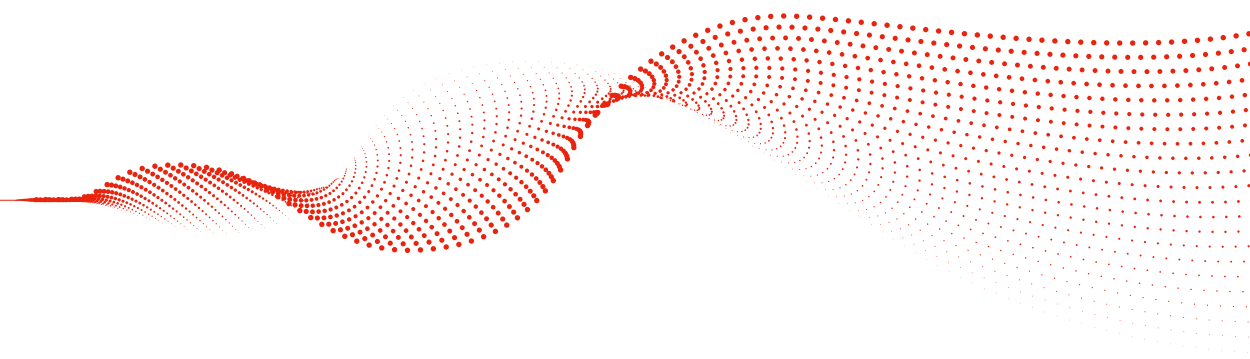


HDC Hyundai Development Company Sustainability Report 2024

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BUILDING TRUST & CREATING SUSTAINABLE VALUE

About this Report

About This Report

This report is the third annual publication by HDC Hyundai Development Company, detailing the company’s ESG management activities, accomplishments, and future plans. HDC Hyundai Development Company will continue to communicate transparently with stakeholders through annual sustainability reports.

Reporting Period and Scope

The report covers the company’s performance from January 1, 2023, to December 31, 2023, including significant contents from the first half of 2024. Quantitative performance data spans the past three years (2021–2023) to highlight trends. The report encompasses all domestic and international business sites of HDC Hyundai Development Company, including the headquarters. Specific data requiring special attention is separately noted.

Reporting Standards

This report was prepared in accordance with the Core Option of the Global Reporting Initiative (GRI) Standards for sustainability management. It also incorporates industry standards from the Sustainability Accounting Standards Board (SASB) for Engineering & Construction Services and adheres to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for climate and financial information disclosure. Financial information includes consolidated data from key subsidiaries, as per the Korean International Financial Reporting Standards (K-IFRS).

Assurance of the Report

To ensure the reliability and integrity of the report preparation process and data, this report has been assured by the Korea Management Registrar (KMR), an independent assurance agency. The assurance process followed the international standard AA1000AS, with details and the assurance statement provided on pages 104-105 of the report.

HDC HYUNDAI DEVELOPMENT COMPANY SUSTAINABILITY REPORT 2024

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Company Overview

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CEO Message

Dear Respected Stakeholders,

Thank you for your unwavering interest in and support for HDC Hyundai Development Company.

Over the years, HDC Hyundai Development Company has consistently advanced as a responsible enterprise, delivering life-enhancing value through innovative spaces for our customers while contributing significantly to the development of our nation and society. In recognizing the importance of creating environmental and social value beyond mere economic gains, we have committed to documenting our ESG performance in this sustainability report. Our dedication has been acknowledged on an external platform, with our report being honored as the “Report of the Year” at the 2023 Management Grand Awards by the Korea Management Association. This year’s report encapsulates our relentless pursuit and determination for a sustainable future amidst a rapidly evolving business landscape. We are eager to share our journey, challenges, and accomplishments with all our stakeholders.



Delivering Top Quality for Customer Satisfaction

Quality is the foundation of customer trust and a key driver for sustainable growth. HDC Hyundai Development Company is committed to enhancing quality management through the Quality Accountability System and digital transformation to deliver the highest value to our customers.

Creating Sustainable Value through Safety Culture and Environmental Protection

We regard safety as a fundamental right for all stakeholders, establishing and rigorously adhering to top-tier safety standards. By embedding a preventive safety system, increasing investments in safety facilities, and building a smart safety management system, we are spreading a culture of safety. Additionally, we are actively responding to the global challenge of climate change by developing eco-friendly construction technologies, promoting energy conservation and resource recycling, and establishing Zero Energy Building design guidelines.

Shared Growth with Local Communities and Partners

We fulfill our responsibilities as corporate citizens by stimulating local economies, creating jobs, supporting community problem-solving initiatives, and aiding vulnerable social groups. To support our partners facing challenges due to rising raw material prices and high interest rates, we provide financial assistance, employee training programs, and support for the development of advanced technologies.

Enhancing Management Transparency

To strengthen management transparency, we have obtained new certifications for the Anti-Corruption Management System (ISO 37001) and the Compliance Management System (ISO 37301). We have appointed directors with specialized expertise to ensure the stability and competitiveness of our company amidst rapidly changing environments. Moreover, we are committed to building transparent governance by continuously improving the Korea Exchange’s key indicators of corporate governance, such as introducing electronic voting, improving dividend procedures, and establishing a mid- to long-term dividend policy.

HDC Hyundai Development Company remains committed to delivering joy and satisfaction to our customers, fostering national and societal growth, and striving to become a distinguished company that makes a positive impact on society. We welcome your continued interest and encouragement on our journey to realizing HDC Hyundai Development Company’s values of creating a prosperous life and a trustworthy world.

Thank you!

June 2024,
CEO of HDC Hyundai Development Company
Choi Ik-hoon

About our Company

HDC Hyundai Development Company, established in March 1976 as Korea Urban Development Co., Ltd., has significantly shaped Korean residential culture. Beginning with the Appujeong Hyundai Apartment Complex, we have introduced innovative living standards and diverse lifestyle experiences under the mission of creating a prosperous life and a trustworthy world. HDC Hyundai Development Company aims to continue growing as a comprehensive real estate firm, dedicated to creating enriching spaces and generating new values.

Key Achievements

Project Competitiveness in 2023

Construction capability evaluation ranking



No. **11**

Number of employees



1,907 persons

Key Financial Achievements in 2023

Sales (consolidated basis)



KRW **4.19** trillion

Operating income (consolidated basis)



KRW **195.3** billion

Number of development projects



7

Number of housing projects



35

Order backlogs (non-consolidated basis)



KRW **30.41** trillion

Number of architecture projects



5

Number of infrastructure projects



31

Credit rating¹⁾

NICE

A
(Stable)

Korea Ratings

A
(Stable)

Korea Investors' Service

A
(Stable)



1) As of end of June 2024

Business Areas

Development

HDC Hyundai Development Company has enhanced urban living environments by undertaking complex urban development projects that integrate residential, office, and commercial facilities in Yongsan, Suwon, and Haeundae. These projects have transformed the urban landscape, making it more functional and enriching the quality of life for residents. Additionally, HDC Hyundai Development Company leverages extensive expertise in developing and operating diverse facilities, including hotels, resorts, and commercial spaces, to offer top-tier amenities and customer-centric services. Moving forward, we are dedicated to advancing as Korea's leading comprehensive real estate developer, consistently enhancing regional value through innovative space development.



Suwon IPARK City

Business Areas

Housing

HDC Hyundai Development Company has been a leader in South Korea's residential culture trends for over 40 years, constructing approximately 400,000 apartment units. Leveraging strong brand power, we have played a pioneering role in all aspects of housing, including apartments, residential-commercial complexes, private rental housing, and urban redevelopment projects. By creating the IPARK lifestyle, HDC Hyundai Development Company offers residential spaces with efficient layouts, greeneries, and advanced systems, significantly enhancing the asset value of residents and contributing to the revitalization of local economies.



The H Firstier IPARK

Business Areas

Architecture

HDC Hyundai Development Company creates elegant yet functional architectural structures that symbolize urban landscapes. By enhancing urban identity and pursuing buildings with cultural value, the company injects vitality into cities through creative ideas and exceptional technical expertise. We create landmark buildings with exceptional design and extensive experience, embodying contemporary aesthetics and regional identity while fostering dynamic, positive transformations in urban landscapes.



Business Areas

Infrastructure

HDC Hyundai Development Company has significantly contributed to industrial progress and the enhancement of national land value, both domestically and internationally, by undertaking various social infrastructure projects such as roads, bridges, public transportation systems, energy plants, and marine and port structures. With extensive expertise and know-how applied at every stage, from design to operation, HDC Hyundai Development Company is dedicated to building safe and efficient infrastructure, promoting sustainable land development, and advancing societal progress.



Construction of Korean National Route No. 32 (Asan-Cheonan, Section 4)

Sustainability Principles

012 Sustainability Management Framework

013 Sustainability Management Goals and Achievements

Sustainability Management Framework

Strategies for Sustainability Management

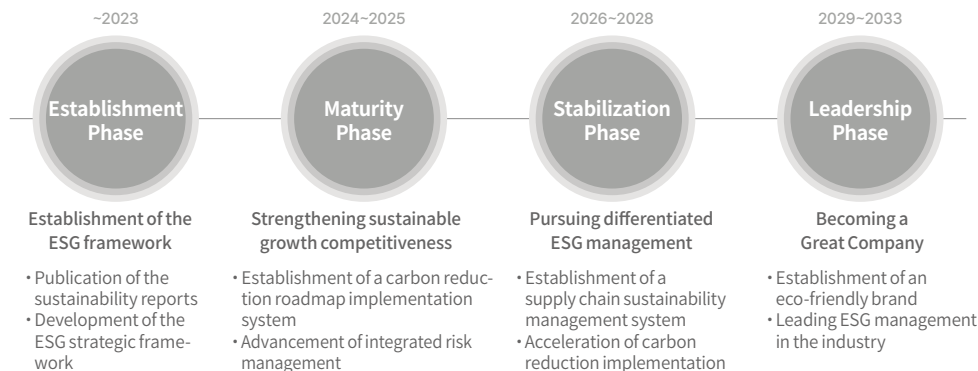
HDC Hyundai Development Company is advancing toward achieving greater and higher goals over the next decade through a sustainability management strategy and long-term roadmap. We aspire not only to be a good company, but to evolve into a great one, dedicated to creating prosperous lives and a trustworthy world.

Mission We create prosperous lives and a trustworthy world

Vision A comprehensive real estate company that creates sustainable values based on trust.

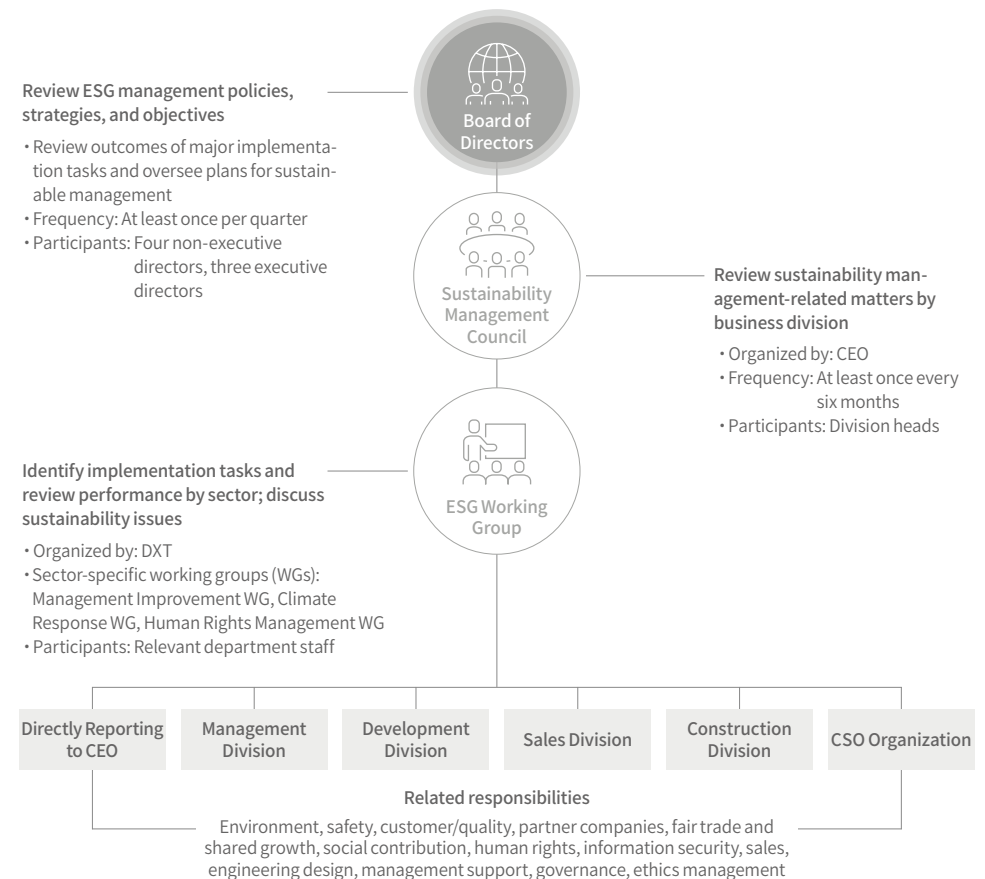


Sustainability Management Mid- to Long-Term Roadmap






Sustainability Management Structure

HDC Hyundai Development Company builds trust-based sustainable values and expands positive social influence to achieve sustainable growth by establishing an ESG governance structure. The Board of Directors, the highest decision-making body of the company, reviews ESG policies, strategies, and goals, conducting in-depth evaluations of sustainability and social responsibility. The Sustainability Management Council, comprising the executive management team, systematically manages the sustainability goals and performance of each division. Additionally, the ESG Working Group identifies ESG tasks that directly and indirectly impact the company's operations, and promotes effective improvement activities.



Sustainability Management Goals and Achievements

Category		KPI	2023		2024
			Goals	Achievements	Goals
 Reinforcing environmental responsibilities	• Reducing environmental impact during construction • Promoting resource recycling • Establishing climate change response	GHG emissions(tCO ₂ -eq)	33,912	33,582	31,902
		Energy consumption(TJ)	684	696	661
		Waste generated(Tons)	890,704	918,826	872,885
		Waste recycling rate(%)	90.0	94.7	91.0
		Water reused(Tons)	309,939	377,041	358,189
 Reinforcing social responsibilities	• Enhancing supply chain sustainability • Contributing to and coexisting with local communities • Establishing safe workplaces	Shared growth index	Good	Good	Excellent
		CP rating	AA(Great)	AA(Great)	AAA(Excellent)
		Ratio of social contribution expenditure to sales revenue (%)	0.12	0.12	0.13
		Community contribution recognition performance indicators (approved recognition)	120 points and over (Initial registration as a recognized company)	154 points (Registration as a recognized company)	154 points (Maintenance of recognition status)
		Fatality rate per 10,000 workers	Less than 0.99	0.62	Less than 0.79
		Accident rate	0.39	0.64	0.52
		High-risk accident rate	10% or less	3%	5% or less
 Enhancing management transparency	• Increasing board accountability • Protecting shareholder rights • Integrating risk management	Board attendance rate (%)	100	100	100
		Board Diversity	Appointment of female director	Appointment of one female director	Strengthening review of non-executive director candidates
		Board evaluation	Introduction of board evaluation system	Completion of board, committee evaluations	Reporting board evaluation results to the Board of Directors (BOD)
		Protection of shareholder rights	Share buybacks and disclosure of the audit report in English	Share buybacks and disclosure of the audit report in English	Establishing a long-term dividends policy, increasing dividends, and changing the dividend record date
		Improvement of shareholders' meeting operations	Announcement of audit report before the shareholders' meeting	Announcement of audit report before the shareholders' meeting	Notifying shareholders of the meeting four weeks in advance, excluding peak days for shareholder meetings, and adopting electronic voting
		Compliance with key corporate governance indicators (%)	70.0	73.3	86.7
		Occurrences of unfair trade practices and unfair competition (cases)	0	0	0
		Integrated risk management	Establishment of integrated risk management system	Community impact assessment results Establishment of investment committee review procedures	Advancing integrated risk management system

Sustainability Performance

015 Environmental

029 Social

062 Governance





Environmental

Environmental Management

Environmental Management Framework

Environmental Management Policy

Acknowledging the global challenges posed by climate change and the pursuit of carbon neutrality, HDC Hyundai Development Company prioritizes minimizing environmental impacts in all business activities. By strictly adhering to environmental regulations, preventing environmental accidents, and developing eco-friendly spaces and technologies, our company aims to provide a clean and comfortable living environment for society. We are committed to systematically managing environmental information and leading the implementation of sustainable environmental policies.

환경 방침

사업활동과 환경의 조화로운 발전을 위한 「**지속가능경영**」 구현

HDC현대산업개발(주)는 「우리는 풍요로운 삶과 신뢰할 수 있는 세상을 만든다.」는 기업미션을 바탕으로 사업활동과 환경의 조화로운 발전을 위하여 다음의 환경방침을 실천한다.

- 환경보호 및 지속가능성을 최우선 가치로 인식하고 이를 바탕으로 사업을 수행한다.
- 환경오염을 예방하고 최소화하는 것을 원칙으로 하며, 환경법규 및 규제를 준수한다.
- 자원 및 에너지를 효율적으로 이용하고 오염물질과 온실가스 배출을 최소화하여 기후변화에 대응한다.
- 녹색자재 사용과 친환경 건축물을 건설하여 안전하고 쾌적한 생활환경을 제공한다.
- 생태계를 보호하고 자원을 지속가능하게 활용하며, 지속가능한 발전을 추구한다.
- 임직원 환경관리 교육을 실시하며, 환경관리 의식을 고취시키도록 노력한다.
- 환경관리에 대한 정보를 공개하고, 이해관계자들과 소통하며, 지속적인 개선을 위한 노력을 기울인다.

HDC현대산업개발(주) 모든 임직원은 환경의 중요성을 인식하고 지속가능한 경영을 구현하여 기업의 사회적 책임을 다한다.

2023년 5월 9일
HDC현대산업개발(주)
대표이사 최 익 훈

Environmental Policy

HDC Hyundai Development Company is committed to sustainability management that harmonizes business activities with environmental stewardship. To achieve this, we focus on six critical areas in the construction industry: compliance with environmental laws and regulations; minimization of energy consumption and greenhouse gas emissions; enhancement of resource recycling activities; purchase of green products and construction of eco-friendly buildings; strengthening of biodiversity protection activities; and reinforcement of environmental management education. By adhering to environmental management standards beyond regulatory requirements, managing pollutants such as particulate matter, greenhouse gases, and waste, and protecting the ecological environment, we strive to create eco-friendly construction sites.

Environmental Goals and Key Tasks

 <p>Compliance with Environmental Laws and Strengthening Environmental Management Standards</p>	<ul style="list-style-type: none"> • Aim for zero cases of fines; reduce the number of fines by 5% compared to the previous year. • Maintain pollutant emission levels (wastewater, air pollution, etc.) within 95% of the legal limit. • Develop environmental management plans reflecting stakeholder requirements.
 <p>Minimization of Energy Consumption and Greenhouse Gas Emissions</p>	<ul style="list-style-type: none"> • Utilize eco-friendly and high-efficiency construction equipment and energy sources. • Reduce energy consumption and greenhouse gas emissions by 5% compared to the previous year.
 <p>Enhancement of Resource Recycling Activities</p>	<ul style="list-style-type: none"> • Enhance waste separation and sorting, minimizing mixed waste disposal. • Reduce construction waste generation by 5% compared to the previous year and maintain a recycling rate of over 90%. • Decrease water usage by 5% compared to the previous year, and enhance water reuse and recycling efforts.
 <p>Green Product Procurement and Eco-Friendly Building Construction</p>	<ul style="list-style-type: none"> • Expand the proportion of green product purchases. • Increase certifications for eco-friendly buildings.
 <p>Strengthening Biodiversity Protection Activities</p>	<ul style="list-style-type: none"> • Apply biodiversity protection facilities in residential areas. • Safeguard ecological environments and habitats for plants and animals at project sites.
 <p>Reinforcement of Environmental Management Education</p>	<ul style="list-style-type: none"> • Strengthen environmental management education for employees and partner companies. • Conduct environmental campaigns to raise awareness and promote sustainable practices.

Sustainability Management Mid-To Long-Term Roadmap

HDC Hyundai Development Company has established specific and attainable mid-to long-term goals to align with the company’ environmental policy. In 2024, the focus is on developing an autonomous environmental management system, setting management standards for greenhouse gases and emission facilities, and defining environmental performance indicators. By 2026, we aim to fully implement an autonomous environmental management system. By 2028, the company aims to further enhance this system, focusing on strengthening greenhouse gas reduction strategies, advancing eco-friendly technologies, and increasing investments, while establishing more advanced environmental metrics. Our company is dedicated to maintaining a zero fine record through strict adherence to environmental regulations. We also plan to achieve an annual 5% reduction in energy consumption, greenhouse gas emissions, waste intensity, and water usage, as well as a 1% yearly increase in the waste recycling rate.

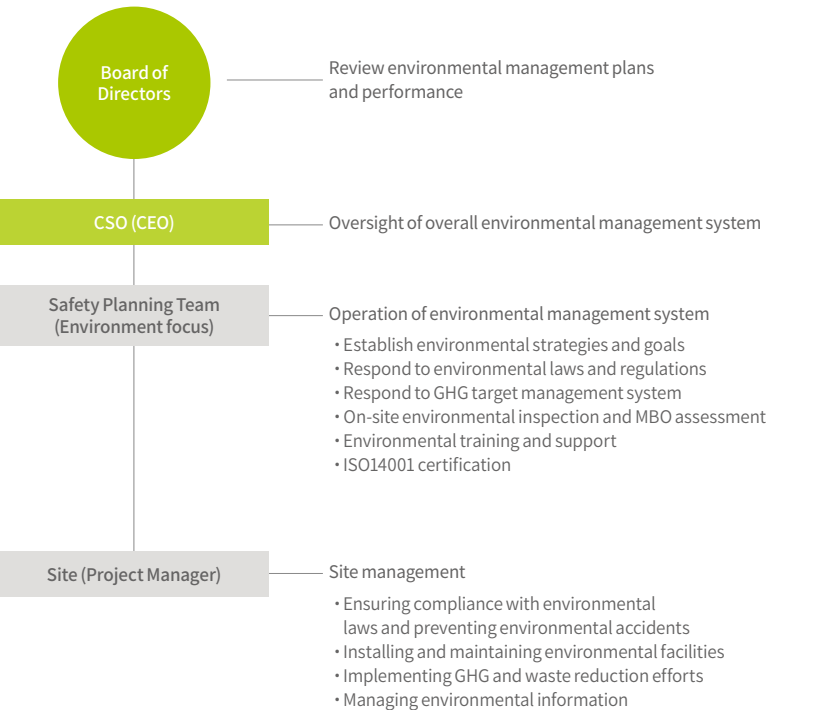
Environmental Management Implementation Strategy

Environmental Policy	Sustainability management that harmonizes business activities with environmental stewardship					
Steps	Establish an Autonomous Environmental Management System		Implement Autonomous Environmental Management System		Establish Strategies for Advanced Environmental Management	
Key Implementation Tasks	• Develop a GHG emissions management system • Establish emission facility management standards • Identify environmental performance indicators		• Integrate GHG emissions management system • Stabilize emissions facility management standards • Consolidate environmental performance indicators		• Formulate GHG emissions reduction strategies • Enhance eco-friendly technology development and investments • Refine environmental performance indicators	
	2024		2026		2028	
Compliance with Environmental Laws	Zero fines		Zero fines		Zero fines	
Energy Consumption	661 TJ	5% annual reduction	596 TJ	5% annual reduction	538 TJ	
GHG Emissions	31,902 tCO ₂ -eq	5% annual reduction	28,792 tCO ₂ -eq	5% annual reduction	25,985 tCO ₂ -eq	
Waste Intensity	20.96 Tons/100 million KRW	5% annual reduction	18.92 Tons/100 million KRW	5% annual reduction	17.07 Tons/100 million KRW	
Waste Recycling Rate	91%	1% annual reduction	93%	1% annual reduction	95%	
Water Consumption	358,189 tons	5% annual reduction	323,265 tons	5% annual reduction	291,747 tons	

Implementing Organization

HDC Hyundai Development Company has established a comprehensive environmental management system to ensure effective on-site environmental management, sustainable growth, and environmental protection. The Safety Planning Team is responsible for developing and revising environmental guidelines based on legal regulations. They also conduct training programs aimed at enhancing the environmental awareness and management capabilities of employees. We evaluate the environmental management performance at various sites, incorporating these results into organizational assessments. Based on the environmental evaluation scores, incentives or penalties are assigned to improve the execution of environmental management. Project managers at construction sites are tasked with identifying and preventing potential environmental issues throughout the different stages of construction, from commencement to completion. They ensure that construction activities do not adversely impact on the surrounding environment and local residents.

