residents of complexes that have passed one year after completion. Those include "Communal Space Cleaning" service for air conditioner filter cleaning and sterilization of common facilities, "One-day Class" to give upcycling experiences such as making eco-friendly soap and eco-paper art basket crafts, "Mini Concert" to play quartet performance at an outdoor plaza, "Knife Sharpening Service," and "Bicycle Check Service."

IPARK Blue Service



Communal Space Cleaning

One-day Class



Mini Concert

Knife Sharpening Service

Pursuing Customer Satisfaction

IPARK Green Service

HDC Hyundai Development Company provides maintenance services such as pest control, lawn mowing, and weeding of plants and flowers for landscaping trees in the complex for three years after completion, thereby maintaining the dignity of apartment complex.

IPARK Green Service



IPARK Customer Center

We provide IPARK customers with a unified and integrated service from contract to residence. By operating six regional customer centers that offer integrated services which have been handled separately from contract to payment of the balance, move-in guidance, defect reception, complaint consultation, and happy call.

Mobile APP Operation

As part of integrated customer management, we are expanding customer contact channels through a mobile APP. Its main functions include receiving and handling AS, receiving defects during residents' pre-visit events, and checking the status of interim payment. The number of APP users exceeded about 48,000 (as of the end of July 2022). We will increase customer satisfaction through intensive management through mobile APP.

MOT Team Operation

For better customer service, we are operating an organization dedicated to managing the initial move-in. The MOT (Moment of Truth) Team conducts BS (Before Service) works before moving in and defect management after moving in to provide prompt and consistent customer management tasks to customers in the early stages of moving in.

Social Contribution Activities

Pony Chung Foundation

In succession to Honorary Chairman Se-Yung Chung's philosophy of emphasizing talent and his passion for nurturing future talents that "Great people make a good company, but they don't suddenly appear one day. When there is constant interest and strong support, they do their best without sparing creative efforts," HDC Hyundai Development Company has been supporting future talents who take on innovative challenges.

Pony Chung Innovation Award

Since 2007, KRW 200 million and plaques have been granted to individuals or organizations who have achieved outstanding achievements through innovation and challenge in various fields such as diplomacy, economy, society, culture, and art, or who have contributed to social development and raised the status of the nation through leading positive change.



15th Winner

Sang-Yeop Lee, Distinguished Professor at KAIST

"I would like to contribute to the health of mankind and the protection of the global environment by further developing the research on systems engineering that has been carried out so far. In line with the purpose of the Pony Chung Innovation Award, I will further devote myself to innovative research for the development of mankind."

Pony Chung Scholarship _ Step Up Scholarship

The Foundation provides vocational training and living expenses for two years so that young people who have ended protection can develop the right values and grow into a self-reliant agent, in which Korea Association of Children Welfare and Korea Public Corporation Association participate. As of 2021, 20 young people have been selected as scholarship students.

Representative of the 1st Pony Chung Scholarship Students

"Although everyone has different dreams, direction of life, and goals they want to achieve, I believe that everyone has the same strong belief in realizing the dreams they have in their hearts through the Pony Chung Scholarship program."

Pony Chung Young Leader Award

Pony Chung Young Leader Award

Since 2020, KRW 50 million and plaques have been awarded to individuals under the age of 40, who have created outstanding achievements in their fields and can lead the future of Korea based on their potential.



2nd Winner

Kim Yeon-koung, volleyball player
Seung-Gun Lee, CEO of Viva Republica

Pony Chung Academic Grants _ Young Scholar Grant

The Young Scholar Grant, a representative program of the Pony Chung Academic Grants, was prepared to help young scholars who are starting their research in literature, history, and philosophy in order to shed light on the future of the humanities in 2007, so that they can focus solely on research. KRW 40 million for research expense and KRW 10 million for publication expense are awarded to the Ph.D. in humanities within 5 years of earning the degree.



A Winner in 2020

Seul-A Gu, Ph.D., Dept. of Korean Language and Literature, Seoul National University

"The humanities are a standard that determines whether society is moving in the right direction, and a safety net that enables us to live in peace through solutions proposed by pioneers who have lived before."

Social Contribution Activities

Contribution Activities for Local Communities

We will continue to carry out social contribution activities that match our business characteristics and core values such as HDC Dream Developer program. To build a company-wide social contribution activity system centered on sustainable programs rather than one-off activities, we will prepare objective performance evaluation indicators and carry out social contribution activities essential to the local community that reflect our business characteristics.

HDC Dream Developer

Since 2021, we have appointed college students majoring in architecture and urban engineering as PR ambassador and offered them a 5-month developer training course of KPC. They have enthusiastically participated in promoting our business through social media and conducted projects such as presenting ideas on urban development, showing high satisfaction.



LAN Line Digression

LAN Line Digression, which started with HDC Dream Developer, is a job mentoring program that our employees share experiences and knowledge with local college students. College students showed high interest in our company through this program, and their satisfaction rate was 4.5 out of 5.



Yongsan Dragons

Our company participates in the Yongsan Dragons activity in which more than 80 companies, schools, and institutions in Yongsan-gu participate, providing support for senior citizens living alone, job mentoring for young people, child abuse prevention campaigns, and visits to local children's facilities on Christmas Day.



Love Practice Campaign

Employees donate change less than KRW 10,000 from their salary, and the company conducts matching grant. A total of KRW1,056 million has been raised from 2015 to 1H 2022 and it has been spent on supporting children, adolescents, the elderly, and multicultural families who need help through local welfare organizations.



Love Sharing Campaign

All employees visit places in need in the local community to conduct volunteer works and in-kind donations. In 2022, 235 employees participated in volunteer activities to carry out painting and floor replacement service for 168 households and donate bedding sets to 200 households who were damaged due to flood in Seoul.



Heart-PONY Small Library

Our employees have carried out talent donations such as rebuilding of old libraries and book donation to help rural and fishing village people and vulnerable groups (disabled people, children, etc.) ensure better access to libraries. A total of 14 local libraries have opened since 2014.



GOVERNANCE

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Transparent Governance System

Governance Strategy

Governance Principles

HDC Hyundai Development Company has established a transparent governance structure based on the principle of the BOD-centered management where important decisions are made through the BOD. Non-executive directors hold a majority of the BOD members to ensure effective role of checking on the management. Non-executive directors are appointed at the shareholders' meeting after being recommended by the Nominating Committee consisting of two non-executive directors out of total three members. The company supports the directors to make the best management decisions by providing sufficient information about the specific content of the agenda before the BOD meeting.

BOD Composition and Activities

Independence of Directors and Appointment Criteria

Executive directors are appointed at the shareholders' meeting after sufficient review and recommendation by the BOD, while non-executive director candidates are recommended by the Nominating Committee. The committee consists of one executive director and two non-executive directors, satisfying the provisions of Article 542-8 Paragraph 4 of the Commercial Act. Non-executive directors are appointed among candidates who have professional knowledge and experience in management, economy, law, and related technologies, or who have a reputation in society and satisfy the qualifications on relevant laws, such as the Commercial Act.

Professionalism of the BOD

The BOD of HDC Hyundai Development Company demonstrates professionalism as the members have expertise and practical experience in various fields such as economy, finance, fair trade, future management, new technology, and law. By appointing directors among the best experts in each field who can provide professional advice for the development of our company in a balanced way regardless of specific background or occupations, we ensure that they can make reasonable decisions on critical issues from multi-faceted perspective and supervise the activities of the management. The BOD support department provides various information and human and material support so that non-executive directors can acquire knowledge and skills necessary to perform their duties and strengthen expertise.

BOD Composition

(As of the end of July 2022)

Director	Name	Gender	Position	Appointment	Expiration	Expertise	Career
Executive Director	Ik-Hoon Choi	Male	CEO / BOD Chairman	Jul. 2022	Mar. 2025	Overall and external business	Current) Vice President, HDC Hyundai Development Company / CEO, HDC Real Estate 114 / CEO, HDC IPARK Mall
	Ik-Hee Jung	Male	CSO / Chairman of the Safety and Health Committee	Mar. 2022	Mar. 2024	Safety, health, and quality control	Current) CSO, HDC Hyundai Development Company / Housing Division PD, Hyundai E&C / Hyundai E&C Hillstate Songdo The Terrace Site Manager / Hyundai E&C Wangsimni New Town District 3 Site Manager
	Hoi-Yen Kim	Male	CFO / Head of Corporate Strategy & Management Division	Jul. 2022	Mar. 2025	Business planning and management	Current) Head of Corporate Strategy & Management Division, HDC Hyundai Development Company / CEO, HDC Shilla Duty Free and HDC IPARK Mall / Co-CEO, HDC IPARK Mall
Non-executive Director	Gyu-Yeon Choi	Male	Chairman of the Nominating Committee	May 2018	Mar. 2023	Economic and financial advice	Advisor and Guest Member, Korea Capital Market Institute / 16th President, Mutual Savings Bank Federation / 29th Administrator, Public Procurement Service / Standing member, Securities and Futures Committee
	In-So Kweon	Male	Chairman of the Compensation Committee	May 2018	Mar. 2024	Technical advice	Current) Professor, School of Electrical and Electronic Engineering, KAIST / Dean of Department of Automation and Design Engineering, KAIST / Professor at KAIST Robotics and Computer Vision Lab
	Dong-Soo Kim	Male	Chairman of the Audit Committee	Mar. 2021	Mar. 2024	Advice on corporate management and fair trade	Current) Chair Professor, Korea University / Current) Director, Future Growth Research Institute, Korea University / 16th Chairman of the Fair Trade Commission / Chairman of the Export-Import Bank of Korea
	Joo-Hyun Kim	Male	-	Mar. 2021	Mar. 2023	Legal advice	Current) Attorney, Kim & Chang / Deputy Chief Prosecutor, Supreme Prosecutors' Office / 58th Vice Minister of Justice

Transparent Governance System

BOD Centered on Non-executive Directors

The BOD is the company's supreme decision-making body, and currently 4 out of 7 members are non-executive directors, which helps the company make rational decisions from multi-faceted perspective by non-executive directors with diverse expertise and backgrounds.