Organizational Chart



Environmental Risk Management

Environmental Risk Analysis and Response Strategy

HDC Hyundai Development Company has identified key issues impacting business operations, with an emphasis on regulatory compliance, stakeholder engagement, oversight of project managers, and information management. Each issue’s risks and opportunities have been thoroughly analyzed, resulting in response strategies tailored to addressing both financial and non-financial impacts. Starting in 2024, we will implement evaluation criteria to manage construction site risks effectively. These criteria will encompass regulatory compliance, environmental management practices, and ESG standards. The evaluations based on these criteria will influence project managers’ performance indicators and overall site performance metrics, linking outcomes to incentives and penalties. Additionally, exemplary environmental managers will be rewarded for their outstanding performance.

Environmental Risk and Impact Analysis

Category	Risk Analysis		Impact Analysis		Response Strategies
	Risk Factors	Opportunity Factors	Financial	Non-Financial	
Compliance with Environmental Laws	• Fines, administrative penalties, and potential work stoppages due to regulatory violations.	• Realizing a sustainable construction environment through environmental impacts control	• Payment of fines and penalties. (Approximately KRW 1.4 million per incident)	• Negative impact on pre-qualification scores. • Lowered scores on environmental aspects of ESG evaluations.	• Strengthening environmental evaluations and support mechanisms. • Sharing information on the latest laws and guidelines. • Increasing awareness of regulatory compliance through training of employees. • Strengthening the oversight of environmental management practices among partner companies.
Stakeholder Engagement	• Unfavorable media reports. • Rising complaints from communities surrounding project sites.	• Achieving positive media coverage through proactive environmental management. • Fostering cooperative relationships with local communities.	-	• Risk of decreased external credibility. • Damage to the company's reputation.	• Ensuring compliance with regulations to prevent environmental incidents. • Engaging with local residents about construction plans in advance.
Oversight of Project Managers	• Shortage of dedicated environmental personnel • Inadequate environmental inspections	• Hiring new personnel • Enhancing the organizational structure and refining management systems	• Increased construction costs due to work stoppages	• Inadequate on-site environmental management • Difficulty in collecting environmental information	• Strengthening environmental organization through hiring • Conducting training programs to strengthen the capabilities of project managers
Environmental Information Management	• Missing or erroneous environmental information • False disclosures	• Developing an IT system to ensure data reliability • Responding to mandatory disclosure requirements	-	• Decline in environmental data credibility	• Establishing an IT system for environmental management • Ensuring the consistency and accuracy of environmental information

Compliance with Environmental Regulations

Complying with environmental regulations is not only a corporate responsibility but also a fundamental requirement for sustainable development. HDC Hyundai Development Company has established guidelines to identify and address major environmental regulations relevant to the company’s business operations. All business sites adhere to these guidelines to ensure proper site management. At every construction site, HDC Hyundai Development Company assigns a project manager and strengthens the education and monitoring of project managers. This ensures that they fully understand the regulations and can effectively manage environmental facilities.

Key Environmental Regulations and Response Measures

Key Environmental Regulations	Response Measures
Framework Act On Carbon Neutrality And Green Growth for Coping with the Climate Crisis	• Establishment of GHG emissions calculation and reduction plans in line with the Greenhouse Gas Target Management System. • Development of design guidelines for Zero-Energy Buildings.
Clean Air Conservation Act	• Application of methods to suppress the generation of fugitive dust. • Operation of wheel-washing facilities at site entrances and assignment of dedicated management personnel. • Prevention of soil runoff and regular external washing of the site perimeter.
Noise and Vibration Control Act	• Adjustment of working hours for noise-generating activities. • Introduction of low-noise construction equipment. • Operation of a real-time noise monitoring system.
Wastes Control Act	• Strengthening waste separation and sorting to increase recycling rates. • Reduction of mixed waste emissions.
Soil Environment Conservation Act	• Reporting soil contamination, conducting detailed soil investigations, soil remediation, and verification following proper procedures upon discovery of contaminated soil. • Applying lawful remediation methods during soil decontamination.
Water Environment Conservation Act	• Measuring the water quality of effluent from wastewater discharge facilities and complying with discharge standards. • Operating sedimentation basins to prevent muddy water from leaving the construction site.

Reducing Environmental Impacts

Fugitive Dust Management

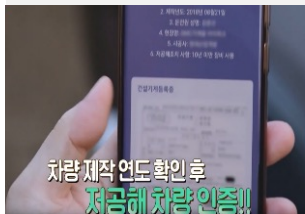
HDC Hyundai Development Company strictly adheres to environmental regulations related to construction projects, ensuring thorough management to prevent the release of pollutants. Recognizing the significant impact of fugitive dust on the respiratory system, HDC Hyundai Development Company has comprehensively revised and disseminated updated permits and management guidelines to all construction sites. To further mitigate dust dispersion, dust fences have been strategically installed along site boundaries. To minimize the impact on local residents, our company undertakes regular cleaning of the areas surrounding construction sites and has installed wheel-washing facilities at site entrances. These facilities are managed by dedicated personnel to ensure that soil from the construction site is not tracked outside. In 2019, we signed a voluntary agreement with the Ministry of Environment to reduce high-concentration seasonal fine dust. Building on this, in 2023, we signed a voluntary agreement with the Seoul Metropolitan Government to operate eco-friendly construction sites aimed at reducing fine dust. This includes using certified low-emission construction equipment and implementing a real-name system for construction vehicles to identify and manage site access. HDC Hyundai Development Company has also implemented a clean-road responsibility system, designating roads for which the company is responsible and ensuring they are cleaned and maintained at least twice daily. During emergency reduction measures¹⁾ issued by the Ministry of Environment, we shorten construction hours, strengthen road cleaning, and implement an alternating driving system to restrict vehicle usage. Additionally, HDC Hyundai Development Company utilizes IoT technology for real-time monitoring of fine dust (with simplified measuring devices and electronic display boards), promptly implementing high-concentration fine dust reduction measures as needed.

1) Implementation standards for emergency reduction measures

- ① When average levels are expected to exceed $50\mu\text{g}/\text{m}^3$ between 12:00 AM and 4:00 PM on the same day, and to remain above $50\mu\text{g}/\text{m}^3$ the following day.
- ② If an advisory or warning is issued for the relevant city or province between 12:00 AM and 4:00 PM on the same day, with levels expected to exceed $50\mu\text{g}/\text{m}^3$ the next day.
- ③ When the level is expected to exceed $75\mu\text{g}/\text{m}^3$ the next day.

Low-Emission Vehicle Certification System

Attaching QR codes to construction machinery and vehicles that have obtained low-emission vehicle certification.



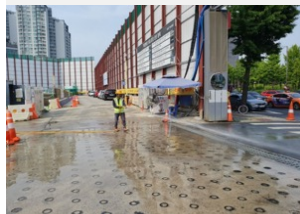
Clean Road Responsibility System

Using water tankers and cleaning vehicles to manage and clean surrounding roads at least twice daily.



Wheel-Washing and High-Pressure Washing Facilities

Minimizing dust from vehicles such as cement trucks and dump trucks and suppressing fugitive dust.



Road Paving and Sprinkler System

Paving dirt roads within construction sites and using sprinklers for dust control.



BEST PRACTICE

Awarded the President's Prize by the Korea Construction Environment Association

At the 19th Outstanding Construction Environment Management Awards, hosted by the Korea Construction Environment Association, the Jamsil Jinju Reconstruction site received the President's Prize for outstanding temporary ramp dust suppression system. To mitigate dust at the site, the temporary ramps were paved, and a comprehensive watering system was installed over these paved roads to enhance the construction environment. In addition, in order to recycle the water used for dust suppression, trenches were installed to collect the sprayed water, which was then directed to settling basins and pipes. The water initially gathers in the trenches and flows into the first settling basin, and then moves to a secondary settling basin for further sedimentation to remove impurities. The treated water meets the quality standards necessary for reuse in site sprinkling, effectively recycling resources.



Outstanding Construction Environmental Management Awards

Noise and Vibration Management

To minimize the environmental impact of noise and vibrations on local residents during construction, HDC Hyundai Development Company completes pre-construction notifications for specific projects, and implements noise and vibration management guidelines on-site. Measures to reduce noise include the installation of soundproof fences and mobile sound barriers; the use of low-noise and low-vibration construction methods; the use of low-noise construction equipment; adjustment of work hours that generate noise; and restrictions on the use of old construction machinery. Additionally, our company proactively identifies areas likely to be affected before construction begins, measures noise levels in real time, and publicly discloses this information to ensure that surrounding areas are not adversely affected.



Installation of sound insulation wall

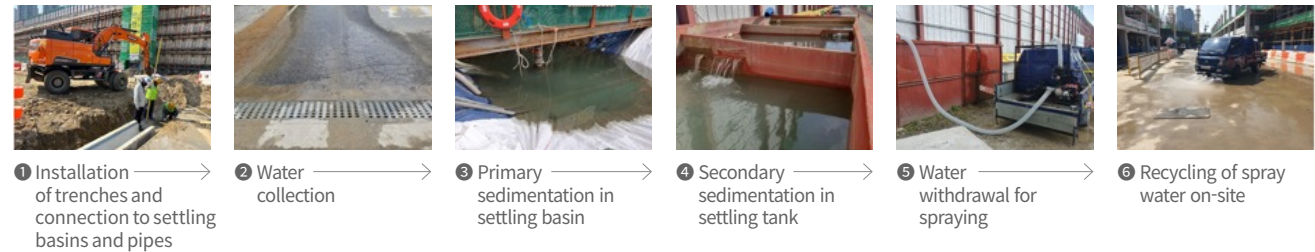


Real-time dust and noise monitoring system

Water-Resource Management

Water resources are essential for the construction industry and daily life, and activities at construction sites have direct and indirect impacts on these resources. HDC Hyundai Development Company strives to minimize water consumption by establishing efficient water-use and recycling systems and adopting environmentally friendly construction methods to conserve water resources. We have developed water management plans that allow for the recycling of rainwater collected on-site, and underground water generated during excavation processes for cleaning and landscaping purposes. To treat wastewater and protect water quality, on-site wastewater treatment facilities are installed and operated, adhering to the strictest standards, such as the emissions standards for clean areas, to minimize environmental pollution. Additionally, wastewater from temporary site offices is treated through septic tanks or wastewater treatment facilities, which are managed by specialized companies to prevent water pollution. These efforts underscore HDC Hyundai Development Company's dedication to mitigating the adverse effects on water resources, and fostering a sustainable water cycle economy — ultimately benefiting local communities and the environment.

Site Water Recycling System



Water Consumption

Business Sites	Source	Consumption (Tons)
Head office	Waterworks	5,097
	Underground water	0
	Surface water	0
	Subtotal	5,097
Site	Waterworks	176,941
	Underground water	166,614
	Surface water	28,389
	Subtotal	371,944
Total		377,041

Water Pollutant Emissions

Category	Permissible Discharge Limits(mg/L) ¹⁾			Site Discharge Data	
	Clean Area	Area A	Area B	Concentration (mg/L)	Amount (ton)
TOC ²⁾	25	40	50	6.40	0.583
BOD ³⁾	30	60	80	1.64	0.150
SS ⁴⁾	30	60	80	9.35	0.853

1) Enforcement Rules of the Water Environment Conservation Act [Attached Table 13]

2) TOC: Total Organic Carbon

3) BOD: Biochemical Oxygen Demand

4) SS: Suspended Solid

Soil Pollution Prevention

Soil is an essential component of our daily lives and economic activities, crucial for maintaining environmental and human health. Soil pollution can lead to severe environmental degradation and ecosystem damage, posing significant risks and potential losses to our business operations and stakeholders. HDC Hyundai Development Company acknowledges these risks and has implemented robust measures to prevent soil contamination. In compliance with the Soil Environment Conservation Act, we have established comprehensive soil pollution prevention strategies. When soil contamination is suspected during construction, we promptly engage a third-party inspection agency to assess contamination levels against the established concern standards. If contamination levels exceed these standards, we immediately report to the relevant authorities and conduct a detailed soil investigation. Based on the investigation results, we determine the necessary remediation scope, and select appropriate methods to purify and verify the soil. This approach ensures that we effectively address soil pollution, maintaining the integrity of the environment and safeguarding the health and well-being of our stakeholders.



Excavation of contaminated soil



Verification of Soil Purification



Soil Purification
(Offsite Remediation Facility)

Waste Management

Effective management of construction waste is crucial to prevent harmful impacts on both the ecosystem and human health. An on-site project manager follows the Waste Disposal Management Guidelines, utilizing the Ministry of Environment’s Allbaro system for transparent waste management, from selecting processing companies to waste handover. Efforts to minimize waste generation and enhance recycling include strict waste segregation; prioritizing contracts with recycling companies; and complying with pallet-management standards. HDC Hyundai Development Company continuously conducts waste sorting campaigns to raise awareness among employees and workers about the importance of waste reduction. In 2023, we conducted 100 hours of waste management training for 2,901 employees and workers and performed 385 inspections of waste separation and storage practices. These initiatives increased the construction-waste recycling rate from 92.2% in 2022 to 94.7% in 2023, a rise of 2.5%p. We aim to continue improving the recycling rate by at least 1% annually, thereby contributing toward a circular economy.

Waste Generation Data

Category		Amount Generated (Tons)
Construction Waste	Total Amount Generated	684,918
	Amount Recycled	636,068
	Amount Incinerated	48,679
	Amount Landfilled	171
General Waste from Business Sites	Total Amount Generated	233,887
	Recycling amount	233,781
	Amount Incinerated	0
	Amount Landfilled	106
Designated Waste	Total Amount Generated	21.5
	Recycling amount	0.3
	Amount Incinerated	21.2
	Amount Landfilled	0
Total amount of waste generated		918,826
Waste Intensity (Tons/KRW 100 million)		22.1

Waste Recycling Rate

Category	Recycling Rate (%)
Construction Waste	92.9
General Waste from Business Sites	100
Total Percentage of Waste Recycled	94.7



Waste Sorting Campaign

Eco-Friendly Purchasing

HDC Hyundai Development Company has embedded the procurement of eco-friendly certified materials into operational procedures to reduce environmental impact and encourage the use of sustainable products. Priority is given to purchasing environmentally labeled items, low-carbon certified products, high-efficiency energy equipment, and eco-friendly building materials, including electrical, mechanical, and other preferred materials. The performance and status of these green acquisitions are consistently monitored and evaluated. In 2023, the total expenditure on green materials reached KRW 243.7 billion, with the proportion of green product purchases increasing by 1.0 %p from the previous year to 22.1%. When evaluating both existing and newly registered partner companies, our plans to offer incentives to companies with eco-friendly certifications, hence increasing the purchase volume of green materials.

Green Product Purchasing Status

Category	Purchasing Amount (100 million KRW)
Environmental label certification	806
Low-carbon certification	896
High-efficiency energy equipment	323
Eco-Friendly Mark	209
HB Mark	203
Total green product purchases	2,437
Total materials purchase amount	11,016
Percentage of green product purchases (%)	22.1

Conservation of Biodiversity

HDC Hyundai Development Company undertakes thorough pre-project analyses to assess and mitigate the potential ecological impacts based on the project characteristics and location. To preserve biodiversity, measures are implemented to prevent habitat fragmentation for wildlife. This includes installing ecological corridors that provide refuge and pathways for animals, thereby minimizing the impact on ecosystems during construction activities through the use of low-noise and low-vibration techniques. Additionally, HDC Hyundai Development Company protects habitats and food sources for 18 legally protected species, including birds, mammals, and amphibians, by constructing temporary bridges and roads during bridge projects to reduce ecological disruption. We also endeavor to protect the environment by minimizing changes to riverbeds, avoiding nighttime construction, and employing low-noise equipment and methods. In 2023, we introduced guidelines for the protection of endangered wildlife, which include detailed plans and procedures for safeguarding these species when encountered. Furthermore, we established a process for transplanting and managing native trees on construction sites, thus ensuring the preservation and care of high-value trees impacted by development. These efforts aim to minimize environmental damage and promote natural restoration and conservation activities.

Preservation of Legally Protected Species

Site Name	Legally Protected Species	Biodiversity Preservation Activities
Indeogwon-Dongtan Section 12 New Track Construction	Otter ²⁾ , wildcat ³⁾ , kestrel ¹⁾ , narrow-mouthed frog ³⁾	• Since the majority of the routes are planned underground, no significant impact is anticipated. However, for some above-ground sections, measures to minimize impact include avoiding nighttime work and using low-noise, low-vibration construction methods.
Gwangju Urban Railroad Line 2, Phase 2, Section 9	Flying squirrel ¹⁾ , Otter ²⁾ , wildcat ³⁾	• Low-noise, low-vibration methods are applied, and workers receive wildlife protection training to minimize ecosystem disturbance and impacts from construction.
Gwangju Urban Railroad Line 2, Phase 2, Section 12	Flying squirrel ¹⁾ , Otter ²⁾ , wildcat ³⁾	• Low-noise, low-vibration methods are applied, and workers receive wildlife protection training to minimize ecosystem disturbance and impacts from construction.
Electric Supply Facility Power District Construction in Chungnam Region (Dangjin Power Station - Sinsongsan 1)	Otter ²⁾ , wildcat ³⁾ , bean goose ³⁾ , whooper swan ¹⁾ , spoonbill ¹⁾ , falcon ³⁾ , kestrel ¹⁾ , eagle ¹⁾ , white-tailed sea eagle ¹⁾ , hooded crane ³⁾ , oysterbird ¹⁾	• Large-scale civil construction projects are conducted in phases to facilitate the avoidance and relocation of protected species. • During the winter migratory season (December to February), low-noise, low-vibration methods are used for construction near reclaimed land to minimize noise and vibration impacts.
Korean National Route No. 65 Construction between Pohang and Yeongdeok, Section 5	kestrel ¹⁾ , wildcat ³⁾	• Minimal workspace is utilized to reduce the population decline of small rodents, which are prey for carnivorous mammals • Strategic deployment of construction equipment is implemented to minimize disturbances such as noise and vibration.
Pyeongtaek Seotan General Industrial Complex Development Project	kestrel ¹⁾ , Chinese sparrowhawk ³⁾	• Outsider access is prohibited, and nighttime work is avoided to prevent the capture and overharvesting of key food sources.
Dodam-Yeongcheon Double Track Railway, Section 4 New Track and Other Construction	Mandarin duck ¹⁾ , kestrel ¹⁾ , falcon ³⁾ , long-billed plover ³⁾ , Otter ²⁾ , wildcat ³⁾ , Flying squirrel ¹⁾	• Low-noise, low-vibration methods are applied to minimize ecological and environmental disturbance.
Construction of Korean National Route No. 32 (Asan-Chungju line, between Inju and Yeomchi, Section1)	bean goose ³⁾ , Mandarin duck ¹⁾ , white-tailed sea eagle ¹⁾ , eagle ¹⁾ , kestrel ¹⁾ , Otter ²⁾ , wildcat ³⁾	• Low-noise, low-vibration methods are applied and nighttime work is avoided to minimize environmental disturbance.
Site Development for Yonghyeon-Hakik Block 1	Oysterbird ¹⁾ , narrow-mouthed frog ³⁾	• Training conducted for equipment operators near habitats; narrow-mouthed frog habitats are relocated and protective fences are installed.

1) Natural Monument
2) Endangered Species I
3) Endangered Species II
4) Endangered Species III

■ Biotope

To preserve ecological spaces within IPARK complexes and to promote natural ecosystem restoration and biodiversity, a total area of 1,335,125m² has been designated as green space, which is more than twice the legally required amount. In an effort to diversify planted species, the complexes completed in 2023 featured an average of 87 different types of trees, including evergreen and deciduous trees, shrubs, and herbaceous plants. This included the planting of 46,496 trees and 1,773,063 shrubs. In addition, ponds, birdhouses, piles of stones and mounds of tree have been added to enrich the ecological environment and provide habitats for various animals and plants.



Terrestrial biotope



Aquatic biotope

Status of Species Protection within the Complex

Category	Percentage of Green Space within the Complex (%)		Number of Planted Species	Biotope Status	
	Legal Standard	IPARK	Species (Types)	Terrestrial	Aquatic
Cheongju Gagyeong IPARK 5th Complex	15	47.85	78	●	
Suwon Central IPARK Xi	18	40.54	115	●	●
DMC SK View IPARK Foret	15	38.61	63	●	●
Gumi IPARK The Sharp	15	38.61	96	●	
Gaepo The H Firstier IPARK	15	41.95	105	●	
Asiad REI County	15	39.20	65	●	●
Average	16	41.13	87		

■ Protection of Endangered Animals

HDC Hyundai Development Company has undertaken efforts to protect narrow-mouthed frogs during the development of the Honggol District 2 (Cheongju Gagyeong IPARK 6th Complex) urban development project, in collaboration with local stakeholders. Before the construction began, a suitability survey for alternative habitats for the narrow-mouthed frog was conducted, identifying seven potential habitats around the target area. After analyzing and evaluating the suitability of these habitats, the frogs were safely captured and relocated. Post-relocation monitoring of the frog habitats showed an increase in their population, with observations of larvae and tadpoles, confirming successful breeding.



Survey of Narrow-Mouthed Frog Habitats



Verification of Habitats



Larvae Discovery After Relocation



Increase in Tadpole Population



Low-Grass Breeding Grounds



Current Status of Breeding Sites

Raising Environmental Awareness

Environmental Education

HDC Hyundai Development Company recognizes the impact of the construction industry on the environment, and thus aims to enhance awareness and understanding of environmental issues through training on various topics, including dust control, noise management, waste management, and biodiversity protection. To equip on-site project managers with the necessary expertise for pollution prevention and management, HDC Hyundai Development Company has conducted training sessions on the environmental management system, and development of the necessary skills. Additionally, 82 training sessions were held for site employees on waste management, dust control, wheel-washing facility management, and energy conservation. Furthermore, continuous education is provided to 9,971 workers from partner companies, focusing on waste separation, soil management at site entrances, and enhancing environmental awareness and competencies.

Training Status

Target	Course Name	Number of Participants	Frequency (Times)	Hours
HDC Hyundai Development Company Employees	Waste Management, Dust Control, etc.	1,424	82	1,579
Partner Company Workers	Training on Waste Separation at the Site by Type Separation and screening training, etc.	9,971	158	10,363



Environmental Education for Employees



Environmental Education for Workers

BEST PRACTICE

Eco-Friendly Practices

Uniforms Made from Recycled PET Bottles

HDC Hyundai Development Company has introduced eco-friendly uniforms made from recycled polyester fiber, derived from waste PET bottles and other plastic waste. In 2023, we recycled approximately 125,480 waste PET bottles to produce about 8,000 items of clothing, including spring and autumn uniforms, winter uniforms, fleece jackets, winter parkas, and summer vests. This initiative reduced carbon emissions by about 7.5 tons, which is equivalent to the amount of carbon dioxide absorbed by 1,136 thirty-year-old pine trees in one year.