Board Committees

The Nominating Committee, Compensation Committee, Audit Committee, and Safety and Health Committee is operating under the BOD.

The Board Committees except for the Safety and Health Committee are chaired by non-executive directors and non-executive directors hold a majority of each committee, which enables transparent and independent decision-making.

Board Committees under the BOD

(As of the end of July 2022)

Committee	Composition	Member	Major Role
Nominating Committee	1 executive director, 2 non-executive directors	Gyu-Yeon Choi (non-executive, Chairman) Dong-Soo Kim (non-executive) Ik-Hoon Choi (executive)	<ul style="list-style-type: none"> Establishment, inspection, and improvement of non-executive director appointment principle Recommendation of non-executive director candidates to be appointed by the general shareholders' meeting Regular non-executive director candidates management and verification
Audit Committee	3 non-executive directors	Dong-Soo Kim (non-executive, Chairman) Joo-Hyun Kim (non-executive) Gyu-Yeon Choi (non-executive)	<ul style="list-style-type: none"> Supervision of the work of directors and the management Approval of external auditor appointment Other matters stipulated in the articles of incorporation or bylaws related to audit
Compensation Committee	2 non-executive directors	In-So Kweon (non-executive, Chairman) Joo-Hyun Kim (non-executive)	<ul style="list-style-type: none"> Determination of compensation and payment methods for the management Design and operation for the management compensation and adequacy evaluation Decision-making process for compensation policy Other matters related to the compensation system
Safety and Health Committee	2 executive directors, 1 non-executive director	Ik-Hee Jung (executive, Chairman) In-So Kweon (non-executive) Ik-Hoon Choi (executive)	<ul style="list-style-type: none"> Securing safety and health, supervision and evaluation of quality control Report to the BOD on safety check, quality control, accidents, and disasters Report to the BOD on subcontractors and their members Report to the BOD on matters deliberated, resolved, and implemented at the Occupational Safety and Health Committee or the labor-management council Other matters deemed necessary to improve safety, health and quality management

BOD Operation

In 2021, the Board of Directors held 7 meetings to deliberate and decide on a total of 20 agendas, including investment in Yongsan Railway Hospital development REITs and safety and health plans. In 2021, the attendance rate of non-executive directors was 96.4%.

BOD's Major Decision-Makings in 2021

Date	Major Agendas
Feb. 02	<ul style="list-style-type: none"> Approval of financial statements and business reports for fiscal year 2020 Appointment of the management
Feb. 24	<ul style="list-style-type: none"> Approval of the statement of appropriation of retained earnings for fiscal year 2020 Convocation of the 3rd general shareholders' meeting Issuance of the 4th public offering of corporate bonds Approval of transaction limit with affiliates
Mar. 24	<ul style="list-style-type: none"> Appointment of the CEO and BOD Chairman Appointment of the Nominating Committee and Compensation Committee members 용Invested in REITs to develop Yongsan Railway Hospital Approval of transaction limit with affiliates
Apr. 30	<ul style="list-style-type: none"> Appointment of the management
Jul. 01	<ul style="list-style-type: none"> Approval of transaction limit with affiliates Appointment of the Compliance Officer
Nov. 11	<ul style="list-style-type: none"> HDC Resort Oak Valley Zone1 Development Project IPARK Marina Private-invested Project
Dec. 18	<ul style="list-style-type: none"> Approval of transaction limit with affiliates in 2022 Capital borrowings Participation in Busan New Port Phase 2-4 Private-invested Project Closure of branches Safety and health plan

Transparent Governance System

Enhancing Shareholder Value

Protection of Shareholder Rights

HDC Hyundai Development Company has stipulated the guarantee of shareholder rights in its internal regulation in accordance with the standards set by the Commercial Act and related laws. The date, place and agenda of the general shareholders' meeting are notified to all shareholders two weeks prior to the date of the meeting by mail or DART system, so that shareholders can exercise their voting rights after sufficiently reviewing the agendas. Although we do not conduct written or electronic voting, shareholders are able to exercise their voting rights by proxy. We also take part in the voluntary decentralized shareholders' meeting program to encourage the participation of shareholders. HDC Hyundai Development Company is continuously reviewing ways to allow more shareholders to participate in the general shareholders' meeting and exercise their voting rights.

Return to Shareholders through Dividends

Dividends are implemented by resolution of the board of directors and general shareholders' meeting. The amount of dividends is determined by comprehensively considering cash management in response to real estate economic downturn and economic volatility, securing cash for large-scale investment projects and new business investments, retention of retained earnings for financial stability, and dividend payout ratio over the past five years.

The company will expand the shareholder-friendly policy along with an appropriate level of dividends every year so that the rights of shareholders are respected.

Key Dividend Indicators

Classification	2019	2020	2021
Total cash dividends (KRW million)	21,964	39,539	39,539
(Consolidated) Cash dividend payout ratio (%)	5.3	18.0	22.4
Cash dividend yield (%)	1.9	2.4	2.6
Cash dividend per share (KRW)	500	600	600

Stock Issuance Status

According to the articles of incorporation, the total number of shares available for issue is 200,000,000, and the total number of issued shares is 65,907,330, all of which are common shares. All shareholders have one vote per share, and the company is actively working to guarantee shareholders' fair voting rights as stipulated by the Commercial Act and related laws.

Shareholder Composition (as of the end of December 2021)



Management of Principle

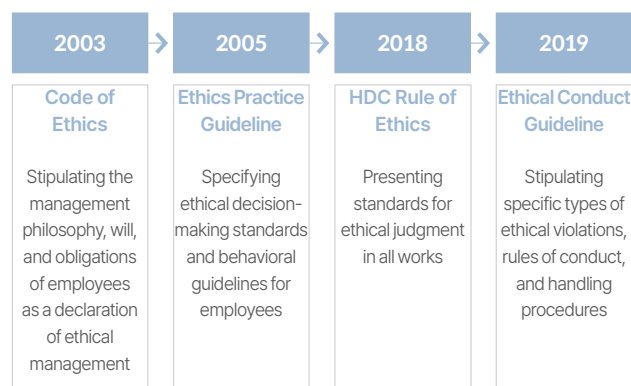
Ethical Management

Ethical Management and Code of Ethics System

Ethical management refers to a management principle that places the priority on compliance with ethics in corporate management and business activities, and conducts business in a fair and transparent manner by setting all business judgment standards in the Code of Ethics.. We have established the “Rule of Ethics” and “Ethical Conduct Guideline” as the standard for correct behavior and value judgment that all employees must comply with, and based on these, various activities have been carried out to raise the ethical awareness of employees.

Following the establishment of Code of Ethics in 2003 and Ethics Practice Guideline in 2005 before the conversion to a holding company, we prepared the HDC Rule of Ethics in 2018 to ensure consistency in ethical management throughout the Group and to share goals and directions, further systemizing ethical management at the Group level.

History of Establishing the Rule of Ethics System



Establishing Ethical Conduct Guideline

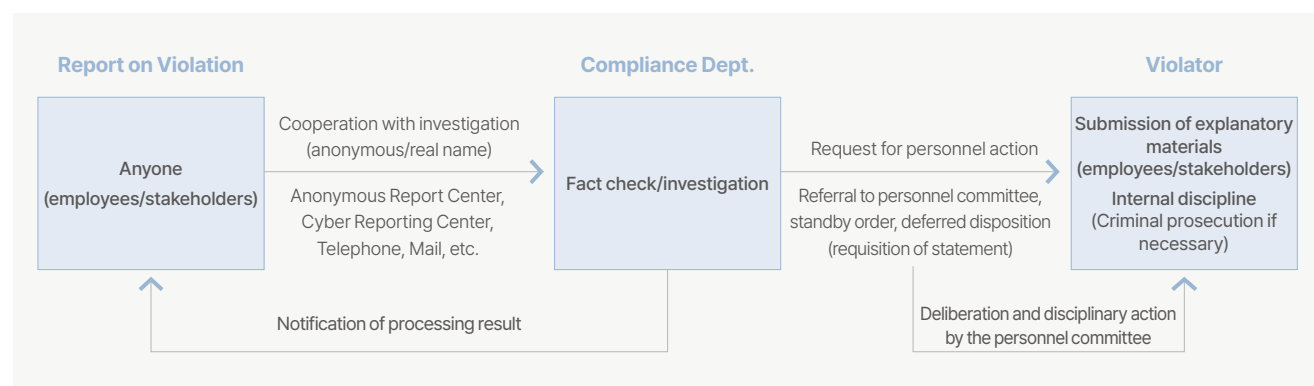
As a sub-guideline of the HDC Rule of Ethics, we have prepared the Ethical Conduct Guideline for employees that contain specific types of ethical violations, behavioral principles, and handling procedures so that employees can make clear decisions and take action when ethical conflicts occur.