Community Environmental Cleanup Activities

To minimize the environmental impact around construction sites and create a pleasant living environment for local communities, HDC Hyundai Development Company regularly conducts environmental cleanup activities. In 2023, site employees participated in a total of 196 cleanup activities, collecting trash around site fences, adjacent commercial areas, roads, and residential neighborhoods. Moving forward, HDC Hyundai Development Company will continue to promote environmental cleanup activities to preserve the ecological environment and ensure that local residents can use public facilities cleanly and safely.



Activity	Frequency	Number of Participants (Persons)
Environmental Cleanup Activities Around Project Sites	196	3,728

Production of Eco-Friendly Promotional Merchandise

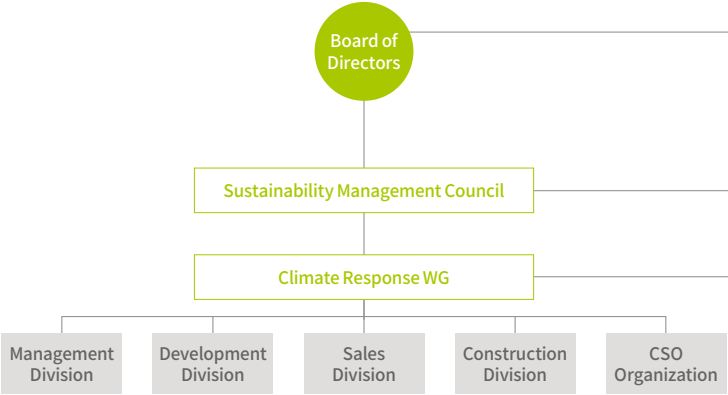
HDC Hyundai Development Company has produced eco-friendly promotional merchandise for model home sales using sustainable materials. The tote bags are made from naturally dyed and biodegradable sugarcane pulp paper. Wet wipes are created from biodegradable fabric without any plastic content. Fans are crafted from 100% pulp paper, and the contract binders use FSC-certified eco-friendly pulp leather and non-woven fabric. The welcome kit grocery bags are made from waterproof fabric recycled from pure waste plastic, demonstrating our commitment to environmental protection.



Climate-Change Response

Governance

HDC Hyundai Development Company, with greenhouse gas emissions below 50,000 tCO₂-eq as of 2023, is not legally required to comply with regulatory mandates. Nevertheless, we acknowledge the substantial impacts of our operations on environmental resources and the critical importance of addressing climate change. Consequently, we are proactively engaging in global initiatives to tackle environmental and energy challenges and to achieve carbon neutrality.



Board of Directors Deliberations on Climate Change and Environmental Management

Category	Details
June 22, 2023	Plan for Establishing Eco-Friendly Design Guidelines
June 22, 2023	Greenhouse Gas Emissions and Power Usage Monitoring Plans
September 6, 2023	2023 ESG Management Status and Future Plans
December 18, 2023	2023 Environmental Management Results

The Board of Directors, consisting of three executive directors and four non-executive directors, is the highest decision-making body at HDC Hyundai Development Company, responsible for deliberating and deciding on the company's overall ESG management strategy, including climate change and environmental management. To effectively respond to external environmental changes caused by climate change, the board reviews significant issues such as greenhouse gas reduction targets and response strategies that could have a substantial impact on corporate management.

The Sustainability Management Council, composed of the CEO and division heads, deliberates on major climate change and environmental risk and opportunity factors, reviews response strategies, and reports key issues to the Board of Directors.

The Climate Response WG, consisting of representatives from each division responsible for climate action, identifies potential climate change risks and opportunities during operations, assesses priorities, and establishes response plans and targets to reduce greenhouse gas emissions.

Risk Management

HDC Hyundai Development Company identifies risks at each stage of a project, from investment to execution, through a step-by-step review process involving various organizational units. We plan to enhance our processes to integrate climate change risks and opportunities into our comprehensive risk management framework.

Risk Management Process



Strategy

Risk and Opportunity Factors

Given the complexity and high uncertainty of climate change, the Task Force on Climate-related Financial Disclosures (TCFD) recommends scenario analyses to address potential impacts alongside existing corporate risks and develop specific response strategies. In response, HDC Hyundai Development Company has adopted a low-emission scenario¹⁾ to analyze the business portfolio, domestic and international policies, and industry trends, identifying climate change risks and opportunities. This analysis also assesses the potential financial impact and the scope (duration) of these impacts.

With the increasing likelihood of global average temperatures exceeding the Paris Climate Agreement targets, HDC Hyundai Development Company plans to develop response systems and strategies to minimize and adapt to potential risks through scenario analyses, including high-emission scenarios.

1) SSP1-2.6: One of the four scenarios in IPCC's Sixth Assessment Report, assuming minimal fossil fuel use due to renewable energy technology development and environmentally sustainable economic growth.

Category		Risk/Opportunity	Impact	Duration of Impact	Financial impact
Physical Risks ¹⁾	Acute	• Increase in frequency and intensity of extreme weather events and natural disasters (typhoons, floods, wildfires, cold waves, etc.)	• Damage to assets such as site structures and temporary offices, and operational disruptions • Price increases due to disruptions in the supply of materials • Potential increase or cancellation of insurance premiums in high-risk flood areas	Short-term to long-term	Medium
	Chronic	• Rising sea levels, changing precipitation patterns • Intensified water cycle imbalances and accelerated desertification	• Construction delays and quality degradation due to changing precipitation patterns • Shortages of construction water due to regional and seasonal water resource imbalances • Operational disruptions due to a reduction in available land for development	Short-term to long-term	Medium
Transition Risks ²⁾	Policy and Legal	• Inclusion in the greenhouse gas target management system and strengthened emission reduction obligations • Mandatory climate disclosures	• Increased costs for facility and equipment investments to achieve reduction targets • Increased costs for managing environmental information and preparing reports for disclosure	Short-term to mid-term	High
	Technology	• Increased demand for low-carbon, high-efficiency products and services • Mandatory application of eco-friendly construction technologies	• Increased R&D costs and construction costs for zero-energy buildings • Restrictions on permits for high-energy-consuming buildings	Short-term to mid-term	High
	Market	• Increased use of low-carbon raw materials	• Raw material prices rise due to “greenflation” (costs of materials, transportation, etc.)	Mid-term to long-term	Medium
	Reputation	• Increased climate litigation from stakeholders like environmental and citizen groups • Growing demands for ESG management evaluation from capital markets	• Potential damage to corporate image and reputation due to inadequate response • Increased financial costs and decreased investment capital due to negative evaluations	Mid-term	Medium
Opportunity Factors	Energy/Resource Efficiency	• Strengthened system for the circular economy for resources like waste and water • Reduced reliance on fossil fuels through the use of high-efficiency logistics/products	• Expanded resource recycling through the reuse of waste and water resources • Reduced fuel consumption through the use of automated or high-efficiency equipment • Reduced carbon emissions by expanding eco-friendly construction and renewable energy usage	Short-term to mid-term	Medium
	Products/Services	• Strengthening of eco-friendly urban development policies (e.g., Zero-energy buildings, renewable energy infrastructure, eco-friendly transportation) • Increasing demand for eco-friendly building certifications	• Utilization of policy incentives (e.g., Building standards, acquisition taxes, contributions) • Expanded sales opportunities due to increased demand for buildings/infrastructure with high energy independence	Short-term to long-term	High
	Market	• Increased demand for renewable energy	• Enhanced/expanded sales through entry into new markets • Increased capital procurement incentives due to eco-friendly financial investments • Expanded opportunities in project bidding due to the increasing importance of eco-friendly technologies	Short-term to long-term	High

1) Physical Risk: Refers to the negative impacts on a company's assets or supply chain caused by extreme weather events such as typhoons, floods, droughts, and heatwaves.
2) Transition Risk: Refers to the negative impacts that arise during the transition to a low-carbon economy due to government regulations or changes in consumer preferences.

Response Strategies

HDC Hyundai Development Company has formulated three strategic directions to mitigate greenhouse gas emissions based on the identified and analyzed climate change risks and opportunities.

■ Eco-Friendly Construction

(Monitoring Power Usage at Construction Sites)

To reduce emissions stemming from high power consumption during construction, HDC Hyundai Development Company is evaluating methods to collect real-time electricity usage data. Digital power meters are being installed in power distribution panels at construction sites to monitor electricity consumption at various points. Based on this data, effective reduction strategies are being formulated. Additionally, plans are in place to enhance greenhouse gas emission management by integrating the energy management system with the site monitoring system.



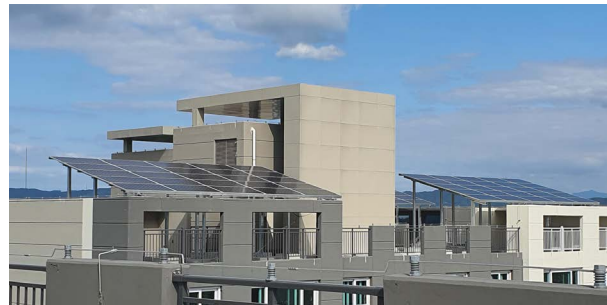
Installation of Digital Power Meters



Usage Measurement

■ Eco-Friendly Design (Energy-Saving Buildings)

With the introduction of the National Land and Transportation 2050 Carbon Neutral Roadmap in 2021, the requirements for Zero Energy Building (ZEB) certification have been strengthened. ZEBs are eco-friendly buildings designed to maximize insulation and airtightness, reducing energy demands through high-efficiency equipment and renewable energy sources from the design phase. HDC Hyundai Development Company has formed a committee to address climate change and comply with government policies. This committee has identified key technologies and established the IPARK ZEB design guidelines. Central to the IPARK ZEB strategy is solar power generation. We plan to expand the installation of solar power facilities and develop optimal exterior designs incorporating solar energy. Moreover, efforts include enhancing insulation for doors and exterior walls and raising bedroom window heights to reduce energy consumption and improve efficiency. We will continuously develop these energy-efficient technologies to increase the certification of new buildings as ZEBs.



Installation of Rooftop PV Systems

■ Expanding the Eco-Friendly Portfolio

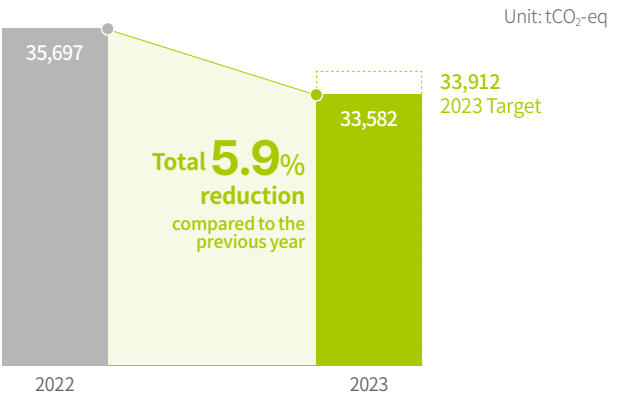
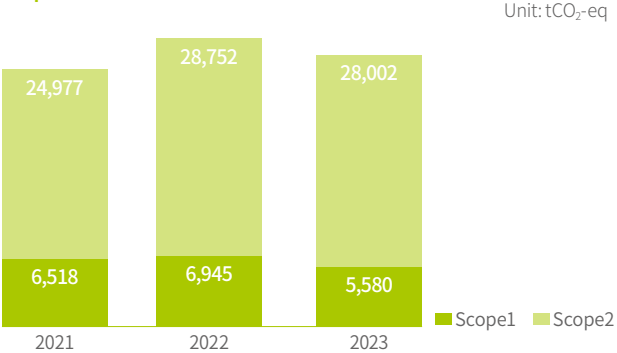
HDC Hyundai Development Company pursues sustainable growth by actively expanding the eco-friendly portfolio, drawing on expertise in housing, construction, plants, and infrastructure projects. To address the current shortage of renewable energy supply in Korea compared to the high demand, we are exploring integration with power generation projects. Recognizing the domestic challenges of expanding renewable energy sources on land, such as noise, installation, and transportation issues associated with large turbines, we are considering the construction of onshore support facilities for offshore wind power generation. Moreover, we plan to develop port facilities equipped with hydrogen (ammonia) storage to supply raw materials for power production to fuel cell power plants and hydrogen fueling stations. Additionally, by incorporating thermal management technology into data centers, which are heavy energy users, and linking these efforts with ongoing power generation projects, we aim to create synergy by utilizing renewable energy efficiently.

Goals and Metrics

Scope 1, 2 Emissions

HDC Hyundai Development Company proactively manages greenhouse gas emissions by establishing a voluntary greenhouse gas inventory to fulfill environmental and social responsibilities. In 2023, the total energy consumption by the headquarters and construction sites was 696 TJ, resulting in emissions of 33,582 tCO₂eq. The majority of these emissions were from electricity consumption, which accounted for 74% of the total.

Scope 1 & 2 Emissions Trends



Approach to Scope-3 Emissions Management

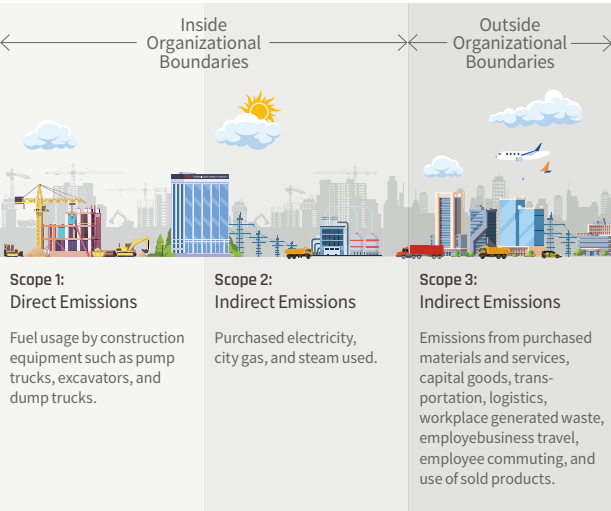
To achieve carbon neutrality, it is essential to manage greenhouse gas emissions across the entire value chain, beyond the company’s organizational boundaries. This is particularly critical in the construction industry, where emissions during the building usage phase constitute a significant portion of total emissions. Therefore, HDC Hyundai Development Company has assessed reduction of these major emissions as a priority. Moving forward, we plan to gradually expand the scope and range of Scope-3 emission management.

Scope-3 Emissions Data

Unit: tCO₂-eq

Category	2021	2022	2023
Cat. 3 ¹⁾ Fuel and Energy-Related Activities	4,293	4,036	3,250
Cat. 5 ²⁾ Waste Generated During Operations	10,396	8,329	9,457
Cat. 11 ³⁾ Use of Sold Products	97,424	94,983	82,400

1) Emissions energy consumed by the company for its production activities during the production process.
2) Emissions from the treatment of waste generated at the workplace by a third party.
3) Emissions from the use of sold products.



Greenhouse Gas Management Scope

Management Indicators and Goals

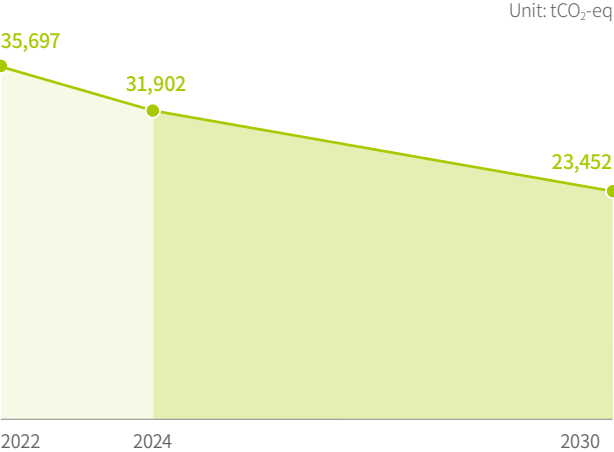
HDC Hyundai Development Company has established long-term climate change management indicators and goals centered on three main areas of focus, reflecting stakeholder requirements. We aim to effectively manage these indicators and goals to pursue continuous development and growth.

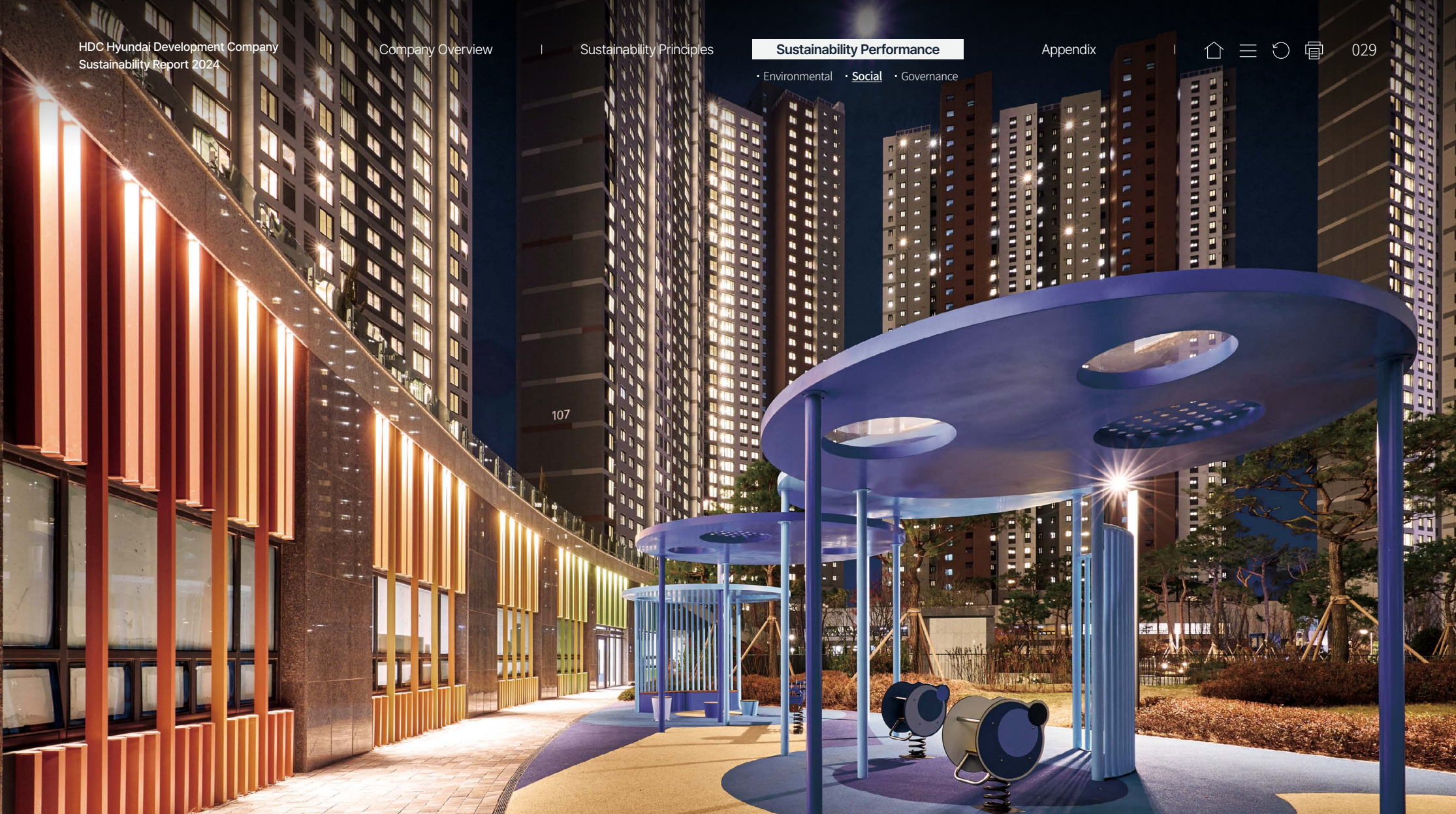
Greenhouse Gas Reduction Long-Term Goals

Indicators	Goal	
	2024	2030
Greenhouse Gas Emissions (Scope 1,2)	31,902 tCO ₂ -eq	33% reduction compared to BAU ¹⁾
Energy Consumption	661 TJ	5% annual reduction
ZEB Rating	N/A (Energy independence rate 13%)	Level-4 Certification (Energy independence rate 40%)

1) BAU (Business As Usual): Projected emissions based on the 2022 emission levels, assuming no efforts are made to reduce greenhouse gases.

Greenhouse Gas (Scope-1 & 2) Emission Reduction Plan





Social

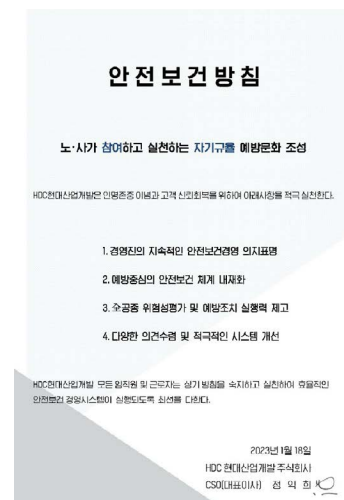
030 Safety and Health Management 038 Customer-Centric Management 045 Sustainable Supply Chain
049 Talent Management 053 Human Rights Management 056 Social Contribution 060 Information Security

Safety and Health Management

Safety and Health Management System

Safety and Health Management Policy

HDC Hyundai Development Company is committed to creating a proactive, self-regulating safety culture that protects all stakeholders, including employees, partner company staff, workers, and the public, from construction site hazards. Through a high level of safety awareness and continuous investment by the management, we have developed a prevention-focused safety and health system. This includes comprehensive risk assessments for all construction activities and implementing preventive measures to avert accidents. We are dedicated to fostering a collaborative effort between labor and management to promote a culture of safety. HDC Hyundai Development Company strives to ensure safer workplaces through ongoing safety improvements and initiatives.



Safety and Health Policy

Safety and Health Goals and Strategies

HDC Hyundai Development Company set a 2023 goal to reduce the high-risk accident rate — such as falls, entrapment, collisions, and collapses — to below 10%. To achieve this, we implemented four key strategies. We developed work plans for all operations prone to high-risk accidents and conducted risk assessments with employee participation to embed preventive measures. Additionally, we established processes to review the structural safety of temporary structures beforehand, utilized IT solutions to enhance safety management systems, and expanded a culture of safety and quality through participation and collaboration. These efforts reduced high-risk accidents by five incidents from 2022, maintaining a 3% high-risk accident rate and achieving the set target. For 2024, we aim to further reduce the high-risk accident rate to below 5%. HDC Hyundai Development Company remains committed to creating a safer workplace by reducing the high-risk accident rate each year.

Safety and Health Goals and Strategies

Goals	Reducing the High-Risk Accident Rate to Below 10% With Three Core Preventive Activities			
Strategies	Embedding Three Core Preventive Activities	Ensuring Structural Safety of Temporary Structures	Building a Mobile-Based Integrated Safety and Health Platform	Spreading a Culture of Safety and Quality through Participation and Collaboration
	<ul style="list-style-type: none"> Establish work plans for all processes involving high-risk accident types Implement risk assessments with labor and management participation Changes in operations 	<ul style="list-style-type: none"> Establishing the process for reviewing structural safety early on Providing proactive technical support for high-risk and complex temporary structures 	<ul style="list-style-type: none"> Broadening the application of smart safety equipment to enhance on-site safety 	<ul style="list-style-type: none"> Engaging external safety and quality experts for consultation activities
Long-Term Goals (High-Risk Accident Rate)	2024	2025	2026	2027년
	5% or less	4% or less	3% or less	2% or less

Implementing Organization

HDC Hyundai Development Company has appointed the Chief Safety Officer (CSO) as a co-CEO to elevate safety management capabilities to the highest industry standards. The CSO has the authority to make independent decisions and functions as a specialized safety organization. Building on this expanded safety framework, we aim to ensure worker safety and proactively prevent accidents by enhancing our safety management IT system to establish a closely integrated on-site management system. Through continuous site inspections and the proactive elimination of risk factors, HDC Hyundai Development Company seeks to secure safety competitiveness and create a safe workplace.