The Ethical Conduct Guideline was established in December 2019, and in September 2020, the first revision was made to stipulate the definition, types, principles of conduct, counseling and reporting procedures for conflicts of interest, thereby clarifying the standards for ethical compliance of employees. In the second revision in May 2022, provisions for prohibition of for-profit jobs, permission for side jobs, reporting private transactions with job-related persons were added to prevent ethical violations in advance.

Composition and Definition of Ethical Conduct Guideline

Date	Major Agendas
Prohibition of giving or receiving money, etc.	Prohibition of tangible and intangible economic benefits such as money, prepaid cards, security, entertainment, transportation, lodging, etc.
Prohibition of conflicts of interest	Prohibition of any acts that impair objectivity and fairness by intervening in private interests in the performance of duties
Prohibition of for-profit jobs and permission for side jobs	Prohibition of for-profit activities that interfere with job performance or related to job duties, permission for side job after corporate approval
Pre-approval for external activities	Nonoccupational activities, including external lectures, participation in discussions and evaluations, papers/columns/media contributions/ interviews, etc.

Procedures for Reporting and Handling Violations of the Ethical Conduct Guideline



Management of Principle

Operation of the SMART WHISTLE

We are operating an online anonymous reporting center (SMART WHISTLE) where all stakeholders, including employees, business partners, and subcontractors, can anonymously report unethical or illegal acts of our employees. The anonymity of the whistleblower is thoroughly guaranteed through the IP tracking blocking system and encryption processing, and two-way communication such as requesting additional information is possible on the system, so the contents of the report are processed quickly.

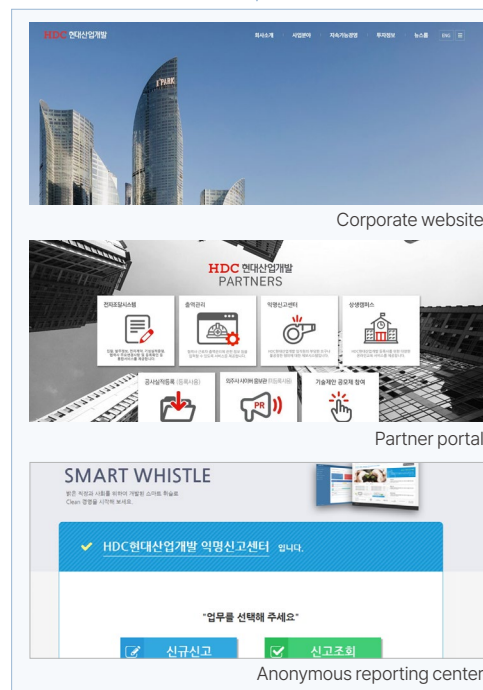
SMART WHISTLE targets

Request and acceptance of money, etc.	Entertainment, convenience, and monetary transactions beyond the normal level
Unfair business practices	Behaviors that inhibit transparency/fairness in the process of selecting partners for bidding and private contracts, and violating fair trade such as the Subcontracting Act
Unfair budget execution and waste	Behaviors that illegally use company assets or expenses and cause damage to the company or impair profits
Unreasonable work orders and discrimination	Instruction that is not related to work, verbal/physical violence, pressure in the process of selecting business partners, hard selling of goods/products, instructions that ignore business procedures or standards, etc.
Sexual harassment and others	Any verbal, physical, or visual sexual harassment or other unethical behavior of employees

Whistleblower Protection and Reward System

The company encourages reporting of unethical or illegal behaviors by protecting and rewarding whistleblowers and reducing punishment for voluntary whistleblowers. The identity of the reporter and reporting content are strictly confidential, and disadvantages such as personnel management are prohibited. Employees who report unethical behaviors are compensated up to 5 times the reported amount within KRW 100 million if the report is confirmed to be true. Punishment is reduced if a person related to unethical behavior voluntarily reports the fact.

External Anonymous Reporting Channels



Ethical Management Training Program

HDC Hyundai Development Company is implementing various educational programs to enhance the understanding of employees and external stakeholders on ethical management and to establish a culture of autonomous ethical management practice.

To internalize ethical management in the organizational culture, we are enhancing the educational effectiveness by running differentiated curricula by job and position. In addition, ethical management is applied to orientation for new hires and job training courses for employees, thereby maximizing the effectiveness of training throughout the company. Regular online training is also provided for business partners.

Ethical Management Education Course

Regular Education
Target : All employees Content : Ethical Management, Rule of Ethics, and Compliance System
Special Education
Target : New hires (new/experienced), order/sales/bidding/site jobs Content : Ethical management and compliance, violation cases and countermeasures (intensive), and strengthening of compliance support organization capabilities (compliance-related employees)
External Education
Target : Subcontractors and business partners (outsourcing, purchasing, service, etc.) Content : HDC Ethical Management and Reporting System

Management of Principle

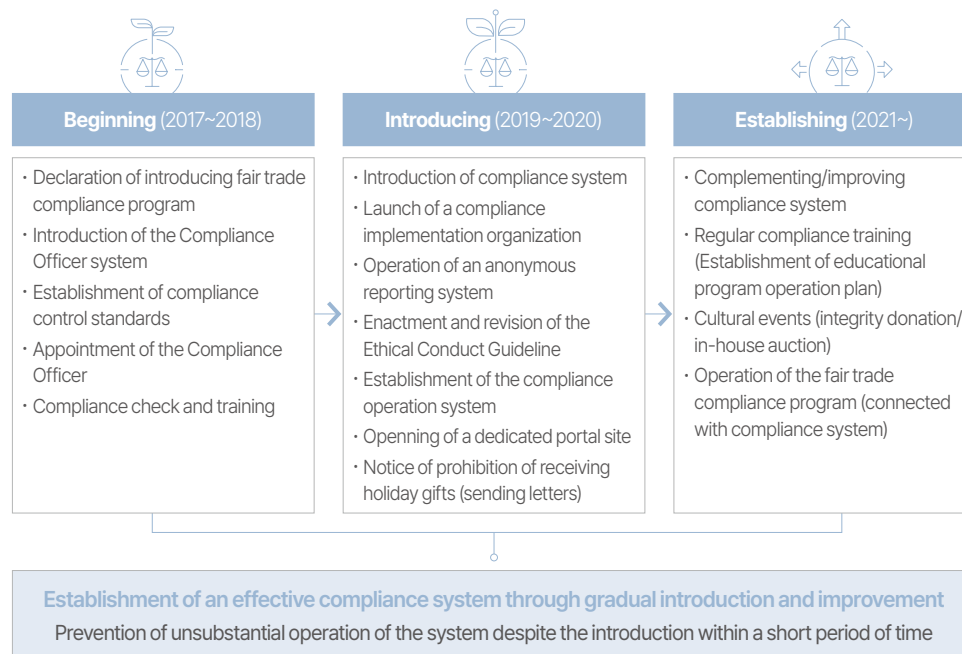
Compliance Management

Establishing a Compliance System

We have established a compliance system to prevent behaviors that violate the laws, rules, and standards related to corporate management activities, or to go against the ethical expectations of society, and to detect potential violations early and respond effectively.

Starting with the introduction of the Fair Trade Compliance Program in 2017, we prepared the compliance control criteria and appointed the Compliance Officer in 2018 and launched a promotion organization and ethical behavior guideline in 2019. Since 2021, we have internalized the compliance culture through compliance training and social contribution-linked ethical management activities.

History of Compliance System Operation

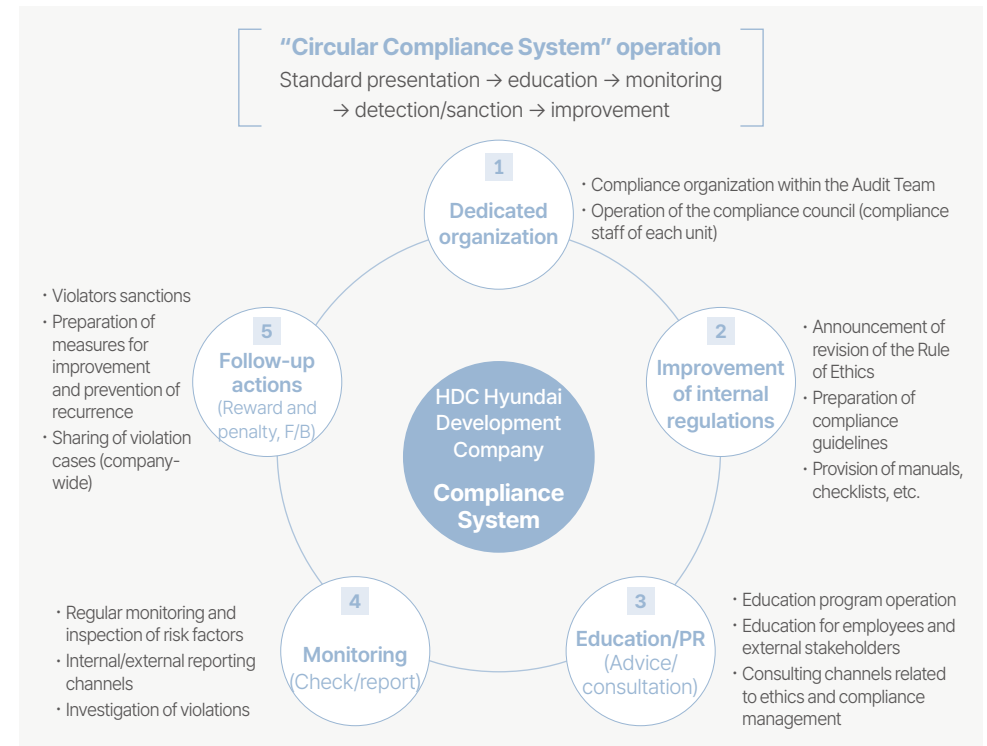


* For more information on the supply chain compliance program, refer to the "Supply Chain and Win-win Management" section.

Operating System

The compliance system of HDC Hyundai Development Company aims to prevent violations in advance, not to respond after detection and disciplinary action. It is operated in a cyclical structure that raises the awareness of compliance by presenting and educating employees about behavioral standards, checking compliance through monitoring, and then punishing violations and taking corrective actions.

Circular Compliance System



Management of Principle

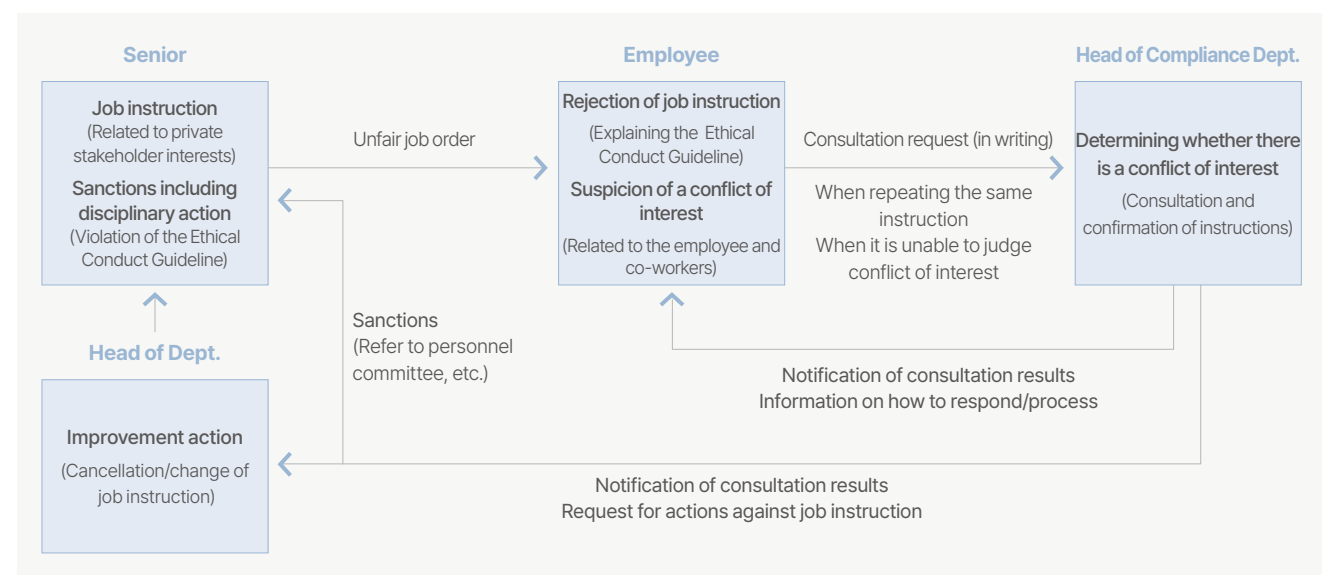
Operation of Consultation Channels

We are operating public and private counseling channels to assist employees in determining and taking action on conflicts of interest while performing their duties. In addition, when it is recognized that a person is a job-related private stakeholder, it is mandatory to report it, thereby preventing the occurrence of conflicts of interest through job adjustment.

Integrity Donation

To establish a culture of integrity and sharing, gifts received by employees from stakeholders are sold through in-house auctions to create an integrity fund. It is donated to social welfare facilities at the end of the year.

Process for Counseling on Conflicts of Interest



Enhancing Risk Management

Integrated Risk Management

Identification and Response to Company-wide Risks

HDC Hyundai Development Company identifies risk factors from business activities in advance through not only financial but also non-financial risk management and controls them in an integrated manner. Company-wide risks are divided into four categories: finance/operation, environment, society, and governance. Organization in charge of each category responds strategically by deriving detailed risk items.

Process for Counseling on Conflicts of Interest

Classification	Risk Category	Management Organization	Details
Finance / Operation 	Financial risk	Finance team	Financial risk assessment (credit rating, liquidity, interest rate, etc.)
	Business risk	Management Analysis Team	Investment review, business and project performance check
Environment 	Climate change	Future Strategy Team	Establishment of GHG inventory and energy consumption management
	Environmental pollution	Safety Planning Team	On-site support and evaluation
Society 	Safety and health	Safety Planning Team, Safety Operation Team	Risk rating evaluation and close management, technical safety prevention activities
	Partners	Outsourcing Procurement Team, Fair Win-win Growth Team	Establishment and evaluation of ESG policies for partners
Governance 	Compliance management	Audit Team	Compliance management monitoring and compliance training
	Information security	Information Protection Center	Information protection system inspection and security training

Business Risk Management

Goals and Directions of Risk Management Organization

We are operating a systematic risk management process to flexibly respond to changes in the market and social environment at each stage from the initial order receiving.

Project Order Receiving Stage

The company conducts risk verification step-by-step for all projects to be carried out. In particular, we preemptively identify diverse risks in the project process by freely discussing with relevant departments, such as construction and design, based on the autogenous risk management capabilities of the sales division during the initiation report and preliminary review stage.

For projects selected by the sales division, the Investment Committee identifies and preemptively responds to key risks through collaboration with related departments engaging in legal affairs, finance, construction, safety, and sales. We are strengthening data-based risk management through organic communication between departments by registering the estimated price, appropriateness of construction period, pre-sale market status, financial conditions, and legal responses to worst cases with regard to each project on the in-house online collaboration platform.

Project Management/Execution Stage

In a rapidly changing market environment, the timing of decision making is directly related to the profitability of a project. In the event of a sudden change in market conditions or changes in initial decision-making and business conditions during a project, we hold a risk inspection meeting similar to the feature of the Investment Committee to flexibly respond to the changing market environment.

We check the progress rate, profit and loss, and other unusual matters for construction sites, and strengthen monitoring of risk issues through organic communication between the site and the head office. We analyze the causes of major changes in profitability by project progress stage after the approval of the Investment Committee, and comprehensively evaluate the members of the project through liquidation meeting. Profitability fluctuation factors are divided into internal factors and external factors depending on whether they are controllable or not. Through internal factor analysis, we strengthen our capabilities by sharing projects, and through external factor analysis, we improve our ability to predict and respond to changes in the market environment.

Enhancing Risk Management

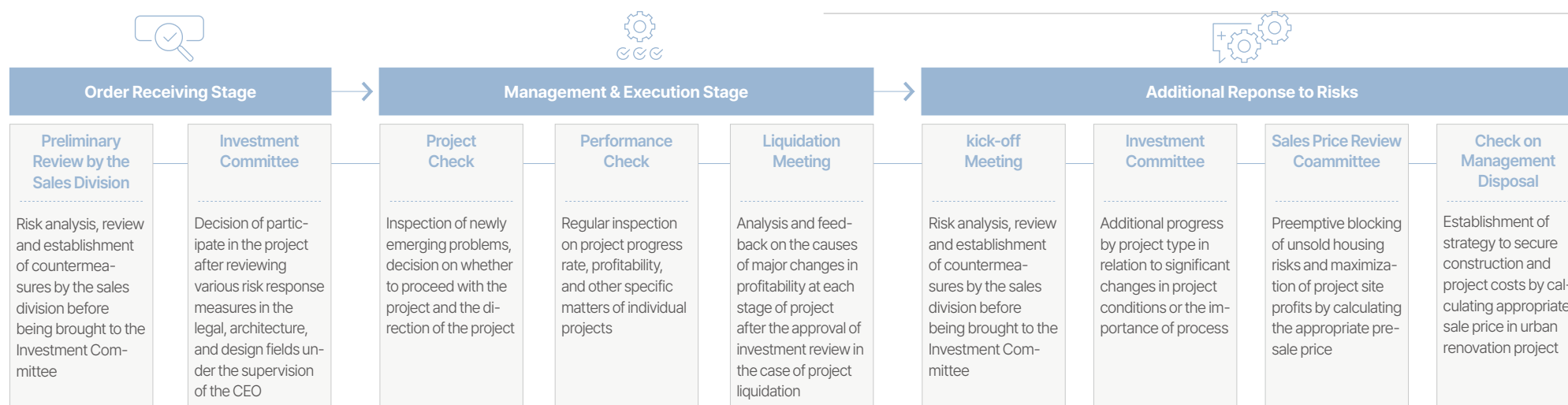
Climate Risk Management for Real Estate Assets

As climate risk assessment on real estate assets is expanding, the company, as a developer, will be proactive in considering climate risk in the decision-making process for land purchase and development. We will also evaluate both transition and physical risks as a preliminary inspection when selecting development locations from the mid- to long-term perspective.

Climate Risk Assessment

Transition risk	Effects from risks and opportunities arising from GHG-related policies, technological changes, changes in consumer demand, and investor sentiment
Physical risk	Risks and opportunities arising from climate impacts, such as extreme weather, and changes in ecosystem balance, such as soil quality and marine ecosystem.