Organizational Chart



BEST PRACTICE

Operation of the Safety and Health Committee

HDC Hyundai Development Company established a Safety and Health Committee on March 29, 2022, as per Articles 39-4 and 39-5 of the Articles of Incorporation. This committee supervises and evaluates key issues related to safety, health, and quality management, and reports to the Board of Directors. The committee's responsibilities include: reviewing safety and health policies and goals; assessing the budget and facilities for safety and health; examining the results of inspections and quality management; investigating incidents and preventative measures; evaluating the safety practices of partner companies; and overseeing the status of safety training to ensure the effectiveness of these policies. In 2023, HDC Hyundai Development Company updated the procedures for reporting construction accidents to the Safety and Health Committee and the Board of Directors. The revised procedures clearly define the steps, content, timing, and targets for reporting different types of incidents. Serious accidents are reported immediately to management, the Safety and Health Committee, and the Board of Directors. High-risk incidents are reported to management as they occur, while general or minor incidents are reported to the Safety and Health Committee on a quarterly basis, ensuring timely and accurate reporting.

Establishment and Key Issues of the Safety and Health Committee

Date	Meeting Name	Key Issues
March 29, 2022	Regular Shareholders' Meeting	• Added a new provision to the Articles of Incorporation to create the Safety and Health Committee in response to shareholder proposals.
April 11, 2022	5th Board Meeting	• Presented a report on 2022 safety and health activities (focus on safety paradigm shift). • Discussed the establishment and regulations of the Safety and Health Committee. • Discussed the appointment of the Safety and Health Committee members and chair.
June 10, 2022	7th Board Meeting	• Passed a resolution to establish the Safety and Health Committee and define its regulations.
July 19, 2022	8th Board Meeting	• Finalized the appointment of members and the chair of the Safety and Health Committee.
November 9, 2022	1st Safety and Health Committee Meeting of 2022	• Approved the safety, health, and quality performance report for the third quarter of 2022.
December 26, 2022	2nd Safety and Health Committee Meeting	• Approved the revised reporting procedures based on the types of incidents.
February 8, 2023	1st Safety and Health Committee Meeting of 2023	• Approved the safety, health, and quality performance of 2022. • Approved the safety, health, and quality plan for 2023. • Discussed Gwangju Hwajeong accident details and preventive measures,
April 26, 2023	2nd Safety and Health Committee Meeting	• Approved the safety, health, and quality performance report for the second quarter of 2023.
July 27, 2023	3rd Safety and Health Committee Meeting	• Approved the safety, health, and quality performance report for the second quarter of 2023.
November 2, 2023	4th Safety and Health Committee Meeting	• Approved the safety, health, and quality performance report for the third quarter of 2023.

Safety and Health Risk Management

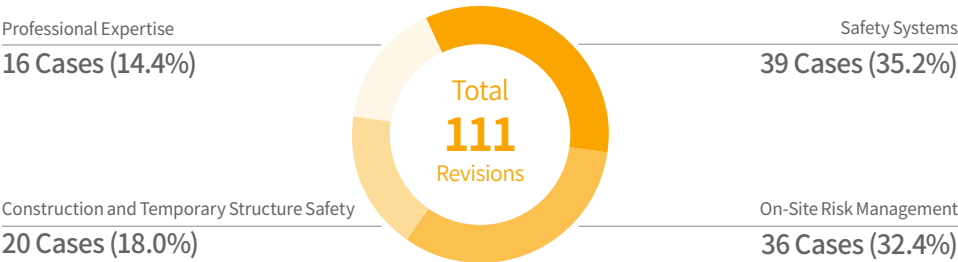
Risk Management System

At the HDC Hyundai Development Company headquarters, safety risks at all construction sites are evaluated monthly, assigned ratings, and mitigated according to management levels. In the first week, risks are identified and analyzed. In the second week, risks are assessed, and improvement plans are formulated, which are implemented within a month. Risks are categorized into five levels, with Level I and II, being low-level risks, undergoing regular monitoring. Levels III and above are subject to close management. For level V risks, company-wide collaboration is immediately mobilized to develop improvement measures, which are then reported to management for key decision-making. In 2023, a total of 88 risks were identified and improved across all sites, effectively preventing safety accidents. Additionally, 111 revisions were made to safety and health regulations to manage potential safety risks in high-risk tasks and blind spots.

Management Plans by Risk Level

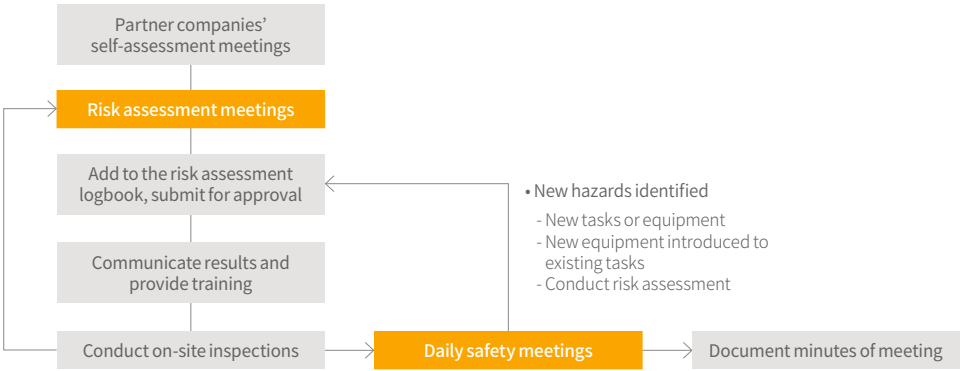
Risk Level		Management Plan	Remarks
Not subject to management	I (Very Low)	• Maintain the current state.	Risk is tolerable but regular monitoring is required.
	II (Low)		
Subject to management	III (Moderate)	• Develop and implement action plans. - Level III, IV : Establish response plans at the organizational/team level based on risk priorities. - Level V : Immediate response with company-wide collaboration and report to management for decision-making. • Track and report the status and outcomes of the actions taken.	Register and manage the risks.
	IV (High)		
	V (Very High)		

Status of Safety and Health Regulation Revisions



At HDC Hyundai Development Company's construction sites, potential hazards during the construction process are systematically identified and managed through a risk assessment procedure. This ensures the creation of safe construction environments by evaluating and responding to potential risks in advance. Weekly risk assessments are conducted at each site, resulting in 3,432 assessments that identified 185,744 hazards. Of these, 94.8% of compliance rate is achieved for hazards identified as high-risk. These comprehensive risk assessments and inspections are designed to effectively prevent high-risk accidents and eliminate hazards at their source, thereby contributing to a safer work environment.

On-Site Risk Assessment Process



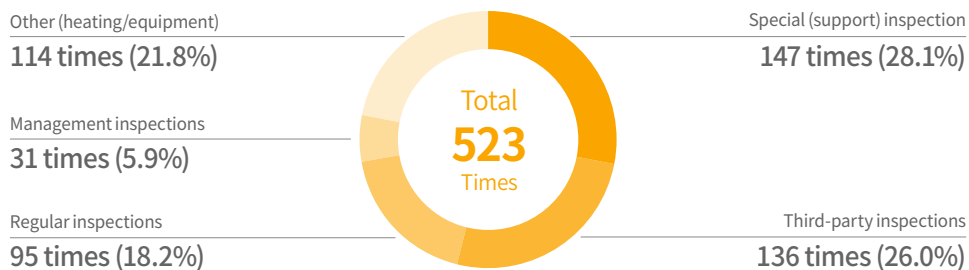
Current status of risk assessments conducted

Category	First Half	Second Half	Total
Risk Assessment Meetings (Times)	1,640	1,792	3,432
Risks/Hazards Identified (Ea.)	68,545	117,199	185,744
High-Risk Tasks (Ea.)	14,652	46,602	61,254
High-Risk Inspections (Ea.)	14,290	43,264	57,554
High-Risk Inspection Compliance Rate (%)	97.1	92.5	94.8

On-Site Safety Inspections

HDC Hyundai Development Company conducts regular safety inspections to enhance safety capabilities and raise safety awareness. On the 4th of every month, designated as Safety Inspection Day, potential hazards are proactively identified and mitigated, fostering a robust safety culture. Management closely monitors high-risk tasks, ensuring that work plans, methods, and safety management systems are effectively implemented at each site. They also collaborate with partner companies to discuss safety improvements. Additionally, we engage external safety experts to objectively evaluate on-site safety levels, identify issues, and develop countermeasures to prevent accidents. In 2023, HDC Hyundai Development Company carried out 523 safety inspections, more than double the number in 2022. This resulted in the identification and resolution of 2,529 non-conformities. Notably, top executives, including the CEO and CSO, conducted 31 on-site safety inspections, underscoring their commitment to safety management.

Status of On-Site Safety Inspections



Ensuring Workers' Rights to Stop Work

To maintain a safe working environment, HDC Hyundai Development Company has implemented a system allowing workers to independently halt work whenever necessary. This ensures immediate action is taken for any hazards identified on-site, effectively preventing accidents before they occur. Workers are encouraged to exercise their rights to stop work, even for non-immediate risks. Supervisors and workers can access the hazard reporting center via a QR code on their safety helmets, enabling everyone on-site to exercise these rights. By fostering a work environment where operations do not proceed unless it is safe, we aim to create secure and happy workplaces.

In 2023, there were 1,612 requests of work stoppages, all of which were addressed with a 100% resolution rate. This proactive participation in safety activities led to a 9%p increase in high-risk reports compared to the previous year.

Use of the Right to Stop Work

Category	2022	2023
Work Stop Requests Reported (Cases)	918	1,612
Reports Handled (Cases)	918	1,612
Handling Rate (%)	100	100
Percentage of High-Risk Reports (%)	57	66

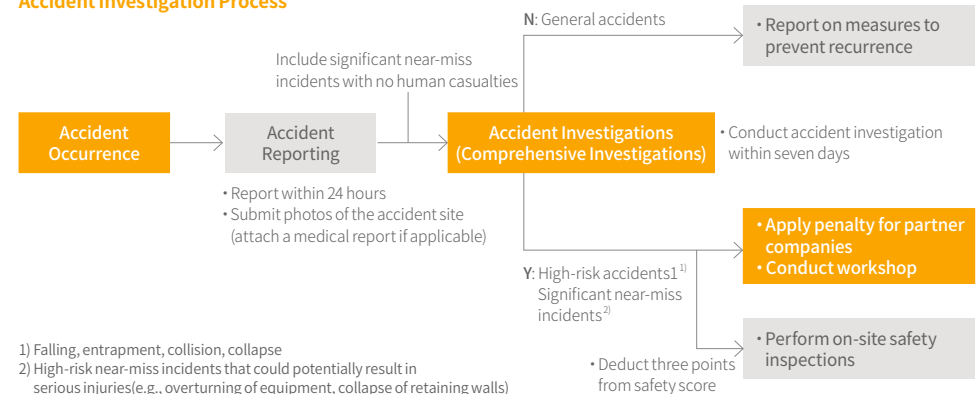


QR code of the hazard reporting center

Accident Investigation

HDC Hyundai Development Company conducts comprehensive investigations into all injury-related accidents on-site to prevent recurrence. These investigations involve detailed analyses to identify the root causes and implement fundamental measures. Injury-related accidents are classified into general accidents and high-risk accidents. For high-risk incidents, such as equipment overturns and retaining wall collapses, our company enforces strict measures, including restricting partner company bids and deducting points from on-site safety evaluations based on the findings. Moreover, workshops are held with the head of the safety management division at headquarters, safety team leaders, partner company CEOs, and site managers to analyze accident causes, and develop prevention strategies.

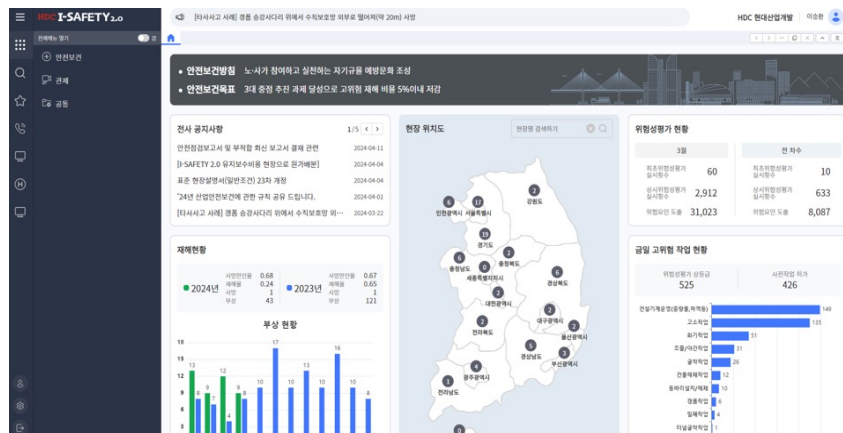
Accident Investigation Process



Safety and Health Management Achievements

Smart Safety Management

HDC Hyundai Development Company has developed I-SAFETY 2.0, an integrated platform for safety and health management, to efficiently and conveniently manage high-risk tasks. Through this platform, employees and partner company staff can access site information, project details, and safety and health-related announcements. They can also conduct on-site management tasks such as performing risk assessments, verifying permits, and reporting non-conformities via mobile devices. This streamlines procedures, allowing them to focus more on their core responsibilities. To ensure worker safety during operations, HDC has introduced smart safety equipment at 49 sites nationwide, including mobile CCTVs, wearable airbags, wireless broadcasting devices, and VR training tools. The average number of smart safety devices installed per site is 6.8, with a higher prevalence of CCTVs. We plan to further enhance the operation of VR training tools and wireless broadcasting devices. The CCTV Control Center at the headquarters monitors on-site hazards in real-time to reduce occurrence of safety accidents. Fixed and mobile CCTVs are placed in high-risk work areas to check for unsafe practices and conditions daily, focusing on managing risk factors and high-risk tasks across all sites. Significant findings from these CCTV inspections are shared with each site quarterly, offering risk mitigation measures tailored to each type of work to prevent recurring issues and disseminate best practices. In 2023, corrective actions for non-compliance were directed to HDC employees. Starting in 2024, this process will extend to partner company employees, allowing them to share and address non-compliance issues more effectively.



I-SAFETY 2.0

Smart Safety Equipment Operation Status

Category	Mobile CCTV	Wearable Airbag	Wireless Broad-casting Device	Training V/R	Average
Average number of smart safety devices installed per site (Ea.)	1.8	2.3	1.3	1.4	6.81
Operation rate (%)	85.7	61.2	51.0	46.9	61.2



Use of Wearable Airbags



CCTV Control Center

On-Site Safety Evaluation

To enhance on-site safety capabilities and awareness, regular safety evaluations are conducted. These evaluations reflect the accident rate and scores from accident prevention activities, resulting in site-specific scores. Various incentives are provided to outstanding sites as motivation. In 2023, four exemplary sites were rewarded for their superior safety management.

Safety Evaluation Criteria

Category	Evaluation Item	Weight (%)
Accident rate	Apply the weighted accident rate	40
Accident prevention activities	Apply the score from regular on-site inspections (Safety system and safety standard measures)	60

Safety and Health Competency Enhancement Training

To enhance the competencies of supervisors and safety and health managers, HDC Hyundai Development Company operates the HDC SAFETY-1 ACADEMY training program. This program includes mandatory safety manager training conducted twice per year, and refresher training every two years. Additionally, to improve the expertise of safety and health managers, a study group composed of both on-site and headquarters staff is in place. Reflecting the government’s policy to establish a self-regulated prevention system focused on risk assessment, a specialized risk assessment course was introduced in 2023. Among the 24th class of trainees, 64% requested courses related to supervisory duties. Consequently, the curriculum will now include supervisory duties based on the Industrial Safety and Health Act. The achievement score for supervisor training was 8.6 points, a 56.4% increase compared to before the training, with a satisfaction rate of 95.2%. This confirms that participants acquired essential knowledge and skills, improving their on-site risk management capabilities. Going forward, We plan to provide continuous opportunities for skill enhancement and expand the training program to include employees of partner companies, fostering a safer and more efficient safety management culture. On-site safety and health education is categorized into new employee training, special training, regular training, and on-site training. A total of 61,015 training sessions were conducted for 341,678 participants.

HDC SAFETY-1 ACADEMY Training Data

Target		Participants (Persons)
Employees	Management	45
	Field manager	61
	Supervisor	532
	Safety and Health Manager	576
Partner companies	CEO	183
	Employees	223
Total number of people trained		1,620

Effectiveness of Supervisor Training (Out of 10 points)

Category	Before training	After training
Achievement score (points)	5.5	8.6
Satisfaction rate, average (%)	-	95.2

On-Site Safety and Health Training Data

Category	Result
Number of training sessions (times)	61,015
Number of people completed the training (persons)	341,678

BEST PRACTICE

100-Day Campaign to Eradicate Equipment-Related Accidents

Recognizing that most high-risk accidents on construction sites are caused by equipment mishaps, HDC Hyundai Development Company launched a 100-day campaign to eliminate such incidents. Through the campaign, the daily equipment inspection rate increased to 70%, incorporating activities such as operating equipment inspection days, conducting risk assessments, verifying and training signalers, training equipment specialists, and checking the status of smart safety device installations. Additionally, to prevent worker collisions with construction equipment, the installation of smart safety devices was strengthened. Forklifts, excavators, and wheel loaders equipped solely with rear intelligent cameras had difficulty detecting workers in blind spots. To address this, smart safety devices like 360° Around View systems were implemented, considering the rotating movement of the equipment. The installation rate of smart safety devices was only 46.6% before the campaign, but increased to 70.5% after the campaign, significantly contributing to accident prevention. Moving forward, we plan to increase the installation rate by using wireless detachable safety devices and supporting partner companies with the costs of installing these safety devices.

Use of Smart Safety Equipment

Category	Total number of on-site equipment (ea.)	Equipment with smart safety features (ea.)	Smart safety feature application rate (%)
Before campaign	386	180	46.6
After campaign	369	260	70.5

Worker Health Promotion Program

To prevent occupational diseases and promote the health of construction site workers, HDC Hyundai Development Company has designated health officers at both headquarters and regional levels. These officers collect on-site feedback and develop improvement plans, thereby operating a systematic health management organization. In preparation for heatwaves during summer, we have established guidelines for the installation and operation of rest facilities to provide workers with safe and comfortable areas to rest. Health promotion campaigns have also been implemented, such as installing sunshades on the top floors and providing ice vests to regulate the body temperature for outdoor workers. Guidelines have also been developed to manage vulnerable workers. Other efforts include mandatory first aid training, emergency drills, and AED installation standards to ensure quick responses to on-site health incidents. To increase participation in these safety and health programs, HDC Hyundai Development Company has implemented an incentive system. Sites that run health promotion programs, such as those for musculoskeletal disease prevention and cardiovascular disease prevention, receive additional points during site inspections, and outstanding workers are recognized and rewarded.

Health Promotion Programs

Category	Details
HDC Hyundai Development Company Ice Campaign	<ul style="list-style-type: none"> Cool Center operation: Distribute ice water, saline, and other supplies upon request to alleviate heat-related conditions. Require the installation of shades on top floors. Identify and classify heat-sensitive groups and high-risk tasks in advance.
Management of Vulnerable Workers	<ul style="list-style-type: none"> Create comprehensive management guidelines for vulnerable workers. Vulnerable Workers: Focus on workers with high/low blood pressure, elderly individuals aged 65 years or older, and those with underlying conditions. Determine work suitability and conduct checks on vulnerable workers before starting work. Regularly monitor vulnerable workers throughout the day.
Health Management Guidelines	<ul style="list-style-type: none"> Develop guidelines for preventing musculoskeletal disorders, evaluating cardiovascular health, smoking cessation, lifestyle improvements, and managing job stress. Share examples of best practices from various sites.



HDC Hyundai Development Company Ice Campaign

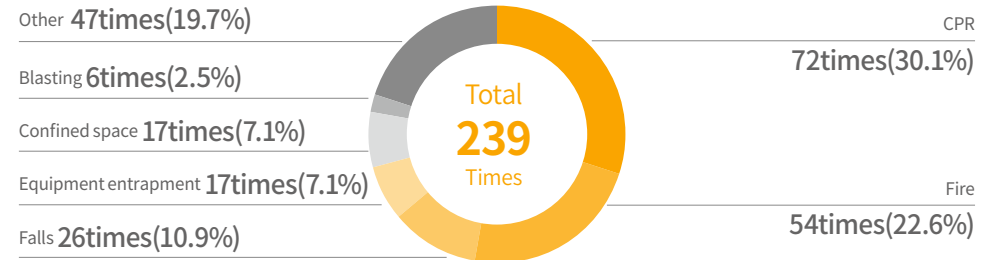


Worker health promotion activities

Emergency Response Training

HDC Hyundai Development Company prioritizes the life and safety of workers, establishing a system to prevent major accidents and respond swiftly when they occur. To achieve this, we analyze various risk factors to create detailed response scenarios and conduct regular emergency response training at least once per quarter, ensuring workers are well-prepared for different types of incidents. In 2023, a total of 239 emergency response training sessions were conducted, including scenarios for CPR, fires, falls, and equipment entrapment. In the event of an accident, all work is immediately halted, prioritizing the safe evacuation of workers and to prevent further harm. Post-accident, a thorough investigation into the root cause is conducted to develop a prevention plan, and the incident is reported internally and to relevant authorities to avoid a recurrence.

Emergency Response Training Data



Emergency Response Training



Medical Emergency Transportation Map

Partner Company Safety Management

Safety Evaluation of Partner Companies

HDC Hyundai Development Company operates a Partner Company Safety Evaluation system that integrates safety evaluation results during the registration of new and existing partner companies. For new partners, the system assesses the status of their safety management systems to verify the CEO's commitment to safety. For existing partners, safety evaluations are conducted twice per year, and the results are used as key assessment criteria. Companies that do not meet a certain safety threshold are restricted from registration. In 2023, evaluations of existing partner companies (513 contractors, and 652 suppliers) showed that all met the required safety standards. However, out of 409 new applicants, 15.5% (76 companies) were denied registration due to insufficient compliance with safety standards. To encourage ongoing investment in safety and health management, our company rewards companies that achieve excellent safety evaluation results, thereby promoting a culture of continuous improvement and high safety standards among the partner companies.

Partner Safety Evaluation Process



Operation of the Safety and Health Subcommittee

Since April 2022, HDC Hyundai Development Company has been holding Safety and Health Subcommittee meetings every two months to gather workers' feedback. This subcommittee functions to collect employee input prior to Labor-Management Council meetings, ensuring that workers' opinions on preventing industrial accidents are considered in a timely manner alongside council deliberations and decisions. This proactive approach encourages worker participation, addresses fundamental issues, and fosters a healthier work environment. To further improve the safety and health conditions for partner company workers, 355 subcommittee meetings and 362 Labor-Management Council meetings were held in 2023, successfully addressing all 850 worker grievances. Moving forward, HDC Hyundai Development Company is committed to creating a safer work environment through strengthened evaluations of the practical implementation of health and workplace guidelines, with active collaboration between labor and management.

Operation of Safety and Health Subcommittee



Safety Contests

HDC Hyundai Development Company hosts annual Safety Contests to solicit innovative ideas for improving on-site safety management. Previously exclusive to our employees, the 2023 contest expanded to include all partner companies and their employees. This inclusivity led to the submission of 69 improvement ideas. From these entries, 10 were selected for awards — four from our construction sites, four from partner companies, and two from individual participants. Winners received a combined total of KRW 15 million in prize money and awards. Additionally, the best technologies will be test-operated for potential commercialization, with successful participants given the opportunity to become registered partner companies.



Safety Contest

Customer-Centric Management

Quality Management for Customer Safety

Quality Management System

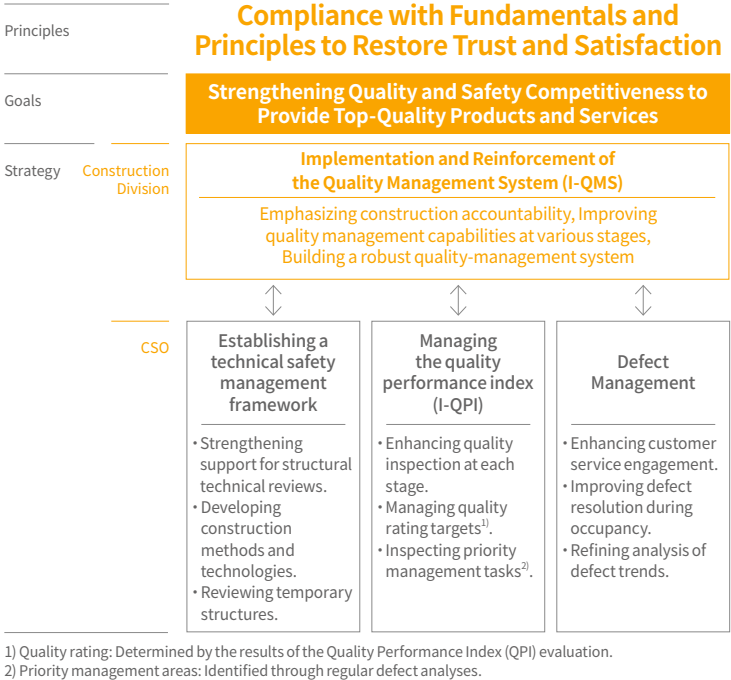
To ensure the delivery of structurally safe and high-quality products to customers, HDC Hyundai Development Company implements rigorous quality management through technical reviews of structures and methods, as well as inspections at various stages of construction. In 2022, we strengthened our safety and quality organization by appointing a Chief Safety Officer (CSO). This led to the establishment of procedures for managing key aspects at each construction phase and the development of quality management standards (I-QMS). Additionally, an objective quality performance index (I-QPI) for construction inspections was introduced. After a pilot phase in 2023, the quality management system was fully implemented across all sites. By operating both the construction and quality inspection organizations, we have significantly improved the overall quality management level. In 2024, we plan to develop a computerized management process to approve and record inspection details systematically, thereby establishing a comprehensive quality system. Furthermore, to reinforce customer-centric quality management, HDC Hyundai Development Company has established and published a Customer Service Pledge. This initiative aims to solidify quality management as a company-wide commitment. Moving forward, HDC Hyundai Development Company remains dedicated to enhancing construction quality to continually protect customer rights and interests.

🔗 Quality Principles 🔗 Customer Service Pledge

Quality Management Objective

Construction is a complex field influenced by various direct and indirect factors such as design, materials, labor, and the construction environment. To manage construction quality effectively, HDC Hyundai Development Company has established comprehensive quality policies and goals, creating a support and inspection system between the headquarters and sites. We are committed to minimizing the impact of these factors through short- and long-term goals to deliver superior quality products.

	2022~2023	2024~2025	2027
Construction techniques	<ul style="list-style-type: none">Develop and expand the application of key technologies (e.g., PC method, SBR, unmanned demolition equipment)	<ul style="list-style-type: none">Secure demolition technology for high-rise buildingsExpand application of dry construction methods	<ul style="list-style-type: none">Enhance productivity and reduce defects through the establishment and application of key technologies, reducing wet processes for finishing
Construction management	<ul style="list-style-type: none">Introduce the I-QMSRefine I-QMS performance measurement indicatorsImplement the Quality Performance Index (I-QPI) and management grades	<ul style="list-style-type: none">Achieve 100% implementation of I-QMSTransition to digital I-QMSAchieve a minimum GQ grade for I-QPI	<ul style="list-style-type: none">Achieve top-tier quality competitivenessEnsure all sites meet or exceed the EQ gradeEnsure all sites achieve EQ grade for I-QPI
Customer satisfaction	<ul style="list-style-type: none">Reduce defect resolution time to 15 days	<ul style="list-style-type: none">Reduce defect resolution time to 13 days	<ul style="list-style-type: none">Reduce defect-resolution time to 10 days

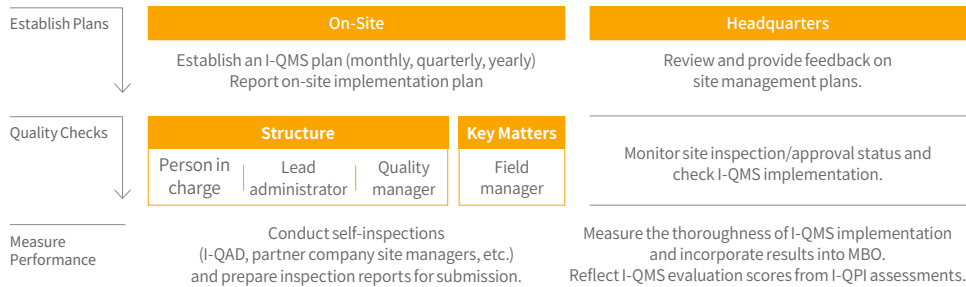


Quality Risk Management

Operation of I-QMS

HDC Hyundai Development Company prioritizes building quality on the construction site, implementing the quality management system (I-QMS). This system mandates that site managers inspect and document the construction status of each floor and corners with photos before proceeding to the next stage. Site managers first submit a plan to headquarters, detailing site conditions and scale. According to this plan, crucial structural components such as concrete and rebar are thoroughly inspected by the lead administrator, who then obtains approval from project manager before moving forward. Key elements identified for inspection and approval include 13 items for real-time checks, and 14 items for preliminary review and approval. Additionally, monthly comprehensive inspections and action plans involving site staff and partner company managers ensure ongoing quality management. In 2022, HDC Hyundai Development Company participated in a pilot project initiated by the city of Seoul, documenting all construction processes on video. Building on this success, we plan to extend this practice to all sites nationwide. By utilizing fixed CCTVs, drones, and mobile CCTVs, we aim to surpass traditional photo and blueprint documentation, offering a more comprehensive and detailed quality management system.

I-QMS Operation Process



Site personnel are performing step-by-step inspections.

Quality-Management Evaluation

HDC Hyundai Development Company rigorously manages quality risks by conducting thorough inspections at each key quality management stage, from groundbreaking to project completion. In 2023, we carried out 238 inspections, analyzing the results to inform the direction of quality inspections for the following year. For 2024, the focus will be on enhancing inspections of structures and concrete from the early stages of construction. Additionally, advanced inspection equipment will be employed during the final stages to perform target inspections beyond visual inspections. To objectively assess on-site quality management levels, we have developed the IPARK Quality Performance Index (I-QPI), a quantitative assessment metric. Evaluation results are categorized into four grades, with a company-wide target of maintaining a GQ grade of 75% or higher. Through these initiatives, HDC Hyundai Development Company achieved a GQ grade of 98.2% in 2023, surpassing the set target. Detailed analysis has led to planned improvements in the evaluation criteria for 2024, aiming to further enhance the management of structural and finishing works.

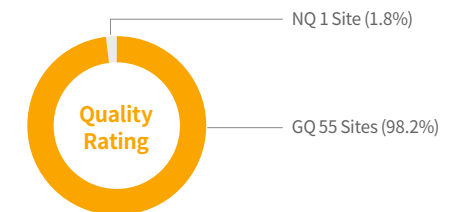
Quality Inspection Execution History

Regular Construction Quality Inspections (Construction Sites)		Number of Inspections (Times)	Notes
Materials	Concrete quality inspections	31	pre-inspections of ready-mix concrete suppliers / Collaboration with KCL
	Regular inspections	85	M/H, initial, midpoint, final, and special inspections
Construction	Patrol inspection	77	Retaining walls, underground/aboveground structures, temporary structures
	ISO inspection	45	Quality management (tests) plans

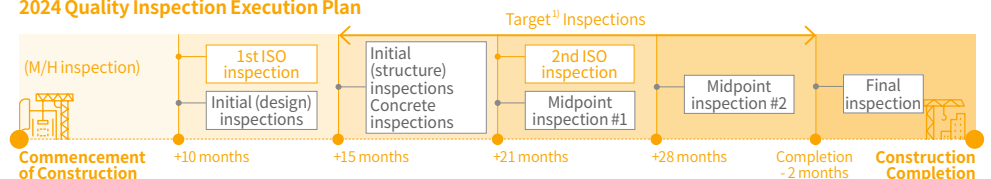
※ Includes 18 annual regular inspections at infrastructure sites

On-Site Quality Management Results

I-QPI Score	Quality Rating
95 points and over	EQ(Excellent Quality)
85 points and over	GQ (Good Quality)
75 points and over	NQ(Normal Quality)
Below 75 points	DQ(Develop Quality)



2024 Quality Inspection Execution Plan



1) For Target Inspections, use inspection equipment for tasks where visual inspection alone is insufficient: Concrete strength, liquid waterproofing thickness, tile backing, epoxy coating waterproofing thickness

Establishing Quality Control Process for Ready-mix Concrete

In construction, concrete quality is a critical aspect of overall project quality management as it is one of the fundamental materials used. Recognizing that quality checks often occur only after concrete delivery, HDC Hyundai Development Company identified potential risks during the production phase that might not be adequately managed. From mid-2022 to mid-2023, in collaboration with the Korea Conformity Laboratories (KCL), HDC conducted joint inspections of 48 ready-mix concrete production plants across 20 sites. This collaboration aimed to identify and mitigate production quality risks. The inspections revealed that despite KS certification, quality risks varied based on regional and plant conditions, leading to the establishment of specific plant quality inspection criteria. Additionally, HDC introduced a pre-assessment procedure for selecting ready-mix concrete suppliers for new construction projects. This procedure includes evaluating the plant’s equipment, aggregate storage conditions, and quality management organization to filter out unsuitable suppliers at the production stage. Alongside managing risks at the production stage, we worked with KCL to identify construction issues post-delivery and developed solutions to improve concrete properties. Starting in 2024, HDC Hyundai Development Company plans to use these collaborative efforts to create a Quality-Performance Index (I-QPI) for concrete management. This index will enable the implementation of a comprehensive quality management system for ready-mix concrete, covering production, transportation, pouring, and curing stages, thereby ensuring efficient management of quality risks at every step.

Status of Ready-Mix Concrete Quality Management

Category		Number of Inspections (Times)	Key Inspection Areas
External Collaboration (KCL)	Concrete Site Inspection	25	Monitoring concrete properties under different construction conditions such as floor height
	Ready-Mix Concrete Plant Inspection	48	Facility management, aggregate management, and organization management
Pre-Inspection of Ready-Mix Concrete Suppliers for New Sites		6	Regional Production Quality Management Status

Plant Inspection Examples



Case of non-compliance due to discrepancies in fine aggregate surface-moisture measurements

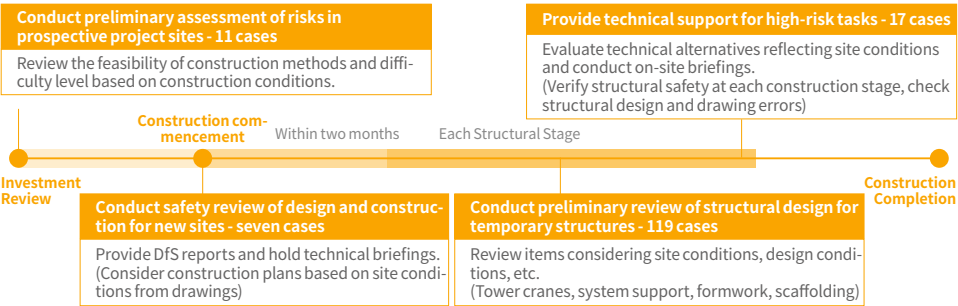


Example of good practice with oil leak prevention in the lower section of the mixer motor

Technical Safety Risk Review

HDC Hyundai Development Company conducts thorough technical safety reviews from the pre-construction phase — to minimize risks and ensure safety, quality, and constructability throughout the construction process. We continuously support, inspect, and refine construction plans for high-risk activities throughout the project’s duration. The Technical Safety Team evaluates design drawings and site conditions during the project investment review stage, assessing the feasibility and suitability of construction plans to identify risks related to quality and costs. For new construction sites, the team reviews construction sequences (retaining walls, earthworks, underground and above-ground structures) for safety, structural stability, and the appropriateness of temporary structures (Design for Safety, DfS), providing detailed reports to the site. By holding technical briefings based on these reviews, the team ensures that site supervisors can use the pre-construction review materials for better management and reduced defect rates. During the actual construction phase, the team pre-approves the structural design of temporary structures installed at various stages to ensure safety and offers practical support by verifying the appropriateness of plans and providing technical alternatives as needed, tailored to site conditions.

Technical Safety Management Process



BEST PRACTICE

Construction Innovation Group Initiatives

Since the inception in August 2022, the Construction Innovation Group has maintained active efforts throughout 2023 under the leadership of Professor Park Hong-Geun from Seoul National University. The Construction Innovation Group is comprised of 15 external experts with diverse backgrounds, including consulting professionals and officials from the Seoul Metropolitan Government. In 2023, they conducted thorough assessments across 26 sites, focusing on high-risk tasks such as demolition procedures and demolition methods for buildings adjacent to roads. These assessments were conducted from an objective standpoint to identify and suggest improvements. To enhance construction quality and safety standards, the group is producing five- to 10-minute videos summarizing site inspection findings. These videos are being distributed to a broad audience, including university students studying for construction-related majors, on-site workers, and employees in related departments.



Inspection of Underground Structures Using a Top-Down Method

Quality Management Activities

Enhancing Quality Management Capabilities through Training

HDC Hyundai Development Company conducts training on revised regulations and internal construction standards to ensure construction site quality is effectively managed. We place a particular focus on concrete quality management training. Following the initial training on basic principles and construction quality management in 2022, feedback was incorporated to conduct a second round of training in 2023, which included acceptance testing and construction quality management. To maximize the effectiveness of concrete quality management training, practical field-based training was provided to architectural technicians and quality managers. Additionally, the second phase of the quality enhancement training emphasized new regulatory amendments, design guidelines, standard details, and internal construction guidelines, thereby solidifying the fundamental principles of quality management. A standard guide for operating quality control (test) plans was provided, along with a Q&A on recurring questions. Support was also offered in reviewing and drafting quality control (test) plans for new sites to enhance the management capabilities of quality managers. In 2024, we plan to set quality management goals aimed at reducing defects and incorporate feedback from the 2023 training program. This will include training on concrete-strength management and finishing work.

2023 Quality Management Capability Enhancement Training

Regular construction quality		Number of training sessions (Times)	Participants (Persons)	Details
Employees	Construction	5	61	Concrete quality control, compliance
	Quality		132	
Partner company site managers		2	125	Mechanical and electrical construction techniques and case studies
Total			318	



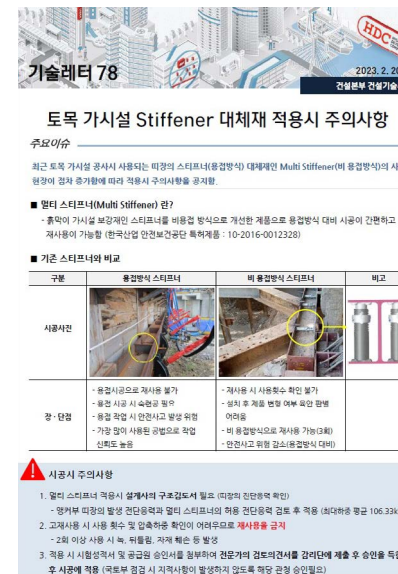
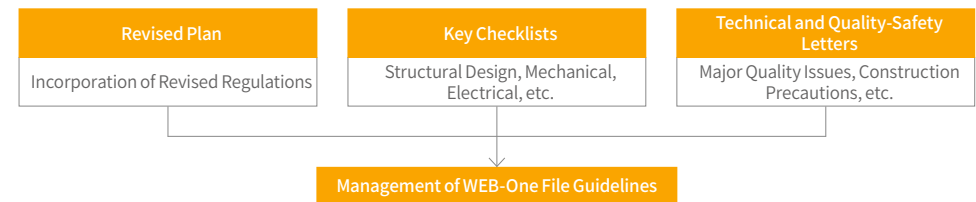
Concrete Acceptance (Concrete Quality) Test



Theoretical Training for Enhancing Quality Management Capabilities

Quality System Support

To ensure consistent on-site quality and proactively mitigate risks, HDC Hyundai Development Company continuously updates and distributes checklists and guidelines that reflect revised regulations, and internal/external inspection findings. Key updates are highlighted in separate letters to ensure special attention on-site. In 2024, structural design guidelines have been revised to include detailed drawings for reinforced concrete. Additionally, management guidelines have been established in line with the amended Enforcement Decree of the Indoor Air Quality Control Act. To ensure that the latest guidelines are always available on construction sites, construction guidelines and technical letters are incorporated into a single document ("One File Guidelines"). A web version will be developed to facilitate easy access and use on-site.



Technical Letter

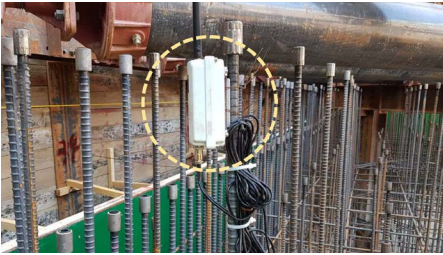
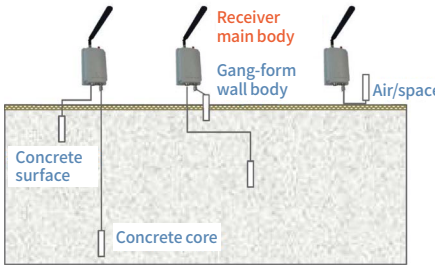


Technical Safety Letter

Research on Quality and Technology

HDC Hyundai Development Company is focused on developing methods to construct buildings that are both robust and efficient. In 2023, we introduced a smart curing management system that determines the optimal time for formwork removal by predicting the real-time estimated strength during vertical formwork stripping. This was part of a total of 30 method improvements.

Technology Research Examples

Smart Curing Management	Bathroom Wall Tile Installation	Expanded Formwork Removal Method
Temperature sensors are installed inside the concrete to monitor estimated strength in real-time using integrated temperature data. Enhanced construction efficiency and simplified quality management.	Previous Method: Mortar adhesion Expanded Method: Point adhesion using urethane-based adhesives and the application of the System Bathroom (SBR) approach. Reduced tile defects and water leakage.	Previous Method: AL Form drop installation Expanded Method: Introduction of slab panels using the Full-down system. Reduced noise and shorter cleanup times post-construction.
		

Smart Curing Management Sensors

BEST PRACTICE

Award for Excellence in Construction Technology Research

Korea Federation of Construction Contractors (KFCC) conducted a competition for outstanding examples of technology research among its member companies. Sixteen exemplary cases were selected and presented during the final evaluation in November 2023. Among these, HDC Hyundai Development Company received the Minister of Land, Infrastructure and Transport Award in the Convergence category for its emergency bell integrated electric vehicle charging outlet and the KFCC President Award in the Safety and Environment category for developing a noise-reducing heating pipe support panel for multi-unit housing.



Smart Quality Management

Since introducing building information modeling (BIM) in 2015, HDC Hyundai Development Company has integrated information management standards into company-wide processes. We are actively developing and utilizing systems for smart construction sites. As a result of these accumulated efforts, HDC Hyundai Development Company received the Minister of Land, Infrastructure and Transport Award (Grand Prize) at the Building SMART Korea's BIM Awards 2023.



Design

Before finalizing 2D designs, during the design and pre-construction phases, feedback from the design team and on-site teams is incorporated into design, construction, and estimation standards, as well as standard details, to ensure BIM modeling is usable on-site. These 3D visual materials are then used to train partner companies and workers to help enhance their understanding of the project.



Estimation

Using the proprietary BIM-based quantity calculation system, HEB (HDC Estimate System by BIM), it calculates detailed quantities for all work types, including architecture, structure, mechanical, electrical, infrastructure, and landscaping. This enables clear tracking of item quantities and facilitates reasonable cost discussions with clients and partner companies.



Construction

During the construction phase, potential clashes between different work types, discrepancies between design documents, and deviations from standards are reviewed to ensure consistent construction quality. For infrastructure projects, equipment simulations using construction BIM are used to verify construction safety. For instance, in the double-track railway construction connecting Indeokwon and Dongtan, integrated construction management using BIM is being implemented to ensure high construction quality.



Won a Grand Prize in the General Category at the 2023 BIM Awards hosted by Building SMART Korea



AR Site Management (Comparing the Actual Construction and Virtual Model)

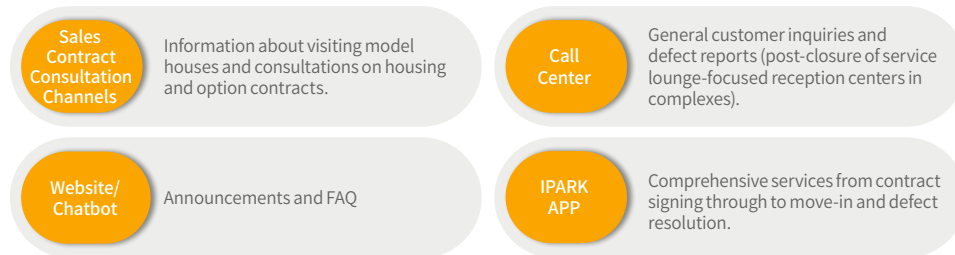


Training for Design, Construction, and Estimation Using 3D Videos

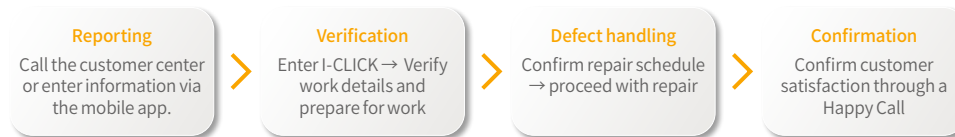
Pursuing Customer Satisfaction

Strengthening Customer Communication

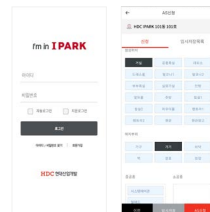
HDC Hyundai Development Company actively manages and processes customer inquiries through various communication channels. Notably, customers can check the status of defect reports and their resolution in real-time via a mobile app. When a customer submits a defect report through the mobile app, the data is seamlessly integrated into i-Click, the unified customer management system. This system enables the review of work details and schedules, streamlining the preparation for defect resolution. A dedicated team, comprising skilled tradespeople and CS engineers, promptly addresses initial defect issues. Customer feedback is gathered through VOC (Voice of Customer) and Happy Call programs to continually improve service quality. In 2023, a total of 532,532 customer complaints and suggestions were received, with a resolution rate of 98.3% within the year.



Defect Reporting and Resolution Process



Finishing Coordinator



IPARK mobile app (submit and view AS status)

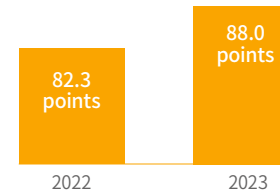
Customer Reviews

HDC Hyundai Development Company goes beyond merely delivering completed spaces to customers, by offering a variety of unique services under the IPARK brand aimed at enhancing customer satisfaction. During the initial occupancy phase, we provide personalized services to enrich the customer experience. Following this, various cultural engagement programs are organized to foster community participation and enjoyment within the housing complexes. Starting in 2023, HDC Hyundai Development Company has expanded services, initially available to complexes in their first year of completion, to those up to four years post-completion. Additionally, programs are selected through pre-meetings with residents, thereby enhancing customer experience management and fostering customer participation. These continuous efforts in communication and incorporating customer feedback have led to an increase in Homecoming Day customer satisfaction, rising from 82.3 points in 2022 to 88.0 points in 2023.