Risk Management by Project Stage



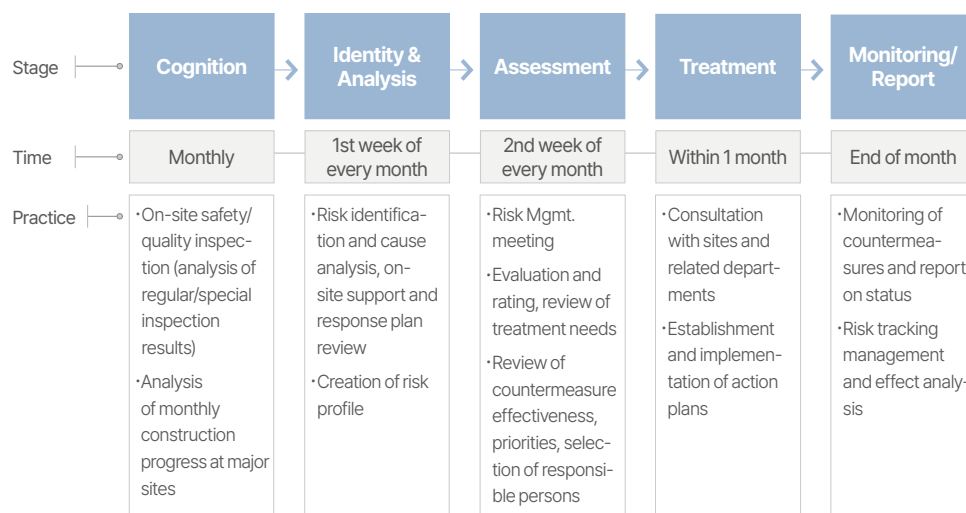
Enhancing Risk Management

Safety and Quality Risk Management

Identification and Response to Safety & Quality Risks

HDC Hyundai Development Company has systematized a circular process of "identification and analysis-evaluation-treatment-monitoring and reporting" for efficient safety and quality risk management. Based on the process, we focus on preemptive risk management by analyzing major risks in the fields of construction, safety, and quality and collaborating with relevant departments.

Safety & Quality Risk Management Process



Management by Safety & Quality Risk Level

We classify risks into managed (III, IV, V) and non-managed (I, II) categories according to their probability and impact, and establish and implement appropriate action plans meeting each level. In particular, V-grade risks with high importance are managed as matters that require a company-wide collaborative response and the management's decision-making. Major risks are thoroughly tracked and managed, and risk information is converted into a database to be used in response to similar risks in the future.

Management Plan by Risk Level

Risk Grade		Management Plan	비고
Non-managed	I (very low)	Accept the status quo (no action plan required)	Tolerate risk, but monitor regularly
	II (low)		
Managed	III (general)	Establish and execute action plans	Register and manage risks
	IV (high)	<ul style="list-style-type: none"> Level III, IV: Establishment of action plans by organization or team according to risk priorities Level V: Immediate response through company-wide collaboration and reporting as the management's decision-making matter 	
	V (very high)	Risk tracking and reporting of results <ul style="list-style-type: none"> Monitoring and feedback on the status of implementation of measures on a monthly basis 	

Information Security

Information Security Policy and System

Establishment of Information Management System

HDC Hyundai Development Company has established an information security system to protect customers' personal information and its business secrets, and is operating the Information Security Center under the Management Planning Division to properly implement policies and prevent information leakage. In addition, to protect information assets, we are continuously reinforcing our information protection policy and response system, and conducting regular training and campaigns to raise employees' awareness of information protection.

Furthermore, to protect customer information, we are operating information security solutions such as next-generation firewalls, web firewalls, document security solutions, and intrusion prevention systems. In preparation for the increasingly sophisticated cyber attacks, vulnerability checks and mock hacking through external specialized agencies are also planned.

We are carrying out various information protection activities to obtain the ISMS-P (Personal Information & Information Security Management System) certification. The ISMS-P certification is expected to contribute to enhancing business stability, preventing security accident risks, and increasing our corporate image and reliability in information security.

Roles and Responsibilities of the Information Security Organization

In August 2022, HDC Hyundai Development Company established the Information Protection Center and integrated the functions of CISO (Chief Information Security Officer) and CPO (Chief Protection Officer) and information protection organization.

We established the information protection policy as a common goal for the company, and plan to set the role of information security and responsibility criteria of each department by launching the Information Security Committee and the Personal Information Working Group composed of employees of relevant organizations at the company level within the year.

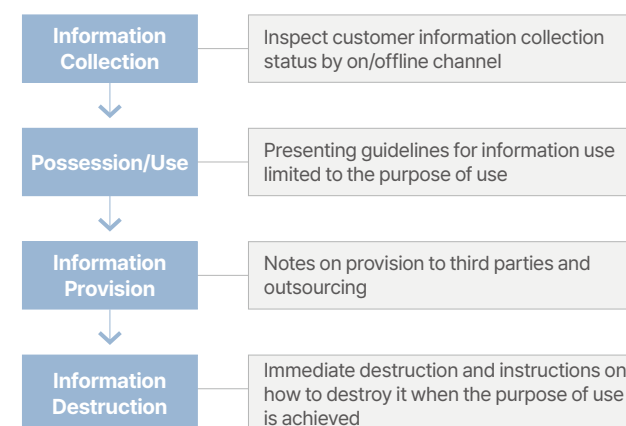
Information Security Organization



Customer Information Protection through On-site Monitoring

To strictly protect customers' personal information, we will prepare compliance guidelines for each stage of personal information processing and distribute them to each business site. In consideration of personal information leakage risk including registration numbers during sale activities, we are proactive in training employees on information security and controlling the transfer of personal information files outside through document security solutions. We plan to provide guidance on the collection and use of personal information to the site, and check whether information security is implemented through a step-by-step process check. We will continue to make efforts to prevent leakage of valuable customer information through active improvement.

Compliance Guidelines for Personal Information Treatment



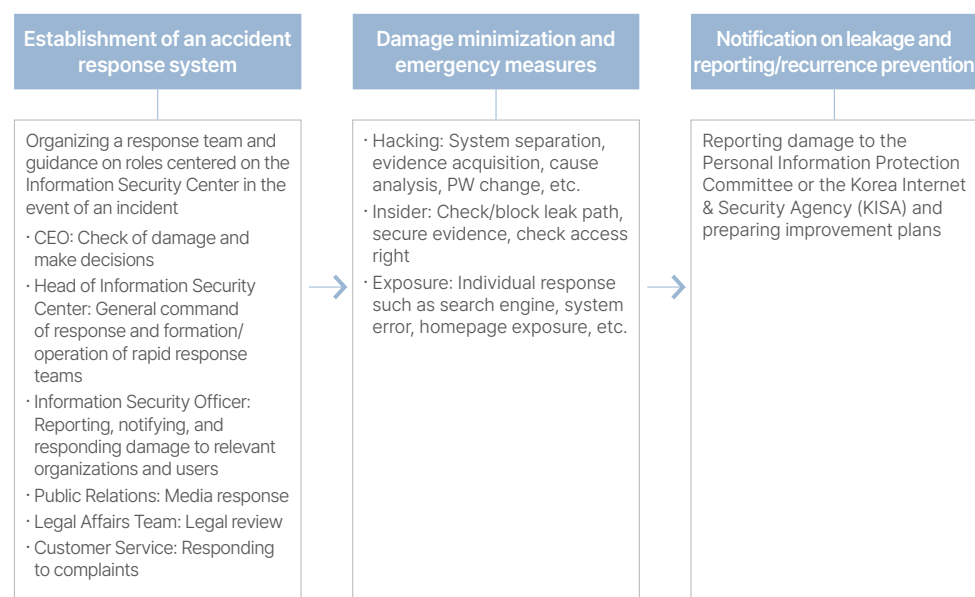
Information Security

Customer Information Protection

Response to Information Security Breaches

We have established a system to quickly respond to and recover from security incidents occurring within the company. When a security incident occurs or a suspicious situation is recognized, a report is made to the Information Security Center, and the company responds quickly to emergency situations through real-time dissemination of the situation to relevant departments and prompt decision-making by the CEO. In the event of an information leakage accident, active measures are taken to destroy or retrieve the leaked information, and measures to prevent recurrence are prepared by identifying the cause with internal and external experts.

Information Security Breach Response Process



Raising Employee Security Awareness

In the era of the 4th industrial revolution, in which technology rapidly changes and converges, people may be the biggest security vulnerability in companies, and employees who are not properly trained in information protection are likely to become a security threat. Therefore, we intend to transform information protection into a common goal for all employees to cooperate, and establish a culture of information security at the company level through active collaboration and continuous information security education.

To this end, we have built a customized information security management system for each employee's life cycle so that information security can be routine from joining the company to leaving the company. To raise employees' awareness of customer personal information protection, online training is also provided once a year to personal information handlers through the Learning Cloud, an in-house training platform. In 2021, a training program named "Information Protection Toon, Protecting Your Precious Workplace" guided by an external professional educational institution was provided to 226 people from 11 teams related to personal information security, 97.3% or 220 persons of whom completed the program.

Information Security Management by Employees' Life Cycle

Join	Mandatory security pledge for regular, temporary, and outsourced employees
Entry-level training	Implementation of training courses on information security and personal information protection
Departmental arrangement	Self-initiation of information protection education according to department characteristics
Retire	Preventing the leakage of security data in the PC and obligating the pledge of confidentiality

ESG FACT BOOK

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Stakeholder Communication & Materiality Assessment

Stakeholder Engagement and Communication

Based on the degree of impact on our business and responsibility as a corporate citizen, we classify core stakeholder groups into customers, business partners, employees, government/media & associations, shareholders and investors, and local communities, and are operating communication channels customized for their characteristics.

Major issues by each stakeholder group are prioritized in terms of economy, environment, society, and governance through a materiality test, and details are disclosed in the sustainability report.