Welcoming Day Construction Completion/Move-in Period
<ul style="list-style-type: none">• Welcome Service Manager: Dedicated management for each household• Welcome Gift: Congratulatory gifts for new residents• Home Care Service: Sterilize and disinfect new homes

Homecoming Day One~4 Years after Construction Completion
<ul style="list-style-type: none">• Sterilize/disinfect common areas• Various cultural events (Photoshoots, balloon art, and mini concerts)

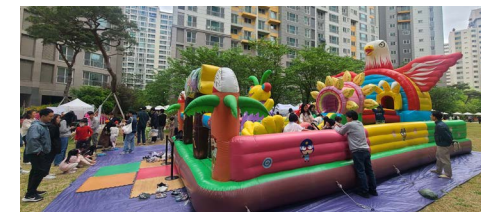
Program Satisfaction Survey Results



Program Operation Status



Homecoming Day Event



Enhancing Information Accessibility

By transparently providing information that customers are likely to seek at each stage of their interaction with the company, HDC Hyundai Development Company aims to reduce customer inconvenience and enhance satisfaction. The warranty period and coverage for building defects are clearly listed on our website. Additionally, a handbook detailing the use of facilities is distributed upon move-in and is also available on the IPARK mobile app for easy reference. A guidebook is provided to help residents easily access information on defect repair procedures, warranty periods, annual post-completion services, and defect litigation. HDC Hyundai Development Company is committed to continually improving customer satisfaction, by addressing and resolving any inconveniences and needs that residents experience while living in IPARK.

 A/S Information on the Customer Service Website

Scope of Warranty Liability

Landscaping Works	Outdoor Water Supply and Sanitation Works	Footings and Foundation Works	Reinforced Concrete Works	Steel Structure Works	Masonry Works
Carpentry Works	Window and Door Installation	Roofing and Waterproofing	Finishing Works	Landscaping Works	Miscellaneous Works
HVAC Installation	Plumbing and Sanitation Installation	Gas and Firefighting Systems Installation	Electrical and Power Systems Installation	Communication, Signal, and Fire Protection Systems Installation	Smart Home Network Installation



Living Guidebook

하자 소송을 고치는 입주자를 위한 아이파크의 솔루션

처음부터 끝까지 함께하는 IPARK



Defect Repair Guidebook

Sustainability Performance

• Environmental • **Social** • Governance

Enhancing Smart Home Usability

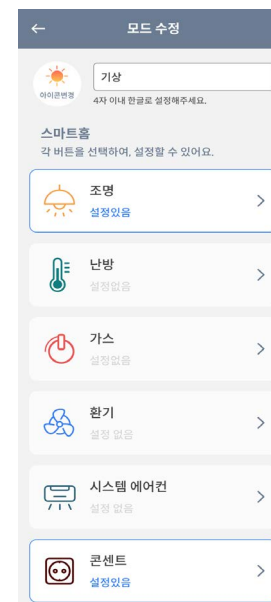
HDC Hyundai Development Company provides a dedicated platform for IPARK residents and management operators to easily use and manage smart home systems. For individual residents and households, the IPARK Home app (for smartphones) and the kitchen Internet TV (tablet PC) offer control over basic home devices, B2C appliances (Samsung, LG), and customized automated services. For management operators, the IPARK Smart Managing Solution is provided to integrate and manage energy and facilities comprehensively.

Examples of IPARK Home (Smartphone) and Kitchen Internet TV (Tablet PC) Features

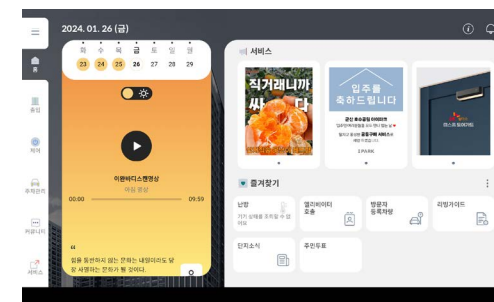
- Remote control of lighting, heating, and ventilation outside the home.
- Notification and location identification of available parking spaces and vehicle registration before arriving at IPARK.
- Control and monitoring of home appliances purchased by residents (Samsung, LG).
- Access to IPARK BOOKS digital library service and automated recommendation services (security, energy, door open notifications).

Examples of IPARK Smart Managing System Features

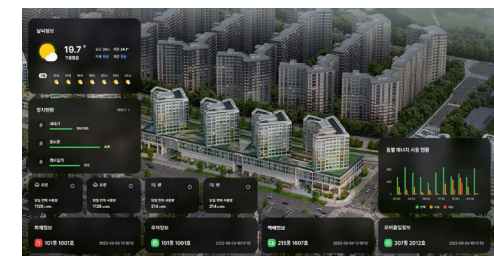
- Real-time energy management for all units and common areas in the complex (energy savings, anomaly management, common area goal management).
- Monitoring of the status of all units and common facilities, and management of resident community services.
- Analysis of usage data patterns of facilities and provision of customized services.



IPARK Home App



Kitchen Internet TV



IPARK Smart Managing System (in development)

Sustainable Supply Chain

Enhancing Supply-Chain Sustainability

Supply Chain Management Policy

Partner companies that share roles and responsibilities with HDC Hyundai Development Company to provide safe and enriched residential spaces are indispensable and valuable resources. They supply high-quality materials and perform specialized construction tasks. Recognizing that the sustainable growth of these partner companies directly influences the competitiveness and productivity of HDC Hyundai Development Company, we have established a partnership policy based on three core strategies and management philosophies: Shared Responsibility for Environment and Society, Establishment of a Fair Subcontracting Culture, and Pursuit of Mutual Cooperation and Shared Growth. In line with these principles, HDC Hyundai Development Company requires partner companies to sign a pledge for fair-trade compliance during subcontracting agreements. Additionally, in November 2023, we introduced a comprehensive Code of Conduct for Partner Companies. This Code — covering labor and human rights, ethics and compliance, safety and health, the environment, and management systems — is now a mandatory electronic submission alongside the fair trade pledge during subcontracting agreements. The Code of Conduct for Partner Companies, comprising six areas and 36 items, sets forth essential norms that must be adhered to by all partner companies of HDC Hyundai Development Company. The Code goes beyond mere legal compliance, aiming to establish best operational practices, and thus holding significant importance in ensuring the sustainability and ethical standards of the supply chain.

Fair Trade Operation Framework Code of Conduct for Partner Companies

Sustainable Supply Chain Management System

Principle	Realizing Sustainable Supply Chain Operations and Growth Through Communication		
Goal	Achieving a sustainable supply chain and fostering a healthy construction ecosystem by promoting ESG values and fair practices		
Strategies	Ensuring Supply Chain Sustainability		
	Expand ESG Management	Fair Trade	Shared Growth
Management Bodies	Partner Company Sanction Review Committee	Sector meetings	Mutual Cooperation Meetings
	Fair-Trade Review Committee	Dispute Resolution Committee	
Implementation Plans	<ul style="list-style-type: none">• Increasing the emphasis on ESG factors during the registration review process.• Conducting quarterly inspections to monitor risks and imposing sanctions on non-compliant partner companies.• Addressing market conditions, current issues, and partner company concerns through various communication channels.• Implementing support systems to promote mutual growth with partner companies.		

Code of Conduct for Partner Companies

Management System	<ul style="list-style-type: none">Inspect, manage, and improve potential risks.Educate partner-company employees on the code of conduct and manage subcontractors.
Labor and Human Rights	<ul style="list-style-type: none">Prohibit forced labor, child labor, and discrimination/harassment.Manage working hours and respect human rights.
Ethics and Compliance	<ul style="list-style-type: none">Comply with fair trade and competition laws and ensure transparent information disclosure.Participate in lawful and ethical management practices.
Safety, Health, and Environment	<ul style="list-style-type: none">Comply with safety and health regulations and manage accident prevention.Comply with environmental regulations and manage hazardous materials.

Selection and Evaluation of Partner Companies

HDC Hyundai Development Company operates a partner company registration system to secure stable supply-sources and enable partners to anticipate long-term fixed revenue. In 2023, we engaged with a total of 1,237 partners, selecting 702 of them (408 for outsourcing, 294 for procurement) as registered partners, and conducting the majority of transactions with these registered companies. The evaluation criteria for selecting registered partners have shifted from a heavy reliance on financial performance (previously weighted at 65%) to focusing more on non-financial factors, which now account for 65% of the evaluation. This change reduces dependence on financial indicators from credit reports, allowing for a more comprehensive assessment of safety, quality, project execution, and management capabilities. In 2023, additional points were awarded based on sustainability (ESG) evaluation grades to encourage partner companies to consider ESG management systems beyond just their projects with HDC Hyundai Development Company. Of the 408 outsourcing partners, 387 (95%) completed the ESG evaluations, including the SH (Safety and Health) evaluation. For 30 partners demonstrating a willingness to improve, we provided consulting and reevaluation costs through credit rating agencies. Starting in 2024, ESG/SH report submissions will be mandatory for high-risk tasks. Partners receiving grades below level-6 will be excluded from bidding processes to emphasize the importance and value of ESG principles.

Partner Companies Data

Category	Business Partners	Registered Partners				
		Number of Registered Companies	Percentage (%)	Transaction Ratio (%)	Number of Companies that Completed Sustainability Evaluation	Number of Excellent Partners
Subcontractors for Construction Work	482	408	32.9	53.5	387	56
Suppliers for Construction Materials ¹⁾	755	294	23.8	28.7	191	10
Total	1,237	702	56.7	82.2	578	66

1) General construction materials such as rebar and ready-mix concrete, as well as equipment and machinery requiring special fabrication and installation.

Partner Evaluation Criteria

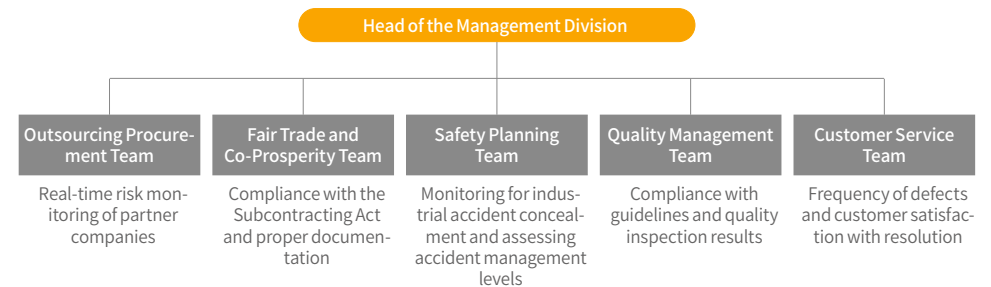
Evaluation Item	Before revision (%)	After revision (%)	Evaluation Details
Financial Stability	65	35	Price competitiveness, construction/production capacity, financial status, etc.
Overall Performance	32.5	35	Construction performance, contract fulfillment, construction quality level, etc.
Safety and Quality	2.5	30	Accident/quality management level, defect handling satisfaction, etc.
ESG Assessment	-	10	Scoring based on ESG/SH assessment grades
Total (Overall Score)	100	110	

Additionally, based on the evaluation results, partner companies are categorized into five grades (Best, Excellent, General, Local, and New) and provided various forms of support and incentives. In 2023, a total of 66 companies were recognized as Best/Excellent Partners and received substantial benefits, including 150% bid allocation, a 50% reduction in contract performance guarantees, mutual growth bonuses, interest-free loans, and access to a mutual growth fund.

Partner Risk Management

In addition to the support and deductions based on sustainability evaluation results, the Partner Sanctions Review Committee regularly reviews and manages risks related to unfair trade and unethical practices. Chaired by the Head of the Management Division and attended by the heads of the Audit Team, Outsourcing Procurement Team, and Fair Trade and Co-Prosperity Team, the committee reviews audit findings and takes necessary actions. In 2023, five partner companies involved in poor construction or ethical violations were removed and barred from future registration and bidding. Furthermore, a new Fair-Trade Review Committee has been established to manage risks related to supply chain sustainability. This committee selects high-risk transactions quarterly and evaluates partner companies' suitability and risks from multiple perspectives, including financial, safety, and quality aspects. Comprising the Head of the Management Division and five department heads, the committee shares review results, and decides on appropriate actions to enhance subcontracting transaction stability and strengthen a sustainable supply chain.

Fair Trade Review Committee Composition and Key Inspection Areas



BEST PRACTICE

AA Grade in the Fair Trade Compliance Program

HDC Hyundai Development Company has implemented the Compliance Program since 2017. To ensure fair transactions with partner companies, we have established a self-regulatory internal control system that includes management organization, contract procedures, monitoring, and a dispute resolution channel. In recognition of these efforts, the Fair Trade Commission awarded the company an AA grade in 2023, ranking us as excellent among six possible grades.



Fair Trade Commission Award Ceremony for Outstanding Companies

Shared Growth Program

Promoting Fair Trade Culture

To establish and promote a culture of fair trade, HDC Hyundai Development Company conducts annual fair trade training for employees and partner companies. The Compliance Manual is regularly updated with amendments to relevant laws, guidelines for practices, checklists, examples of violations, and the criteria for penalties in case of breaches. This manual is distributed in e-Book format and published on our website. At the end of each year, outstanding sites and employees who excel in fair-trade practices are recognized and rewarded. Additionally, the effectiveness of the Compliance Program is evaluated through interviews, quizzes, and surveys.

Compliance Training in 2023

Category	Target	Persons who completed the training
Basic Training (New Employee Training, Regular Training by Department)	Employees	3,497
	Partner companies	273
Intensive Training (High-Risk Departments, Position-Specific)	Employees	479
Total (Overall Score)		4,249



On-Site Operations Manager Job Training



Partner Compliance Training



2023 Compliance Manual



Fair Trade Poster



Fair Trade Quiz

Diversifying Communication Channels

HDC Hyundai Development Company maintains various communication channels to build constructive partnerships with partner companies, from providing bidding information to educational support. Additionally, we have established a platform to address and resolve issues arising during project execution.

Information Disclosure

- Win-win Letter
- Dedicated Platform



Various information related to partner companies, such as bidding and order information, contract news, financial support, and technology proposal contests, is disclosed through the dedicated HDC Hyundai Development Company Partners website. Additionally, a bi-monthly newsletter is sent to enhance the convenience and information access for partner companies.



Win-win Letter

Grievance Resolution

- Dispute Resolution Committee
- Work Group Meetings



When disputes arise during construction due to differing opinions, a first-level dispute resolution committee is formed on-site to coordinate disagreements. If the issue remains unresolved, a committee at the headquarters addresses it. Additionally, work group meetings are held to gather various opinions on ordering and site operations. A total of 35 representatives from 13 different work groups attended seven meetings, discussing various proposals and suggestions related to construction industry trends and system improvements within HDC Hyundai Development Company.



Work Group Meetings

Collaboration and Exchanges Among Partner Companies

- Safety and Quality Committee
- Win-Win Partnership Meetings



Top-performing partner companies are encouraged to run autonomous committees for site safety and quality management, supported through campaigns and workshops.

Starting in 2023, mutual growth meetings are held to foster stronger relationships and encourage collaborative activities among partners.



Win-Win Partnership Meetings

Partner Support System

HDC Hyundai Development Company operates various support systems to help partner companies establish an ESG management framework by providing financial, technical, and educational support.

■ Management Support

HDC Hyundai Development Company comprehensively supports partner companies in enhancing their ESG capabilities through education, consulting, and evaluation. Starting in 2023, our company selects high-performing partner companies from the previous year and connects them with specialized institutions to alleviate the difficulties faced by companies with limited budgets and workforce.

Key Management Support Programs

Category	Details
Consulting	Management indicators, self-assessment, on-site inspection
Training/education	Online training addressing identified deficiencies from self-assessments

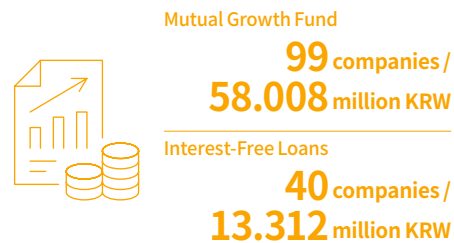
■ Financial Support

HDC Hyundai Development Company provides various financial assistance programs to help partner companies secure operating funds. These programs include low-interest loans and short-term interest-free loans. In 2023, HDC Hyundai Development Company doubled the deposit amount by adding an additional bank for the Mutual Growth Fund operational agreement, ensuring that all registered companies in 2024 can benefit from this initiative. The interest reduction rate was increased from 2.05% to 2.35%. Additionally, from the end of 2023, we introduced the Mutual Growth Bond Trust System. This system ensures that subcontractors are promptly paid, mitigating financial strain and preventing delays in wages and material costs, even if partners face challenges such as bond seizures, bankruptcy, or liquidation.

Key Financial Support Programs

Mutual Growth Fund	Interest-Free Loans
• Low-interest loans	• Emergency funds • Short-term financial support
Advance Payment Support	Stamp Duty Support
• Securing initial capital at the start of construction	• Electronic subcontracting agreements

Financial Support Status



■ Technical Support

HDC Hyundai Development Company is dedicated to fostering and supporting small and medium-sized enterprises (SMEs) with exceptional technologies. To achieve this, we hold an annual Technology Proposal Contest. When a partner company's proposal is selected, we provide funding for the development. If the technology proves successful, additional incentives such as unit price contracts or long-term supply agreements are offered to promote its use. Furthermore, we support the technology escrow system to protect partner companies' technologies from theft or leakage, covering the escrow fees to encourage participation. In 2023, a total of 42 proposals were submitted by 24 companies. Based on evaluation criteria like suitability, creativity, and applicability, four winning proposals were chosen. The winners receive benefits, including private contracts and the potential to link with performance sharing systems.

Outstanding Technology Agreements



2023 Gold Prize: Improved Bathroom Waterproofing Method using Rock Board

■ Educational Support

HDC Hyundai Development Company operates the HDC Win-Win Campus to nurture and develop the talents and capabilities of partners, who may lack sufficient educational infrastructure. Established in 2021, the HDC Win-Win Campus offers a variety of educational programs covering not only construction job training but also topics in management and leadership. Available to all employees of registered partner companies, the campus supported 609 training sessions for 720 individuals in 2023.



HDC Win-Win Campus








Talent Management

Talent Management Framework

Talent Management System

HDC Hyundai Development Company is committed to elevating employee engagement and satisfaction. We implement various programs to enable employees to fully develop and leverage their skills while maintaining a healthy work-life balance through comprehensive welfare systems. To achieve organizational goals and foster competitive performance, we promote a flexible organizational culture that emphasizes collaboration and communication. This approach is designed to generate new growth-drivers through collective effort and shared support. To ensure that all employees are aligned with the company's goals and values, the corporate value system and core values are published on the company's website.

Core Values

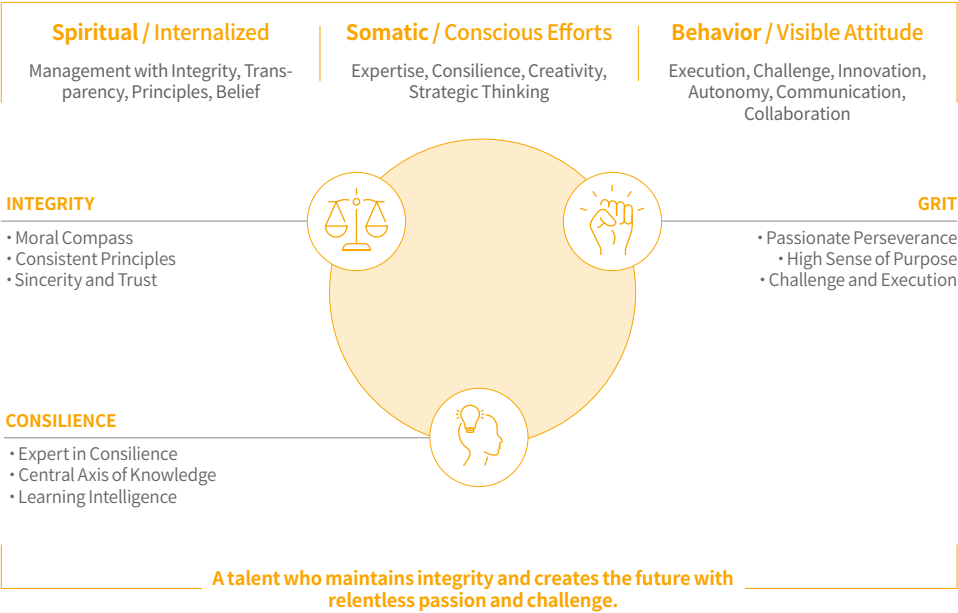
01 Management Based on Principles of Integrity 	02 Execution 
03 Innovation 	04 Originality 
05 Customer Focus 	06 Insights 
07 Passion 	

Securing and Developing Talents

Ideal Talent

HDC Hyundai Development Company strives to enrich the lives of customers and the world, and grow into a trusted enterprise. We focus on nurturing talent with passion and a spirit of challenge based on three standards of conduct: Integrity; Grit; and Consilience.

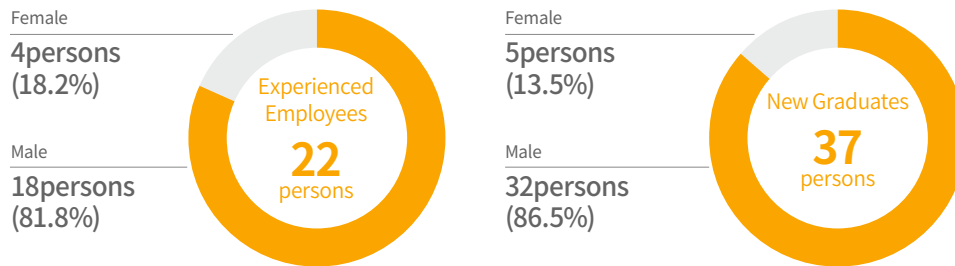
HDC Hyundai Development Company's Ideal Talents



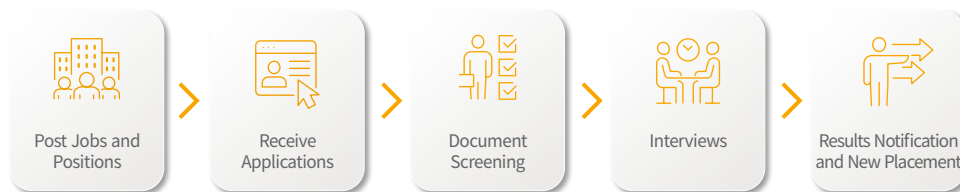
Hiring Outstanding Talent

HDC Hyundai Development Company has developed a robust human resource management system by clearly defining job competency standards and enhancing continuous recruitment through various channels. This approach ensures the selection of the best candidates who align with the company's job requirements and organizational values. In 2023, we successfully recruited 59 permanent employees, including 22 experienced professionals and 37 new graduates. To support the smooth integration of new hires, continuous monitoring is conducted to ensure their early adaptation. HDC Hyundai Development Company also operates an internal job posting system that encourages all employees to take on new roles and departments, fostering self-directed career development and maximizing their potential. This system allows cross-departmental applications without job category restrictions, such as technical or managerial roles. The application process and interviews are conducted with strict confidentiality, ensuring a fair and transparent selection.

Recruitment Status



Internal Job Posting Selection Process



Enhancing Talent Diversity

HDC Hyundai Development Company is committed to providing equal opportunities in all recruitment and promotion- processes, regardless of gender. Since appointing the construction industry's first female site manager in 2013, we have consistently increased the proportion of female employees over the past three years, gradually addressing gender imbalance issues. In addition, we have established an arts group for individuals with disabilities, comprising 33 members in both music and visual arts. We organize orchestra performances and exhibitions of artworks themed around IPARK, showcasing aspirations for ideal living spaces. Looking ahead, we plan to sign employment agreements with companies that hire people with disabilities, organizing various events before and after residency to promote cultural and artistic activities and increase employment rates for people with disabilities. Furthermore, foreign workers from diverse nationalities employed at our sites are granted the same rights and responsibilities as domestic employees. In 2023, we conducted safety training for approximately 2,000 domestic and foreign workers from countries such as China, Vietnam, Thailand, and Kazakhstan — focusing on high-risk structural work with the help of professional interpreters. HDC Hyundai Development Company places great importance on respecting employee diversity, ensuring that nobody faces unfair discrimination based on nationality or race. We remain committed to continuing these educational programs to maintain open communication and inclusivity.