Communication Channels by Each Stakeholder Group

Stakeholder	Definition	Major Issue	Communication Channel
Customers 	Customers or organizations that purchase products and services from HDC Hyundai Development Company	<ul style="list-style-type: none"> • Customers' personal information protection • Customer satisfaction • Safe and comfortable living environment • Business conditions • Marketability • Brand value 	<ul style="list-style-type: none"> • SNS and youtube • Company website • IPARK brand website • Customer inquiry chatbot and application • Sales channel
Business partners 	Persons or companies that provide products and services requested by HDC Hyundai Development Company	<ul style="list-style-type: none"> • Shared growth • Fair trade 	<ul style="list-style-type: none"> • Shared growth portal • Quarterly meeting with partners • On-site meeting with partners' employees • Suggestion box for on-site workers • Fair Trade Compliance Council
Employees 	HDC Hyundai Development Company's full-time and contract employees	<ul style="list-style-type: none"> • Securing key talents • Safety and health • Quality management • Wages and compensation 	<ul style="list-style-type: none"> • Intranet • Grievance Handling Committee • Labor-Management Council
Government, media, and associations 	Government agencies in the region where the head office of HDC Hyundai Development Company is located or where the business is conducted	<ul style="list-style-type: none"> • Management transparency • Occupational safety and health • Eco-friendly construction 	<ul style="list-style-type: none"> • Public hearing • Homepage • Press release
Shareholders and investors 	Individuals or corporations investing in stocks, bonds, derivatives, real estate, currency, and commodities of HDC Hyundai Development Company	<ul style="list-style-type: none"> • Governance soundness • Sales performance and business plan 	<ul style="list-style-type: none"> • Regular disclosure (business report, etc.) • General shareholders' meeting • Analyst meeting (IR) • Response to credit evaluation
Local Communities 	All local communities in the regions and countries where HDC Hyundai Development Company conduct business	<ul style="list-style-type: none"> • Minimization of environmental impact near construction sites • Fulfillment of corporate social responsibility 	<ul style="list-style-type: none"> • On-site electronic display • Company-wide social contribution (IPARK Volunteer Corps) • Pony Chung Foundation • Yongsan Dragons (Community Activities Council)

Stakeholder Communication & Materiality Assessment

Analysis of Material ESG Issues

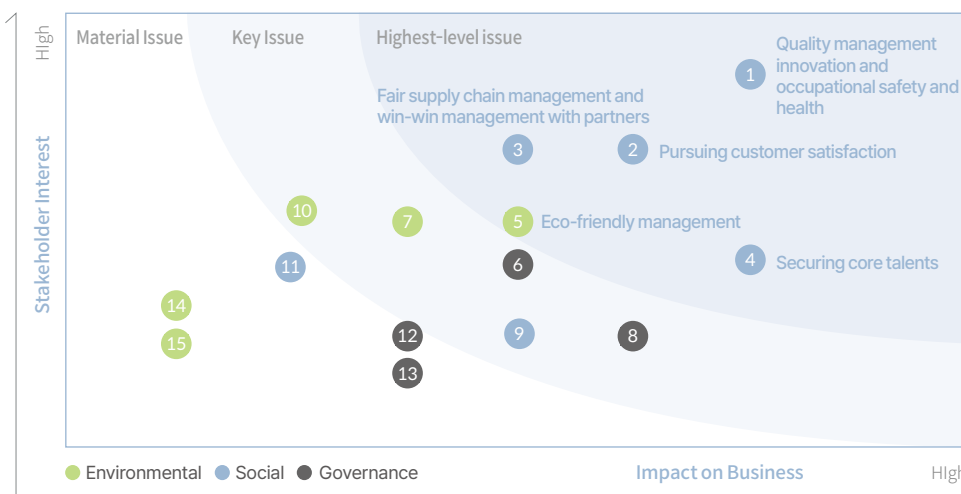
Analysis Process

We conducted a materiality test to identify and select issues in the areas of Environmental, Social, and Governance that affect stakeholders and the company. To identify issues, we reviewed the evaluation criteria of global and domestic ESG evaluation institutions (MSCI, KGCs), and analyzed news articles, ESG trend reports, and material issues of peers at home and abroad during the reporting period. Through this process, 15 material issues were selected. And then, we prioritized those issues considering impacts on our business and interest degree of core stakeholder groups. In particular, the top five key issues were mainly utilized in the composition of the ESG HIGHLIGHTS page and entire report.

Materiality Assessment Process



Materiality Assessment Result





















Material Issues

Rank	Sector	Issue	Rank	Sector	Issue
1	Social	Quality management innovation and occupational safety and health	9	Social	Improving employee human rights and quality of life
2	Social	Pursuing customer satisfaction	10	Environmental	Construction waste management and recycling
3	Social	Fair supply chain management and win-win management with partners	11	Social	Community engagement and social contribution
4	Social	Securing core talents	12	Governance	Soundness and transparency of governance
5	Environmental	Eco-friendly management	13	Governance	Information security
6	Governance	Ethical management	14	Environmental	Ecosystem management and biodiversity protection near business sites
7	Environmental	Response to climate change and investment in eco-friendly technology	15	Environmental	Water resources management
8	Governance	Risk management (integration, safety & quality, business)			

Stakeholder Communication & Materiality Assessment

Highest-level Issues at HDC Hyundai Development Company

We analyzed the highest-level issues in our sustainability management derived through materiality assessment in connection with the UN SDGs (Sustainable Development Goals).

Highest-level Issues	Impact on Business	Reporting Page	UN SDGs
Quality management innovation and occupational safety and health 	Occupational safety and health risks that occur in the course of business activities can have a significant impact on employees and local communities. The construction industry undertaking large-scale construction recognizes the safety and health of stakeholders as a company-wide task that must be supported by policy responses, organizations, and budgets.	P. 15 P. 28~34	 
Pursuing customer satisfaction 	Customers, as the buyer of products and services, are key stakeholders in creating economic value. We aim to drive the long-term development of our organization by providing high-quality products and services, and continuously creating customer satisfaction through competitive prices.	P. 15 P. 44~45	  
Fair supply chain management and win-win management with partners 	Business partners are key stakeholders in the supply chain. We have been working to improve systems and establish a fair trade culture in order to enhance their competitiveness and increase sustainability throughout the supply chain. We also operate the compliance program to foster our supply chain management capabilities.	P. 15 P. 35~39	 
Securing core talents 	The driving force of corporate competitiveness is people. Excellent talents who will contribute to the company's development for a long time and share their achievements can be secured through a differentiated recruitment system and nurturing programs. HDC Hyundai Development Company is striving to secure talents with diversity, expertise, and leadership.	P. 15 P. 40~43	  
Eco-friendly management 	In the entire value chain ranging from design to procurement, construction, and maintenance, it is required to minimize environmental impact through the development of eco-friendly technologies. HDC Hyundai Development Company has been devoting itself to developing technologies to improve building energy efficiency and is actively adopting facilities to reduce waste and pollutants. We are also working to protect the habitats of animals near construction sites.	P. 15 P. 17~18	  

ESG DATA

Major Financial Indicators (consolidated)

Category	Unit	2019	2020	2021
Total sales	KRW 100 million	42,165	36,702	33,639
Sales breakdown ¹⁾	Development & operation	KRW 100 million	12,615	11,010
	Housing	KRW 100 million	26,053	22,650
	Architecture	KRW 100 million	1,274	1,002
	Infrastructure	KRW 100 million	1,697	1,400
	Overseas business	KRW 100 million	526	532
Cost of sales	KRW 100 million	34,628	28,851	28,676
Gross profit	KRW 100 million	7,537	7,851	4,963
Selling and administrative expenses	KRW 100 million	2,044	2,009	2,193
Operating profit	KRW 100 million	5,514	5,857	2,734
Order backlog ²⁾	KRW 100 million	209,707	200,060	231,460

1) Recalculation based on our business division

2) Non-consolidated basis

Environmental Data

Category	Indicator	Unit	2019	2020	2021
Green purchase	Green product purchase (e.g. eco-friendly mark, high-efficiency energy mark, eco-label certified low-carbon product, etc.)	KRW million	186,217	174,582	117,572
	Total amount of materials purchase	KRW million	936,060	962,626	897,376
	Green product purchase rate	%	19.9	18.1	13.1
Raw materials	Raw materials consumption				
	Rebar	Ton	191,350	138,394	172,976
	Ready-mixed concrete	m ³	2,297,480	1,652,707	2,010,991
	Aggregate	m ³	20,760	24,623	64,717
Energy	Ascon	Ton	34,488	49,809	275,610
	Total energy consumption	TJ	625	659	637
	Energy consumption				
	Fuel	TJ	96	84	116
	Lignite	TJ	4	0	5
	LNG	TJ	46	44	51
	LPG	TJ	28	24	25
	Gasoline	TJ	1	1	1
	Diesel	TJ	9	8	19
	kerosene	TJ	8	7	15
GHG emission	Electricity	TJ	529	575	521
	Others (steam, air conditioning, etc.)	TJ	0	0	0
	Total GHG emissions	t-CO ₂ eq	30,516	33,916	31,495
	GHG emissions Scope 1	t-CO ₂ eq	5,171	4,930	6,518
	scope 2	t-CO ₂ eq	25,345	28,986	24,977

ESG DATA

Environmental Data

Category	Indicator	Unit	2019	2020	2021
Water	Total water consumption	Ton		115,217	166,098
	Water consumption	Waterworks		115,217	139,850
		Underground water			26,248
		River water		0	0
	Water reuse rate	%		0	0
Waste and recycling	Total waste generation	Ton	528,965	576,359	810,634
	Waste generation	Construction waste	528,965	576,293	810,566
		Office waste	0	66	68
		Designated (hazardous) waste	0	0	0
	Total amount of waste recycled	Ton	470,142	506,527	759,417
	Waste recycling	Construction waste	470,142	506,467	759,355
		Office waste	0	60	62
		Designated (hazardous) waste ¹⁾	0	0	0
	Total waste recycling rate	%	88.9	87.9	93.7
	Waste recycling rate	Construction waste	88.9	87.9	93.7
		Office waste		91.5	90.9
	Construction waste treatment	Incineration	58,823	69,742	51,211
		Landfill	0	84	0
Hazardous chemicals	Number of hazardous chemical spills	Case	0	0	0
	Amount of hazardous chemical spills	Ton	0	0	0
Eco-friendly architecture	Number of completed buildings ²⁾	Building	19	15	9
	Number of buildings certified for eco-friendliness (Green Building Certification, etc.)	Building	10	6	8
	Ratio of buildings certified for eco-friendliness	%	52.6	40.0	88.9
Violation of environmental laws	Number of corporate fines	Case	0	0	0
	Amount of corporate fines	KRW	0	0	0

1) Designated waste is discharged under the name of the partner company.