Female Employees

	Category	2021	2022	2023
Female employees	Persons who completed the training	233	260	286
	Percentage (%)	13.5	14.1	15.0
Female managers ¹⁾	Persons who completed the training	7	5	4
	Percentage (%)	4.6	3.7	2.8

¹⁾ Team leaders, site managers, and executives

Employment rate of people with disabilities



Disabled Artists Orchestra Performance



Disabled Artists Art Exhibition

Employee Development and Training Programs

HDC Hyundai Development Company offers a variety of training programs designed to develop the next generation of leaders. These programs include job-specific skill enhancement and leadership specialization, delivered through online lectures, seminars, and workshops. Employees have access to a wide range of courses through the HDC Academy online learning website. These courses cover digital transformation (DT), management insights, finance, general education, literature, history, philosophy, foreign languages, and professional certifications. Additionally, the company provides regular workshops and seminars for corporate trainers and internal instructors to enhance their professional skills. This expansion in training opportunities has resulted in a 49% increase in total training hours compared to the previous year. For new hires, our company conducts a retention program focused on improving team or individual work methods, resulting in case studies of work improvement or performance outcomes. Outstanding cases are shared company-wide via video production, fostering a collective understanding of work significance and value. To enhance business understanding from a company-wide perspective, we held two Biz Insight seminars for executives and employees. These seminars explore industry trends, such as the future of the construction industry and changes in spatial environments. HDC Hyundai Development Company plans to continue offering diverse programs to further explore these topics.

Training Programs by Position Level

Target Audience	Training Content	
New Hires	<ul style="list-style-type: none">Understanding the OrganizationCore Business Skills	<ul style="list-style-type: none">Meaning of Work and Work MethodsBasic Finance/Accounting
Promoted Employees	<ul style="list-style-type: none">Goal Management and Reporting Skills for Project ManagersProject Performance Management	<ul style="list-style-type: none">Practical Financial ManagementMentoring/Coaching Leadership
New Team Leaders/Site Managers	<ul style="list-style-type: none">Business ManagementPerformance Management and Organizational Operation	<ul style="list-style-type: none">Coaching for Performance ReviewsLeadership for New Leaders
Executive	<ul style="list-style-type: none">Economic/Business/Industry InsightsCEO Leadership	<ul style="list-style-type: none">ESG Leadership

Employee Development and Training Program Status

Category	2022	2023
Total Training Hours (Hours)	68,131	101,590
Annual Training Participants (Persons)	10,823	17,441

Training Satisfaction Score

Out of 5 points

Category	2022	2023
Training Satisfaction Score (Points)	4.7	4.6



Best Practices in Work Value Presentation



Biz Insight



BEST PRACTICE

Career Redesign Program

HDC Hyundai Development Company provides career redesign education for employees, including those nearing retirement. The lectures cover topics such as maintaining purchasing power after age 50 years, proper management of stocks and real estate, analyzing career paths post-retirement, and preparations needed before retirement. After the special lectures, the content is uploaded to the HDC Academy, allowing employees who could not attend to access the material. In the future, we plan to develop and offer various retirement programs to help retiring employees prepare for their next phase with ample time.

미래를 설계하는 안목 키우기

생애설계 특강

대상

- 미래 (퇴직 이후) 경력 및 재무 설계에 대한 정보를 미리 알아보고 싶은 분!
- 로도 당첨 / 교인 상송 (배정)으로 남들보다 빠르게 인생 2막을 준비하시는 분!
- 부모님의 미래를 챙겨드리고 싶은 HDC현산 대표 종자/후녀!

일정

- 특강 영상 게시 : '23. 10. 30(월) ~ 11. 10(금), 2주간
(HDC academy -커뮤니티 - 'HDC 자료함')

내용

모형	내용	강사	시간
재무설계	<ul style="list-style-type: none">50+ 재무설계 - 우리나라 가계의 생애주기와 자산구조 특징 등50+ 자산관리와 자본의 운용 - 구매력 보전 및 주식과 부동산의 올바른 운용 방법 등	김경록 교수	80분
경력설계	<ul style="list-style-type: none">건설업 종사자의 퇴직 후 경력 경로 - 건설업 퇴직자의 경력 경로 분석 및 퇴직 전 준비사항진로설계에 도움이 되는 정보와 진로설계서 - 정부지원정책, 국민내일배움카드 활용 노하우 등	김경규 대표	80분

Career Redesign Seminar Poster

Performance Evaluation

HDC Hyundai Development Company provides feedback on employee performance based on the WPE (Work, People, Expertise) evaluation system, 360-review, and organizational review. In 2023, to enhance the fairness of employee performance evaluations and encourage inter departmental collaboration, we increased the proportion of 360-degree evaluations involving multiple assessors in personnel performance reviews. Additionally, a new review process was introduced in the promotion procedure to enhance the objectivity and transparency of promotion evaluations.

Performance Evaluation Process

360-Review	20%	1. Peer Review	Provide clear and honest feedback detailing the differences between the self-evaluation results and the final evaluations outcomes.
WPE Evaluation	80%	2. Self-Review (Comments) 3. Leader Review (Score+Comments)	
Evaluation Results	100%	4. Grade (S/A/B+/B/C)	

Improving Employees' Quality of Life

Enhancing Benefits and Welfare

HDC Hyundai Development Company continuously enhances the welfare system to create a favorable working environment for employees. We strive to provide a range of benefits to improve quality of life for employees, fostering a work culture that supports individuals and their families.

Key Improvements in Benefits and Welfare

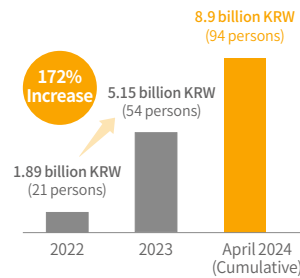
Introduction of Family day (one day of paid time off)

Increased holiday bonus points

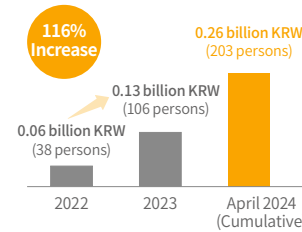
Installation of snack booths

Current Welfare System Highlights

Housing Loans



Medical Expense Support for Employees and Families



HDC Hyundai Development Company offers a flexible work system that allows employees to start their workday between 7 a.m. and 9 a.m., work for eight hours, and then leave according to their individual schedules. To encourage the use of vacation days, we have implemented a “Vacation Tech” system, which provides points or resort-stay vouchers to employees who take at least 10 vacation days throughout the working year, excluding July and August. In 2023, we introduced “Family Day,” giving all employees an additional paid day off.

HDC Hyundai Development Company supports various family-friendly benefits and events. We provide loans for purchasing or renting homes in the name of the employee or their spouse. Additionally, financial support is provided for spouse and children’s hospitalization expenses, university tuition fees, elementary and middle school entrance congratulatory gift, and daycare costs. To enrich cultural and recreational activities, we offer free tickets to Busan IPark football games, along with snacks, cheering tools, and prizes. Furthermore, we support various employee clubs for hobbies such as baseball, tennis, basketball, scuba diving, skiing, and photography. In 2023, HDC Hyundai Development Company expanded the scale of our retirement ceremonies, honoring 17 retirees with a company-wide event instead of the previous department-level celebrations. This change provided a more significant recognition and celebration of the retirees’ contributions, allowing them to receive greater accolades and appreciation from the company.



Employee Baseball Club IParkers



Retirement Ceremony

Human Rights Management

Human Rights Management Framework

Human Rights Management Policy

HDC Hyundai Development Company has enhanced the internal human rights management framework by declaring a Human Rights Management Statement and establishing comprehensive Human Rights Management Guidelines. We conduct Human Rights Impact Assessments to identify both actual and potential risks that our business activities might pose to the human rights of stakeholders. These assessments cover various areas, including workplaces, partner companies, local communities, and customers, with identified risks managed through dedicated grievance handling channels. We strictly adhere to international and domestic standards and guidelines related to human rights, such as the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, and the ILO Core Conventions. HDC Hyundai Development Company is committed to protecting the human rights of all stakeholders, including employees and partner companies.

Human Rights Management Statement

Category	Key Contents of Human Rights Management Policy Statement
Established Documents	Identification of the human rights management scope, collection of stakeholder opinions, and Human Rights Management Statement
Goal	Establishment of items reflecting our human rights management philosophy.
Incorporation	Key standards such as the Universal Declaration of Human Rights, ILO Core Conventions, and the UN Global Compact's 10 Principles.
Contents	<ul style="list-style-type: none">• Compliance and Support for International Human Rights Standards• Respect for Diversity and Prohibition of Discrimination• Prohibition of Forced and Child Labor• Protection of Freedom of Association and the Right to Collective Bargaining• Fair Treatment and Support for Education and Training• Adherence to and Improvement of Working Conditions• Provision of a Comfortable and Safe Working Environment• Environmental Protection and Fulfillment of Environmental and Social Responsibilities• Protection of Human Rights of Local Residents• Human Rights Policies within the Supply Chain• Information Security
Participation	Employees, human rights personnel in each department, partner companies, customers, local communities, external experts
Application	Stakeholders: Employees, partner companies, local communities (residents), customers (clients), general public, environment

HDC현대산업개발 인권경영 선언문

HDC현대산업개발은 계열사와 더불어 여러 분야에 특화된 고품격 서비스를 보다 안정하게 제공하며, 지역과 사회에 공헌하고 협력회사와 함께 발전하는 '투명하고 정직한 기업'으로서, '공로로운 삶과 신뢰'할 수 있는 세상'을 만들고자 하는 가치체계 아래 이해관계자 모두의 행복 추구를 사회적 가치 창출을 위해 최선의 노력을 다하겠습니다.

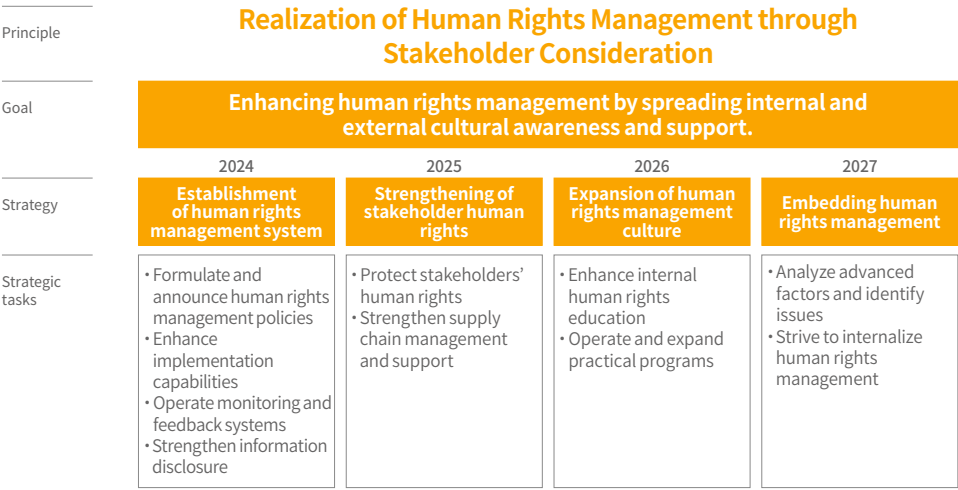
이를 위해 HDC현대산업개발은 '이해관계자 인권보호', '차별없는 조직구성', '사람을 최우선으로 생각하는 인권 존중'을 지향하며, 모든 경영 및 사업운영 과정에서 인간의 존엄과 가치를 위하여 일익을 다짐. 모든 이해관계자가 존속해야 할 올바른 행동과 가치변화의 기준으로써 국내법 및 국제 인권 표준 등을 반영한 'HDC현대산업개발 인권경영 헌장'을 다음과 같이 선언하고, 인권경영의 정착과 확산을 위해 노력할 것을 다짐합니다.

- HDC현대산업개발은 인권 노동 환경 보편화를 위한 국제인권기준 및 국내의 규범을 존중하고 지킵니다.
- HDC현대산업개발은 경영 사업활동에서 발생할 수 있는 다변의 이해관계자에 대한 인권침해에 대해 신속하고 적절한 국제조치를 제공합니다.
- HDC현대산업개발은 일익을 다짐. 모든 이해관계자의 다양성을 존중하며 성별, 인종, 종교, 장애, 연령, 학력, 출신 지역 등을 이유로 고용·승진·교육 등에 있어 불합리한 차별 대우를 하지 않습니다.
- HDC현대산업개발은 겸사 및 단체교섭의 자유를 보장하며, 노조활동을 이유로 노동자를 차별하지 않습니다.
- HDC현대산업개발은 어떠한 형태의 강제노동과 아동노동을 허용하지 않습니다.
- HDC현대산업개발은 안전하고 쾌적한 근로환경을 조성하며, 신체적 정신적 예방을 위해 노력합니다.
- HDC현대산업개발은 협력사 등 사업 파트너를 종용하지 않으며, 공급망의 인권문제에 대한 책임감을 갖고 공급망의 이해관계자에 대한 부정적 인위 영향의 예방 및 지원을 위해 노력합니다.
- HDC현대산업개발은 사업장과 관련된 지역에서 현지주민의 재산권 등을 침해하지 않도록 관리하며, 현지주민은 물론 최상의 경영과 사업수행에 영향을 받는 모든 이해관계자의 인권을 존중합니다.
- HDC현대산업개발은 국내외 환경 관련 법규를 준수하고, 기후변화 대응 노력은 물론 환경보호와 오염방지를 위해 적극적으로 힘듭니다.
- HDC현대산업개발은 고객 등 소비자에 대한 제품 및 서비스 제공에 있어 그 평등을 성실하고 정확하게 전달하며, 고객 등 소비자의 생명·신체 또는 재산에 대한 위험이 발생하지 않도록 필요한 조치를 강구한다. 또한 업무상 수집한 고객 등 이해관계자의 개인정보를 철저히 보호한다.

HDC
HYUNDAI DEVELOPMENT COMPANY대표이사 최익훈 *H di*

Human Rights Management Goals and Strategies

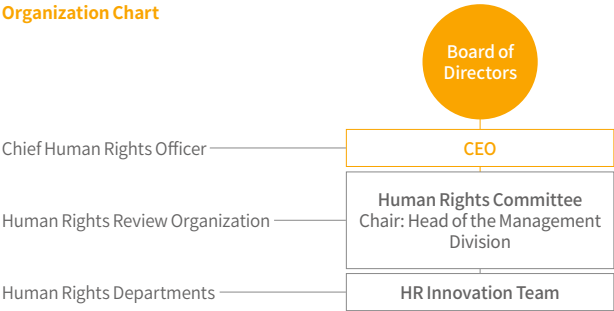
HDC Hyundai Development Company has integrated human rights management into internal management strategies, establishing a vision of realizing human rights management through stakeholder consideration. We have set up a framework to promote human rights management according to detailed implementation plans.



Implementing Organization

HDC Hyundai Development Company has established an internal system based on human rights management guidelines that respect the human rights of all employees and stakeholders. Any human rights issues arising at the headquarters, on-site, or with partner companies are promptly reported to management through the dedicated human rights management department.

Organization Chart



Human Rights Risk Management

Human Rights Impact Assessment

HDC Hyundai Development Company has conducted a human rights impact assessment to identify and address both actual and potential risks related to human rights. We plan to regularly evaluate human rights risks and assess the effectiveness of improvement measures for key risks.

Human Rights Impact Assessment Items

Establishment of a human rights management system	Non-discrimination in employment	Guarantee of freedom of association and collective bargaining
Prohibition of forced labor	Prohibition of child labor	
Responsible supply chain management	Protection of local residents' human rights	Assurance of industrial safety and prevention of major accidents
Guarantee of environmental rights	Protection of stakeholder human rights	

Human Rights Risk Management Process



Human Rights Education Programs

HDC Hyundai Development Company conducts a range of educational programs annually to enhance human rights awareness among employees. These programs include mandatory legally required training on disability awareness, sexual harassment prevention, and workplace bullying prevention for all employees. To ensure interviewers maintain appropriate conduct and avoid gender discrimination during the hiring process, gender equality training is provided specifically for recruitment interviewers. Starting in 2022, we expanded training initiatives by offering additional workplace bullying prevention sessions targeted at executives and managers. This effort aims to prevent human rights violations resulting from hierarchical dynamics and to foster a respectful and inclusive work environment.

Human Rights Education Statistics

Category	Course Name	Training Completion Status		
		Target employee (persons)	Participants (persons)	Completion rate (%)
Legally required training	Sexual Harassment Prevention	1,950	1,927	98.8
	Enhancing Awareness of People with Disabilities	1,950	1,924	98.7
	Workplace Bullying	1,950	1,932	99.1
Special Training	Training for Interviewers	47	38	80.9

Human Rights-Related Grievance Handling

HDC Hyundai Development Company fosters a corporate culture based on mutual respect and is committed to protecting and promoting the human rights of all stakeholders, including employees. To facilitate this, we operate the HDC Hyundai Development Company Cyber Reporting System (which allows direct reporting to the Company either under real names or anonymously) and the Red Whistle system (which ensures anonymity through third-party management). These systems can be accessed through various channels, including the company website. Employees are encouraged to report grievances, such as workplace issues, unfair instructions, sexual harassment, bullying, human rights violations, and illegal or unjust acts, via the website, email, or ERP. They can also request consultations with a grievance counselor of their choice. We ensure that all reports are promptly addressed according to established procedures. Reporters are managed with anonymity and confidentiality to prevent any form of disadvantage or discrimination.

Grievance Reporting Procedure



Grievance Handling Status

Course Name	2022	2023
Number of Human Rights Violations Reported (Cases)	5	4
Number of Cases Handled	5	4
Handling Rate (%)	100%	100%

Grievance Resolution Procedure



Cooperative Labor-Management Culture

HDC Hyundai Development Company guarantees the rights of employees to organize, collectively bargain, and engage in collective action, as well as the freedom to join and withdraw from labor unions, in accordance with Article 33 of the Constitution and the Trade Union and Labor Relations Adjustment Act. To foster a healthy labor-management culture and work environment, we hold quarterly labor-management council meetings to present business performance and engage in discussions on various agenda items. From the end of 2022 through the first quarter of 2023, we conducted wage and collective bargaining negotiations with the labor union to discuss improvements and enhancements to working conditions. These negotiations were carried out in compliance with the procedures outlined in the collective agreement mutually agreed upon by labor and management. Furthermore, HDC Hyundai Development Company has established a dedicated electronic bulletin board on the company portal, allowing employees to freely access and review all discussions and agreements. The labor union actively communicates with employees via this channel. HDC Hyundai Development Company is committed to building a healthy, cooperative labor-management culture based on high trust and open communication between labor and management.

Labor-Management Council Meeting Agenda

Time	Number of Agenda Items	Key Agenda Item
First quarter	6	Ensuring competitive wages, establishing performance bonus criteria
Second quarter	7	Improving on-site conditions (e.g., bonus pay for site work, dining hall enhancements)
Third quarter	9	Enhancing employee welfare (e.g., Family Day, increased holiday points)
Fourth quarter	3	Improving treatment of on-site employees (e.g., rush projects, contract workers)

Social Contributions

Social Contribution Framework

Social Contribution Strategy and Goal

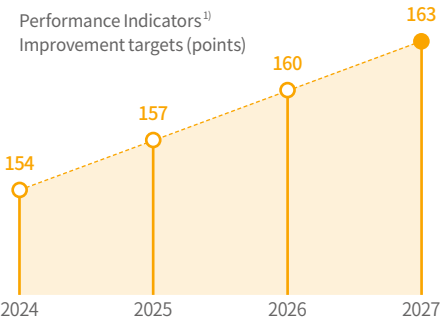
HDC Hyundai Development Company promotes social contribution activities under three themes: H-Happy (Community service); D-Devotion (Donations); and C-Community (Win-win partnerships with the community) to help create a prosperous life and a trustworthy world. Led by the dedicated social contribution department and the IPARK Volunteer Corps, we actively and voluntarily engage in various social contribution activities – including sharing, volunteering, supporting marginalized groups, nurturing talent, and protecting the environment.

Social Contribution Framework

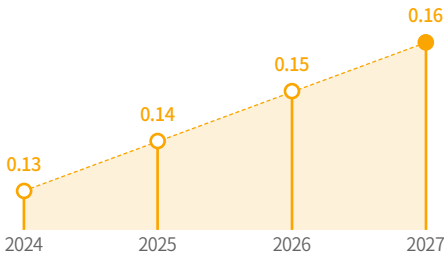


CSR Mid- to Long-Term Goals

Performance Indicators¹⁾
Improvement targets (points)



Ratio of Social Contribution
Expenditure to Sales Revenue (%)

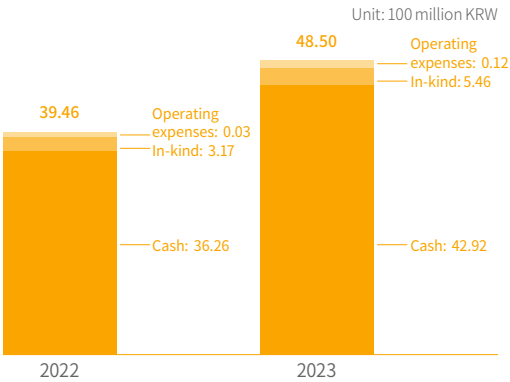


1) Performance indicator(based on a full score of 200 points) measurement criteria for the Community Contribution Recognition System

Social Contribution Performance Measurement

HDC Hyundai Development Company diligently fulfills the corporate social responsibility to provide harmonious development and the value of a prosperous life to stakeholders. In 2023, the total social contribution expenditure was KRW 4.85 billion, marking a 22.9% increase from the previous year. Additionally, a total of 169 employees volunteered 525 hours over the course of a year.

Social Contribution Donation Amount



2023 Employee Volunteering Activities

Category	Result
Total volunteering time (hours)	525
Average no. of participants (persons)	169
Average volunteering time per person (hours)	3.1

CSR Activities

H-Happy (Community service)

■ Love-Sharing Volunteer Work

HDC Hyundai Development Company employees actively participate in various volunteer activities to support and enrich communities near our business sites. In 2023, activities included meal support for vulnerable groups, renovation of old facilities, the Han River beautification campaign, and charcoal briquette delivery. We plan to continue promoting volunteer activities helpful to the local community.

■ Joint Volunteering in Yongsan

HDC subsidiaries in Yongsan collaborate on volunteer projects. These initiatives include planning and organizing volunteer activities, providing supplies, and deploying volunteer personnel for tasks such as mural painting and kimchi-making. As a member of the Yongsan Dragons, along with other local firms, HDC Hyundai Development Company engages in activities like tree planting, child-abuse prevention campaigns, and Christmas gift donations for children's facilities, fostering a community spirit and support in Yongsan.

■ Youth Job Mentoring

HDC Hyundai Development Company operates a youth job mentoring system where employees mentor young persons aspiring to enter the workforce. They share knowledge and experiences about their roles, reasons for choosing their jobs, and the preparation process, helping youths explore career paths.

D-Devotion (Donations to the community)

■ Practice of Love Campaign

The Practice of Love campaign is a program where all employees donate an amount of up to KRW 10,000 from their monthly wages, and the company matches the employee donations on a 1:1 basis to create a fund for donation. The funds support vulnerable groups in the community such as children, adolescents, seniors, and multicultural families. In 2023, a total of KRW 200 million was donated to Habitat for Humanity Korea.

■ Donation Activities

Regular donations are made to individuals and groups in need, including local communities, seniors, children with disabilities, and multicultural families, the Fire Department, and environmental organizations. In 2023, a total of 55.1 tons of rice was donated to 48 institutions across 16 regions. Additionally, our company Partners organized social contribution events, such as donating blood pressure monitors and food supplies to veterans and soldiers with disabilities.