2) Excluding infrastructure and overseas sites

Social Data

Category	Indicator	Unit	2019	2020	2021
Employment	Total number of employees	Person	1,719	1,614	1,722
	Employment Regular type	Male	938	915	891
		Female	73	70	70
		Non-regular	531	496	598
		Female	177	133	163
	Job category	Office job	500	514	456
		Female	106	97	105
		Field job	969	897	1,033
		Female	144	106	128
	Gender	Male	1,469	1,411	1,489
		Female	250	203	233
	Position ¹⁾	Level 1 (Executives)	38	40	41
		Level 2 (Deputy Manager, General Manager)	703	749	804
		Level 3 (Assistant Manager, Manager)	527	484	486
		Level 4 (Staff)	188	125	157
		Others	263	216	234
	Ratio of female employees	%	14.5	12.6	13.5
	Ratio of female managers	%	5.0	5.2	5.3
Age	Under 30	Person	202	147	162
	30~39	Person	457	390	419
	40~49	Person	605	566	559
	50 and older	Person	455	511	582
	Overseas sites	Person	17	17	17
Special employment and minorities	Disabled employment rate	%	1.0	0.8	0.7
	Number of disabled people employed	Person	17	13	12
	Number of national veterans employed	Person	24	24	26

1) Including regular and contract workers

ESG DATA

Social Data

Category	Indicator	Unit	2019	2020	2021
New hires	Total number of new hires	Person	31	27	25
	Gender Male	Person	19	12	14
	Female	Person	12	15	11
Turnover	Total number of turnover ¹⁾	Person	426	501	379
	Turnover rate	%	23.7	29.1	23.5
	Number of voluntary turnover	Person	71	98	127
	Voluntary turnover rate	%	4.0	5.7	7.9
	Gender Male	Person	322	356	303
	Female	Person	104	145	76
	Employment type Regular	Person	34	38	57
	Non-regular	Person	392	463	322
Maternity leave	Number of maternity leave users	Person	7	4	3
	Employees subject to returning to work after maternity leave	Person	5	4	2
	Employees who returned to work after maternity leave	Person	5	4	1
	Return rate after maternity leave	%	100.0	100.0	50.0
Parental leave	Employees subject to parental leave	Person	421	326	266
	Gender Male	Person	403	307	251
	Female	Person	18	19	15
	Number of parental leave users	Person	7	6	7
	Gender Male	Person	2	1	3
	Female	Person	5	5	4

1) Including regular and contract workers (excluding dispatched workers)

Category	Indicator	Unit	2019	2020	2021
Employee safety and health	Employees subject to returning to work after parental leave	Person	3	3	5
	Employees who returned to work after parental leave	Person	2	3	5
	Gender Male	Person	0	1	3
	Female	Person	2	2	2
	Return rate after parental leave	%	66.7	100.0	100.0
	Total accident victims	Person	73	41	64
	Number of serious accidents Employee	Person	0	0	0
	Partner	Person	2	0	0
	Number of injuries Employee	Person	0	0	0
	Partner	Person	71	41	64
Grievance handling	Death rate per 10,000 workers ¹⁾	%	1.16	0.00	0.00
	Number of employees injured	Person	0	0	0
	Number of employees with occupational diseases	Person	0	0	0
	Total number of on-site safety inspections	Case	172	123	117
	Number of employee grievances received	Case	1	0	1
	Grievance handling rate	%	100.0		100.0

1) Death rate per 10,000 workers: (number of deaths / number of wage workers) X 10,000

ESG DATA

Social Data

Category	Indicator		Unit	2019	2020	2021
Employee performance evaluation	Regular performance evaluation implementation rate - regular employees	Total	%	97.2	97.7	96.9
		Male	%	90.2	90.9	90.3
		Female	%	7.0	6.8	6.6
	Regular performance evaluation implementation rate - non-regular employees	Total	%	62.2	56.1	53.3
		Male	%	49.7	48.0	44.2
		Female	%	12.5	8.1	9.1
Employee training	Total training expenses		KRW million	619	263	419
	Number of participants in competency development training		Person	8,105	7,056	11,464
	Training expense per employee		KRW million	0.36	0.15	0.24
	Time spent on competency development training		Hour	21,182	25,124	48,523
	Training hours per employee		Hour	12.32	14.72	28.18
	Employment type	Regular	Hour	21.26	19.83	30.36
		Non-regular	Hour	7.82	8.52	26.26
	Sexual harassment prevention training	Completion	Person	1,719	1,614	1,722
		Completion rate	%	100.0	100.0	100.0
	Training to improve awareness of the disabled	Completion	Person	1,719	1,614	1,722
		Completion rate	%	100.0	100.0	100.0
	Workplace bullying prevention training	Completion	Person	1,719	1,614	1,722
		Completion rate	%	100.0	100.0	100.0

Category	Indicator		Unit	2019	2020	2021
Business partners	Total number of partners		Firm	840	792	735
	Number of core partners		Firm	25	25	25
	Number of newly registered partners		Firm	85	124	93
	Number of partners that have been evaluated		Firm	840	769	735
	Number of outsourcing partners concluded in share growth agreement		Firm	354	394	342
	Financial support for partners		KRW million	61,944	61,064	47,957
	Shared growth fund		KRW million	30,000	30,000	40,000
	Interest-free loans		KRW million	31,900	31,000	7,640
	Rewards		KRW million	44	64	317
Social contribution	Cash donation	Head office	KRW million	5,369	1,337	2,570
		Foundation	KRW million	3,000	1,000	2,000
	Face-to-face volunteer activities of employees ¹⁾	Execution	Case	4	1	5
		Participants	Person	71	3	45
		Volunteer hours	Hour	447	6	90
R&D	R&D investment		KRW million	1,884	3,241	2,212
	R&D workforce		Person	20	26	20

1) Minimized face-to-face volunteer activities in 2020 and 2021 due to the spread of COVID-19

ESG DATA

Governance Data

Category	Indicator		Unit	2019	2020	2021
Violation of compliance (corporate)	Legal action due to corruption, unfair trade, etc.		Case	0	0	0
	Fines and settlements due to corruption, unfair trade, etc.		KRW million	0	0	0
Anti-corruption	Total number of violations of the internal rule of ethics		Case	2	9	3
	Actions for violations of the Internal code of ethics	Pay cut	Case	0	2	1
		Reprimand	Case	0	1	0
		Dismissal	Case	0	3	0
		Other discipline	Case	2	3	2
Customer information protection	Number of customer information leakage		Case	0	0	0
BOD composition	Number of members	Executive director	Person	3	3	3
		Non-executive director	Person	4	4	4
BOD compensation	Average remuneration per person	Executive director	KRW million	262	297	283
		Non-executive director	KRW million	55	66	66
BOD operation	Number of the BOD meetings		Case	8	7	7
	Number of agendas discussed		Case	21	19	24
	BOD meeting attendance rate		%	95.8	100.0	93.5

GRI INDEX

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		102-24	Nominating and selecting the highest governance body
		102-25	Conflicts of interest
		102-26	Role of highest governance body in setting purpose, values, and strategy
		102-27	Collective knowledge of the highest governance body
		102-29	Identifying and managing economic, environmental, and social impacts
		102-30	Effectiveness of risk management processes
		102-33	Communicating critical concerns
		102-34	Nature and total number of critical concerns
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Stakeholder Engagement	Core	102-40	List of stakeholder groups
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	Core	102-43	Approach to stakeholder engagement
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GRI INDEX

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	Core	102-50	Reporting period	77
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Association Membership & Awards

Association Membership

Construction Association of Korea	Korea Chamber of Commerce and Industry	Korea Federation of Construction Contractors
Korea Housing Association	Korea Specialty Contractors Association	Korean Society of Civil Engineers
Korea International Trade Association	International Contractors Association of Korea	Korea Management Association
Asia Society	Korea Road Association	Korea Fire Facility Association
Korea Fire Safety Institute	Korea Electric Contractors Association	Korea Ports & Harbours Association
Korea Railway Association	Korea Mech. Const. Contractors Association	Korea General Construction Machinery Equipment Association
Society of Air-Conditioning and Refrigerating Engineers of Korea	Korea Remodeling Association	Korea Electric Engineers Association
Korea Smart Home Industry Association	Construction & Transportation New Technology Association	Korea Landscape Architecture Association
Korea Railway Construction Association	Korean Institute of Electrical Engineers	Korea Information and Communication Contractors Association
Korean Geotechnical Society	Contractors Association	Korean Association of Air Conditioning Refrigerating and Sanitary Engineers
Korean Institute of Illuminating and Electrical Installation Engineers	Korea Association of Ecological Restoration	Korea Facilities Maintenance Association
Korea Institute of Construction Safety	Maekyung Safety & Environment Institute	Construction Health Council
Korea Construction Environment Association		

Awards

Date	Award Name	Awarded nuy
Sep. 30, 2021	Grand Prize at the 26th Daegu City Landscape Award	Mayor of Daegu Metropolitan City
Nov. 23, 2021	Commendation for Green Management	Minister of Trade, Industry and Energy
Dec. 17, 2021	Acquired "Excellent" grade in the shared growth index evaluation	Korea Commissions for Corporate Partnership
Dec. 30, 2021	Commendation for Creating an Excellent Construction Culture	Mayor of Daejeon Metropolitan City

Independent Assurance Statement

We have performed an independent limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information on selected qualitative and quantitative sustainability disclosures in the "HDC Hyundai Development Company Sustainability Report 2022" (further "Report") for the business year from January 1 to December 31, 2021 and some of Company's sustainability strategies and activities in 2022 of HDC Hyundai Development Company (further "Company").

Our engagement was designed to provide limited assurance on whether the Report is presented fairly, in all material respects, in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). It was not part of our engagement to review product- and service-related information, feasibility of the objectives, targets, and expectations of Company, as well as future-related statements in the Report.

In accordance with the KPMG Sustainability Assurance Manual (KSAM)[™], we reviewed the reliability of non-financial information considering "materiality." As for the financial data, our procedures were limited to verifying that the Report contained the financial information that was properly extracted from the audited financial statements of Company. To obtain complete information on the Company's management performance and financial status, the financial statements that Company received an external auditor's assurance as of March 21, 2022 should be referred to.

Management's Responsibility

The legal representatives of the Company are responsible for the preparation of all content in the Report and the determination and presentation of the sustainability information in accordance with the therein stated Reporting Criteria, Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and SASB, Sustainability Accounting Standards Board.

The responsibility includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for individual qualitative and quantitative sustainability disclosures, which are reasonable under the circumstances. Furthermore, this responsibility includes designing, implementing, and maintaining systems and processes relevant for the preparation of a Report in a way that is free of -intended or unintended- material misstatements.

Practitioner's Responsibility

It is our responsibility to express a conclusion based on our work performed within the limited assurance engagement on the sustainability indicators and the sustainability disclosures described above.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information," published by the International Auditing and Assurance Standards Board (ISAASB).

The standard requires that we plan and perform the assurance engagement in such a way that we obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the abovementioned sustainability disclosures of the Company for the business year, January 1 to December 31, 2021, and some for 2022 have not been prepared, in all material respects, in accordance with the Reporting Criteria. We do not, however, issue a separate conclusion for each disclosure. As the assurance procedures performed in a limited engagement are less comprehensive than in a reasonable assurance engagement, the level of assurance obtained is substantially lower as we may not be aware of all significant matters that can only be verified by reasonable assurance.

Main Assurance Procedures

Our engagement was designed to provide limited assurance on whether the Report is presented fairly, in all material respects, in accordance with the reporting criteria. Procedures performed to obtain a limited level of assurance on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Sustainability report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included the following:

- Confirmation on whether the financial information contained in the Report was properly extracted from the audited financial statements of Company
- Inquiries of group-level personnel who are responsible for the materiality analysis in order to understand the processes for determining the material issues for key stakeholder groups and respective reporting boundaries for Company
- Interviewing management at corporate level responsible for providing the information or data in the Report

Independent Assurance Statement

- Visits to the Company's Headquarters to review procedures and systems for managing and reporting the sustainability data
- Assessment of the overall presentation of the disclosures in the Report to determine whether the information presented in the Report is consistent with our overall knowledge and experience of this verifier on the non-financial value creation performance of Company

Independence and Quality Assurance on the Part of the Auditing Firm

In performing this engagement, we applied the legal provisions and professional pronouncements regarding independence and quality assurance, in particular the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants, issued by the International Ethics Standards Board for Accountants. We do not engage in any activities that may influence our independence in audit practice. KPMG Samjong Accounting Corp. has systems and processes in place to monitor compliance with the Code, and to prevent conflicts of interest.

Opinion

• Stakeholder Inclusiveness

- Company identifies interests of key stakeholders, such as customers/consumers, partners, employees, government, shareholders & investors, and local communities, and operates appropriate online and off-line communication channels.
- We have not identified any key stakeholder groups excluded from stakeholder engagement through the review of the Report.

• Sustainability Context

- Company has established a process to reflect the exact status and improvements of ESG issues in management decisions and management plans of relevant departments to ensure continuity.
- We confirm that Company properly understood the background of general business management and social responsibility management when organizing the Report.

• Materiality

- Company conducts a materiality assessment to determine the core reporting issues when preparing a report.
- We have not found any significant omissions of reporting concerning its sustainability performance.

• Completeness

- Company applies reporting scope, boundary, and temporal criteria when preparing the Report.
- Considering the above criteria, we confirm that the Report is in an appropriate means for the stakeholders of Company to evaluate the performance of corporate social responsibility management.

Based on the procedures performed, as described above, nothing has come to our attention to indicate that the Report is not presented fairly, in all material respects, in accordance with the reporting criteria.

Restriction of Use/Clause on General Engagement Terms

This report is issued for purposes of the legal representatives of HDC Hyundai Development Company, only. We assume no responsibility with regards to any third party for our work, or the conclusions we have reached in the Report.



November 2022
KPMG Samjong Accounting Corp.

CEO **Kim, Kyo Tai**

Kyo Tai Kim

About This Report

Overview

This report, as the first sustainability report published by HDC Hyundai Development Company, includes sustainability management performances of the head office, 70 business sites at home and abroad, and major subsidiaries. HDC Hyundai Development Company will continue to communicate transparently with stakeholders through annual sustainability report.

Reporting Principle

This report was prepared in accordance with the Core Option of the Global Reporting Initiative (GRI) Standards, which are the standards for compiling sustainability report. We also referred the Engineering & Construction Services sector standards of the Sustainability Accounting Standards Board (SASB), and specific criteria and methods were determined by the Board of Directors.

Reporting Scope

This report presents qualitative and quantitative performances from January 1, 2021 to December 31, 2021 in the areas of economy, environment, society, and governance. Contents such as corporate vision, ESG strategy, safety, creation of safe workplace, transparent governance system, and some qualitative performance include information for 2022. Quantitative performance includes figures for the last three years to enable time-series trend analysis, and economic performance was prepared on a K-IFRS consolidated basis.

Assurance

To secure the validity of the report preparation process and the reliability of information, limited assurance was conducted through Samjong KPMG, an independent assurance agency. Assurance statement can be found on pages 75 and 76.

Inquiry

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Company Overview

Asset Planning Team	Team Leader, Jeong-Eun Lee	Ji-Min Son
Business Planning Team	Team Leader, Jin-Taek Kim	Ho-Chang Lee
Public Relations Team	Team Leader, Dong-Hoon Lee	Sang-Won Seo

Environment

Architecture Technology Team	Team Leader, Youn-Gon Kim	Jae-Hyup Lee
Construction Planning Team	Team Leader, Jeong-Woo Kim	Jung-Sang Lee Ji-Sun Ha
Architecture Design Team	Team Leader, Chang-Goo Choi	Jeong-Cheol Kim Jong-Woon Na
Electrical Team	Team Leader, Young-Cheol Kim	Gil-Ho An
Landscape Architecture Team	Team Leader, Hyun-Woo Lee	Sang-Min Kwon
Safety Planning Team	Team Leader, Woong-Sik Shin	Joo-Young Park

Society

Quality Customer Satisfaction Team	Team Leader, Dong-Joon Han	Hyun-Jong Shin
Mutual Growth Team	Team Leader, Hyuk-Jong Park	Jae-Kwan Song Jung-Woo Han
Technical Safety Team	Team Leader, Yong-Seok Shin	Yong-Hwa Lee
Future Strategy Team	Team Leader, Je-Seok Han	Ji-Hye Jung
Safety Planning Team	Team Leader, Woong-Sik Shin	Tae-Guang Bae
Safety Operation Team	Team Leader, Yong-Sung Cho	Soo-Kil Lee
Safety Support Team	Team Leader, Gi-Hun Park	Young-Sun Sim
Subcontract Procurement Team	Team Leader, Myung-Ki Ho	Young-Bin Son Nam-Il Lee
Human Resources & General Affairs Team	Team Leader, Young-Wook Sun	Sun-Min Park Ki-Chang Sung
Quality Safety Team	Team Leader, Byung-Jae Moon	Eun-Jung Lee

Governance

Internal Audit Team	Team Leader, Jin-Hyuck Yang	Dong-Jin Eom
Business Analysis Team	Team Leader, Sang-Bum Woo	Sang-Jun Um
Finance Team	Team Leader, Ik-Dong Lee	Young-Jin Kim Yu-Yeong Jo
Information Security Center	Team Leader, Dong-Shin Lee	Seok-Hee Kim
Accounting Team	Team Leader, Wan-Hee Lee	Tae-Jung Yoon

Sustainability Report 2022