■ Emergency Disaster Relief

An emergency relief manual has been published to provide guidelines for immediate and essential support for disaster recovery in the community. The company assesses the damage to decide on the support scale and type, including cash donations and in-person volunteering, ensuring that community members can quickly return to their daily lives.

Disaster-Relief Support Status

Date	Region	Details	Relief Goods
March 27, 2023	Seoul	Fire recovery	Daily necessities
April 12, 2023	Gangneung	Wildfire recovery	Relief blankets
August 19, 2023	Goesan	Flood recovery	Excavators, trucks, kimchi refrigerators
August 24, 2023	Cheongju	Flood recovery	Wallpaper, flooring
August 27, 2023	Yecheon	Flood recovery	Excavators, trucks, refrigerators, air conditioners, rice



Charcoal Briquette Sharing



Yongsan Dragons Kimchi Sharing



Youth Job Mentoring Program "Youth Job Talk"



HDC Partners CSR Event

C-Community (Win-win partnerships with the community)

■ Symphony Small Library

To promote community engagement through books, HDC Hyundai Development Company has been building small libraries since 2014. Starting with the first branch in Gunsan, Jeollabuk-do, 14 branches have been opened nationwide, with the 15th branch opening in Seosan, Chungcheongnam-do, in 2023. We also support existing libraries with books, desks, reading stands, and renovations. Employees volunteer as daily librarians and participate in facility maintenance.

■ Symphony Hope Dream Builder

HDC Hyundai Development Company launched the Symphony Hope Dream Builder program to teach professional construction skills to young adults, preparing them for their future careers in Seoul and the metropolitan area, supporting their employment and entrepreneurship in the construction industry. The program, targeting 18 selected individuals, includes five months of construction training, field practice, psychological counseling, and career consulting to create job opportunities for young persons.



Opening of the 15th Branch of the Symphony Small Library



Hope Dream Builder Technical Training

BEST PRACTICE

Recognition for Community Contribution

HDC Hyundai Development Company was recognized as a company that contributes to community development and mutual growth, by the Ministry of Health and Welfare and the Korea Social Welfare Council. We received a community contribution recognition plaque at the 2023 Seoul Social Contribution Awards. The Community Contribution Recognition System identifies and encourages organizations that continuously promote social contribution activities for community development and mutual growth and strive to enhance public welfare. This system acknowledges the efforts of companies engaging in social contribution activities to spread the value of sharing. Selection is based on a rigorous evaluation of 25 ESG criteria. We are committed to continuing diverse social contribution activities in partnership with Seoul and other communities, fulfilling corporate social responsibilities, and contributing to community development.



Receiving the Community Contribution Recognition Plaque

Supporting the Future of Youth

Pony Chung Foundation

The Pony Chung Foundation was established to commemorate the philosophy and legacy of Honorary Chairman Chung Se-yung, who revolutionized the automotive industry with his innovative thinking and pioneering spirit. The Foundation embodies his talent-centric philosophy, aiming to inspire future generations with hope and courage. In line with the belief that outstanding talent thrives with continuous support and encouragement, the Foundation contributes to societal advancement through the Pony Chung Innovation Award, academic support, and scholarship programs. These initiatives are driven by a passion for nurturing future leaders and fostering creativity and dedication in the pursuit of excellence.

■ Pony Chung Innovation Award

The Pony Chung Innovation Award is bestowed upon individuals or organizations that have demonstrated exceptional achievements through innovation and challenge in various fields such as diplomacy, the economy, society, culture, and the arts. These recipients have significantly contributed to social development and enhanced the nation's prestige by driving positive change. In 2023, the Pony Chung Innovation Award was presented to former Vietnam national soccer team coach Park Hang-seo. Coach Park was honored for setting a new milestone in Vietnam's football history and expanding the horizons of Korean soccer.



Pony Chung Innovation Award (Coach Park Hang-seo)

■ Pony Chung Young Leader Award

The Pony Chung Young Leader Award was established to identify and nurture young talents who demonstrate a spirit of challenge and innovation, leading the way in the Fourth Industrial Revolution. This award is presented to individuals under the age of 40 years, regardless of their field, who have shown outstanding achievements and potential to become future leaders of South Korea. In 2023, the award was given to Professor Baek Min-kyung of the Department of Biological Sciences at Seoul National University, and Professor Yoon Hyo-sang of the Department of Aerospace Engineering at KAIST. Both were recognized for laying the foundation in fundamental sciences within the fields of life sciences and aerospace, respectively, and for their potential to lead the future society.



Pony Chung Young Leader Award (Professor Baek Min-kyung)



Pony Chung Young Leader Award (Professor Yoon Hyo-sang)

■ Academic Support Program

The Pony Chung Foundation provides academic support to newly graduated PhDs in the humanities who have earned their degrees within the past five years, and to foreign researchers who have obtained their PhDs in Korean studies within the past five years. This support aims to help emerging scholars in fields such as literature, history, and philosophy focus solely on their research, providing comprehensive and consistent assistance to illuminate the future of humanities.



Pony Chung Humanities Research and Overseas PhD Scholarship Award Ceremony

■ Scholarship Programs


The foundation administers the "Step Up Scholarship," designed to support young adults transitioning to independence despite challenging circumstances, helping them develop into healthy, contributing members of society. It also runs the Vietnam Scholarship Program, aimed at fostering the next generation of talent in Vietnam. In collaboration with FOMA (Automobile Design Museum), the foundation offers a range of educational programs, including Junior Design Classes, Master Design Classes, and the Innovator Project. These initiatives feature direct participation by leading domestic and international designers and artists. The programs aim to nurture innovators, equipping them with the core competencies of communication, collaboration, and creativity.

Information Security

Information Security System

Information Security Policy

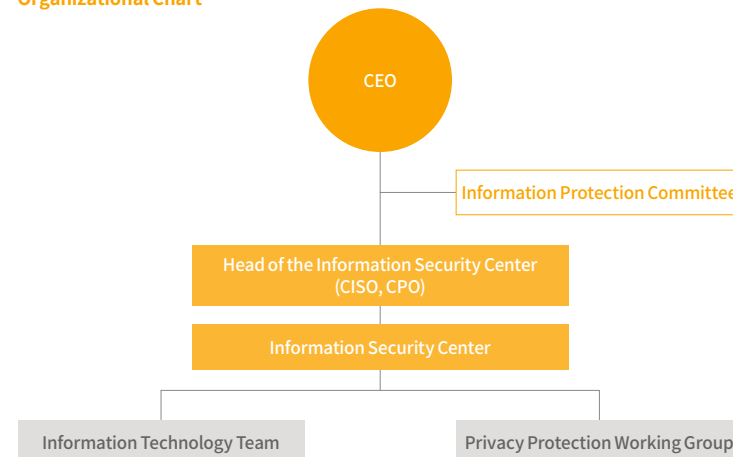
HDC Hyundai Development Company has established an information security policy to systematically manage relevant regulations and procedures. An information security statement is posted on the company's website for easy access by all stakeholders. Additionally, the company has obtained certification for the information protection management system, enhancing the operational framework. Regular inspections and training ensure thorough implementation of information protection measures.

 Information Security Statement

Information Security Organization

HDC Hyundai Development Company has appointed the Head of the Information Security Center as both the Chief Information Security Officer (CISO) and the Chief Privacy Officer (CPO). The Information Security Center is dedicated to handling all information protection tasks. Matters requiring company-wide decision-making are reported to the management through the Information Protection Committee. The security risk response strategy, established by the Information Security Center, is implemented through close collaboration with information protection officers from relevant departments and the Privacy Protection Working Group. This approach minimizes the risk of information protection incidents.

Organizational Chart

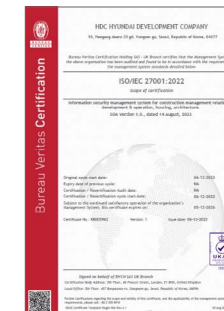


Operation of the Information Security Management System

HDC Hyundai Development Company obtained ISO 27001 certification for the Information Security Management System in 2023, as established by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). By meeting the criteria for 93 items across four key areas — information security policy, physical security, technical security, and information access control — we have secured reliability for enterprise-wide information protection management system, procedures, and IT systems. Additionally, we are enhancing the safety of our information protection system by focusing on key initiatives such as strengthening the information security organization, managing personal information handling standards, and establishing prevention and response systems for security incidents.



ISO 27001 Certification Ceremony



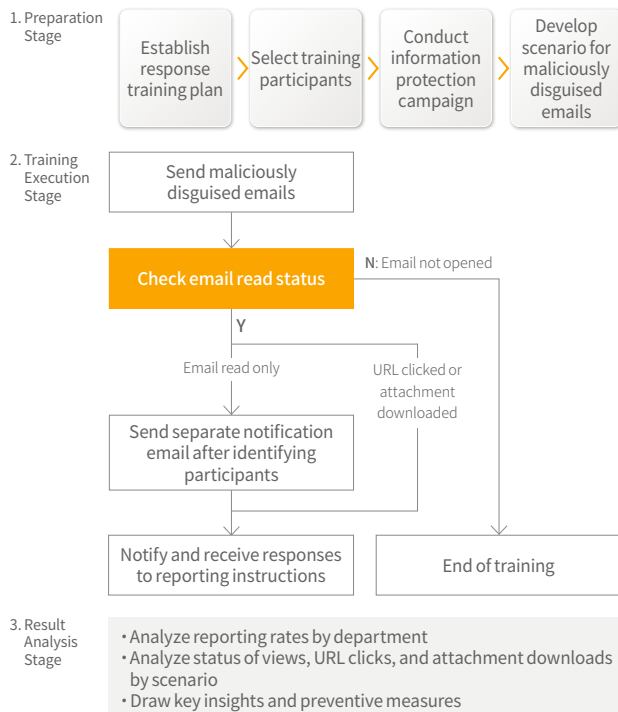
ISO 27001 Certificate

Information Security Risk Management

Enhanced Security Inspections

HDC Hyundai Development Company regularly inspects for security vulnerabilities to safeguard our information assets, technical information, electronic documents, and customer data. This includes conducting simulated hacking attempts on the company's website and key operational systems and training employees with disguised malicious emails to proactively identify potential threats. These measures enable the company to thoroughly understand personal information flows and systematize responses to data breaches and leaks, thereby preventing security incidents and ensuring service stability. Additionally, a personal information protection guide has been developed to help employees easily understand key aspects of our data handling policies. From the planning and design stages, only the essential personal data necessary for the service is collected. We provide guidance on safe information protection practices at each stage, from collection to disposal, to ensure the protection of the rights of data subjects. Furthermore, we provide an information protection self-checklist to employees who handle personal data, allowing them to verify compliance with laws and internal guidelines. These efforts have successfully maintained zero incidents of customer personal information and trade secret leaks.

Information Breach Response Training Procedure



Number of Personal Information Leaks



Personal Information Leakage Response Procedure



Information Security Training

HDC Hyundai Development Company conducts information security training to improve employees' information security awareness and prevent incidents. Online personal information protection training is provided to all employees, and special training sessions are conducted for those handling personal information, such as information security officers in each department and personnel from partner companies. Additionally, during the second week of July each year, on Information Security Day, we conduct information security campaigns, including resetting PC passwords and applying screensavers.

Employee Information Security Training Status

Category	Training status
Target employees (persons)	1,950
Completed employees (persons)	1,923
Completion rate (%)	98.6



Information Security Day Campaign



Governance

063 Transparent Governance 071 Ethics and Compliance Management 075 Integrated Risk Management

Transparent Governance

Governance Principles

Establishment of Sound Governance

HDC Hyundai Development Company transparently discloses key information regarding internal decision-making processes to allow stakeholders to fully understand the management situation. This approach builds stakeholder trust and enhances corporate value. Guided by core values of integrity, execution, innovation, originality, customer focus, insight, and passion, we strive to create a prosperous and trustworthy world. In line with these values, we established a Corporate Governance Charter in 2022, which is publicly available on our website. This charter reflects our commitment to governance principles related to oversight by shareholders, the Board of Directors, audit institutions, stakeholders, and the market. Moving forward, we aim to further enhance the transparency and efficiency of corporate management, establish sound governance, and strengthen trust with all stakeholders.

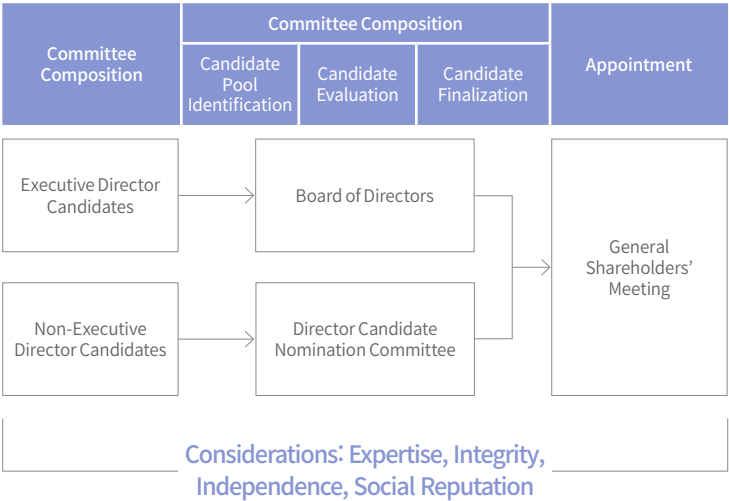
Functions and Roles of the Board of Directors

The highest decision-making body of HDC Hyundai Development Company is the Board of Directors (BOD), consisting of seven members. The BOD is responsible for resolving matters specified by laws and the Articles of Incorporation, as well as issues delegated by the general shareholders' meetings, and critical policies and business execution matters of the company. The Board's responsibilities include appointing the Chairperson of the Board, the CEO, and key executives in management, as well as overseeing the performance of directors and management. In addition to legally mandated matters, the Articles of Incorporation and Board regulations require the BOD to review and approve significant issues. HDC Hyundai Development Company continually strives to enhance corporate transparency and efficiency through professional BOD operations, ensuring sound governance. The Board includes four non-executive directors among seven members, ensuring decision-making independence from management and controlling shareholders and effectively supervising the management. To efficiently respond to rapidly changing external environments and make timely decisions, the CEO currently serves as the Chairperson of the Board. However, conflicts of interest are mitigated through separate appointments by the general shareholders' meetings and the Board's internal election process.

Board Appointment Procedures and Criteria

HDC Hyundai Development Company appoints its directors at the general shareholders' meetings in accordance with the Commercial Act and the Articles of Incorporation. We seek to appoint individuals with professional expertise across various fields who can contribute to sustainable management. For non-executive directors, candidates are recommended by the Director Candidate Nomination Committee. These candidates are carefully reviewed and evaluated based on criteria such as independence, diversity, and expertise. To ensure that shareholders can make informed decisions regarding appointments, HDC Hyundai Development Company discloses information about the candidates prior to the general shareholders' meetings.

Board Appointment Process



Board Composition and Expertise

The BOD is composed of a sufficient number of directors to enable effective and prudent discussion and decision-making, and to ensure the active operation of committees established within the BOD. To promote free and objective exchange of opinions and maintain substantial independence, more than half of the Board members are non-executive directors. The appointed directors possess diverse backgrounds

and expertise in areas such as economics, finance, marketing, construction technology, and law, which are essential for the construction industry. Additionally, to strengthen the supervisory function of the Audit Committee over management, all members of the Audit Committee are non-executive directors. The committee includes at least one expert with experience in finance, accounting, or related fields.

BOD Details

As of May 31, 2024

Position	Name	Gender	Appointment Date	Major Experience	Area of Expertise	Board Skills Matrix						
						Economics/ Management	Finance/ Accounting	Safety/Health/ Quality	Construction Technology	Fair Trade	Law/ Regulation	Marketing
CEO	Choi Ilk-hoon	Male	July 19, 2022	Current. CEO of HDC Hyundai Development Company Former. CEO of HDC Real Estate 114 CEO of HDC I'Park Mall	Overall supervision and external affairs	●	●	●	●		●	
CFO	Kim Hoi-yen	Male	July 19, 2022	Current. CFO of HDC Hyundai Development Company Former. CEO of HDC Shilla Duty Free CEO of HDC I'Park Mall	Business planning and management	●	●					
CSO	Cho Tae-jea	Male	March 28, 2024	Current. CSO of HDC Hyundai Development Company Former. Head of Construction Division at HDC Hyundai Development Company Construction PM at HDC Hyundai Development Company	Safety, health, and quality management			●	●		●	
Non-Executive Directors	Kim Dong-soo	Male	March 28, 2024 (Reappointed)	Current. Distinguished Professor at Korea University Head of Future Growth Research Institute, Korea University Former. 16th Chair of the Fair Trade Commission President of the Export-Import Bank of Korea	Fair trade and economics	●	●			●	●	
Non-Executive Directors	Kim Jin-oh	Male	March 28, 2024	Current. Attorney at DongIn Law Group Former. Chief Judge at Changwon District Court Research Judge at the Supreme Court	Legal, risk Management					●	●	
Non-Executive Directors	Choi Jin-hee	Female	March 24, 2023	Current. Professor of Marketing at Korea University Business School	Business administration, marketing	●					●	●
Non-Executive Directors	Kim Joo-hyun ¹⁾	Male	March 24, 2023 (Reappointed)	Former. Attorney at Kim & Chang	Legal, risk Management					●	●	

1) Non-Executive Director Kim Joo-hyun voluntarily resigned due to personal reasons on May 7, 2024. A temporary auditor appointment request has been filed with the court, and the resignation will be registered following the court's decision.

Board Independence

HDC Hyundai Development Company ensures the independence of its BOD by appointing non-executive directors as chairs of all committees, except for the Safety and Health Committee. Additionally, more than half of the members of each committee are non-executive directors, which guarantee transparent and independent decision-making within the committees. During the review stage for non-executive director candidates, we thoroughly check for any conflicts of interest to maintain the independence of the non-executive directors. Furthermore, even after appointment to the BOD, in accordance with Article 542-8 Paragraph 2 of the Commercial Act, we ensure that non-executive directors do not hold directorships, auditor, or executive positions in more than two other companies besides HDC Hyundai Development Company.

Percentage of Non-Executive Directors



Board Diversity

At the 5th Annual General Meeting held on March 24, 2023, HDC Hyundai Development Company appointed Choi Jin-hee, the first female non-executive director, ensuring that the BOD is gender inclusive. The inclusion of a female director supports the incorporation of diverse stakeholder perspectives into management decision-making, thereby enhancing shareholder value and strengthening the Board’s role in efficient corporate governance.

Female Director



Support for Board Duties

To assist non-executive directors in performing their professional duties and obtaining relevant information, the Finance Team is responsible for support tasks. This includes providing various educational materials to newly appointed non-executive directors and regularly supplying them with key issue briefings and updates. When non-executive directors request more detailed explanations regarding BOD agenda items, we provide ample relevant materials to facilitate informed and rational decision-making. Newly appointed non-executive directors receive in-person briefings on legal matters such as the audit system and major company updates. Additionally, Audit Committee members are provided with educational materials on relevant legal amendments, the mandatory preparation of corporate governance reports, and other relevant issues. Furthermore, the BOD regulations stipulate that directors may seek support from employees or external experts as needed, while following appropriate procedures. HDC Hyundai Development Company supports proactive action of executives by purchasing Directors and Officers Liability Insurance (D&O Insurance) at company expense. This insurance covers legal liabilities for economic damages to the company and third parties from job-related errors or violations, excluding intentional fraud or embezzlement. To enhance non-executive directors’ understanding and capabilities regarding business issues and ongoing projects, the Company conducts relevant training programs. In 2023, training focused on enhancing the effectiveness of internal controls, the responsibilities of non-executive directors, integrated audits, and Audit Committee reporting. Looking ahead, training will be expanded to cover ESG disclosure and oversight, global board and audit committee trends, and climate risk management to reflect the growing importance of ESG management.

Training for Non-Executive Directors

Date	Target	Training Details	Attendance Rate (%)
May 25, 2023	Four non-executive directors	Future of the Company and Efficiency Improvement Case Studies	100
June 22, 2023	Three members of the Audit Committee	Strategies for Enhancing the Effectiveness of Internal Controls	100
September 22, 2023	Four non-executive directors	Overview of the Business Report with Focus on the Responsibilities of Non-Executive Directors	100
November 30, 2023	Three members of the Audit Committee	Integrated Audit Plans and Audit Committee Reporting Items	100

BOD Operation

Board Achievements

In accordance with Article 6 of the Board Regulations, convening of the Board of Directors of HDC Hyundai Development Company is divided into regular and extraordinary meetings. Notices for board meetings must be provided to each director one week in advance for regular meetings and one day in advance for extraordinary meetings, specifying the time, place, and agenda. However, ad hoc meetings can be held at any time with the consent of all directors. We ensure that detailed information regarding the time and place of the meetings is communicated to each director well in advance of the board and committee meetings. In accordance with the Articles of Incorporation and the Board Regulations, BOD resolutions, except where otherwise stipulated by relevant laws, require the presence of a majority of directors and the approval of a majority of those present. According to Article 391 of the Commercial Act, resolutions can also be adopted via remote communication, where all directors can simultaneously send and receive audio. Directors participating in this manner are considered present at the meeting. To prevent conflicts of interest, directors with a special interest in an agenda item are restricted from voting on that item, as stipulated by the Board Regulations. In 2023, the BOD held 11 meetings, deliberating on and resolving 42 agenda items. Key sustainability-related items included: reporting on greenhouse gas emissions and power usage monitoring plans; reporting on the establishment of sustainable design guidelines (ZEB); reporting on the status and plans for 2023 ESG management; approval of the annual safety, health, and quality activity plan; and reporting on the annual and quarterly results of safety, health, and quality activities.

Board Meetings and Agenda Items

Category		Frequency (Times)
Number of BOD Meetings		11
Total Agenda Items		42
Agenda Classification	Resolutions	26
	Report	16

Board Attendance rate

Category	Attendance Rate (%)
Average attendance rate	100
Attendance rate of executive directors	100
Attendance rate of executive directors	100

Sustainability-Related Board Agenda Items

Date	Key Agenda Items
February 9, 2023	<ul style="list-style-type: none"> Approval of 2023 Safety, Health, and Quality Activity Plan Report on 2022 Safety, Health, and Quality Activity Results Report on Gwangju Hwajeong Accident Details and Preventive Measures Report on Internal Accounting Control System Operation Status
March 6, 2023	<ul style="list-style-type: none"> Evaluation Report on Internal Accounting Control System Operation
March 24, 2023	<ul style="list-style-type: none"> Appointment of Members and Chairperson of the Director Candidate Nomination Committee Appointment of Members of the Compensation Committee
April 27, 2023	<ul style="list-style-type: none"> Report on 1st Quarter 2023 Safety, Health, and Quality Activity Results
June 22, 2023	<ul style="list-style-type: none"> Report on Greenhouse Gas Emission Status and Power Usage Monitoring Plan Report on the Establishment of Sustainable Design Guidelines
September 6, 2023	<ul style="list-style-type: none"> Report on 2nd Quarter 2023 Safety, Health, and Quality Activity Results Report on the Status and Plans for 2023 ESG Management Report on Fair Trade Compliance Program Results Report on the Appointment of Compliance Officer and Establishment of Compliance Policy
October 10, 2023	<ul style="list-style-type: none"> Appointment of Compliance Manager
December 18, 2023	<ul style="list-style-type: none"> Amendment of Board Regulations Delegation of Authority to the Audit Committee Amendment of Audit Committee Operating Regulations¹⁾ Establishment and Approval of the Code of Conduct for Partner Companies Report on 3rd Quarter 2023 Safety, Health, and Quality Activity Results Report on Disaster and Relief Progress Report on 2023 Environmental Management Implementation Results Report on Compliance Program Results Report on Anti-Corruption Management System Operation

1) A non-executive director proposed an amendment to delegate internal transactions to the Audit Committee subject to the Board's approval.

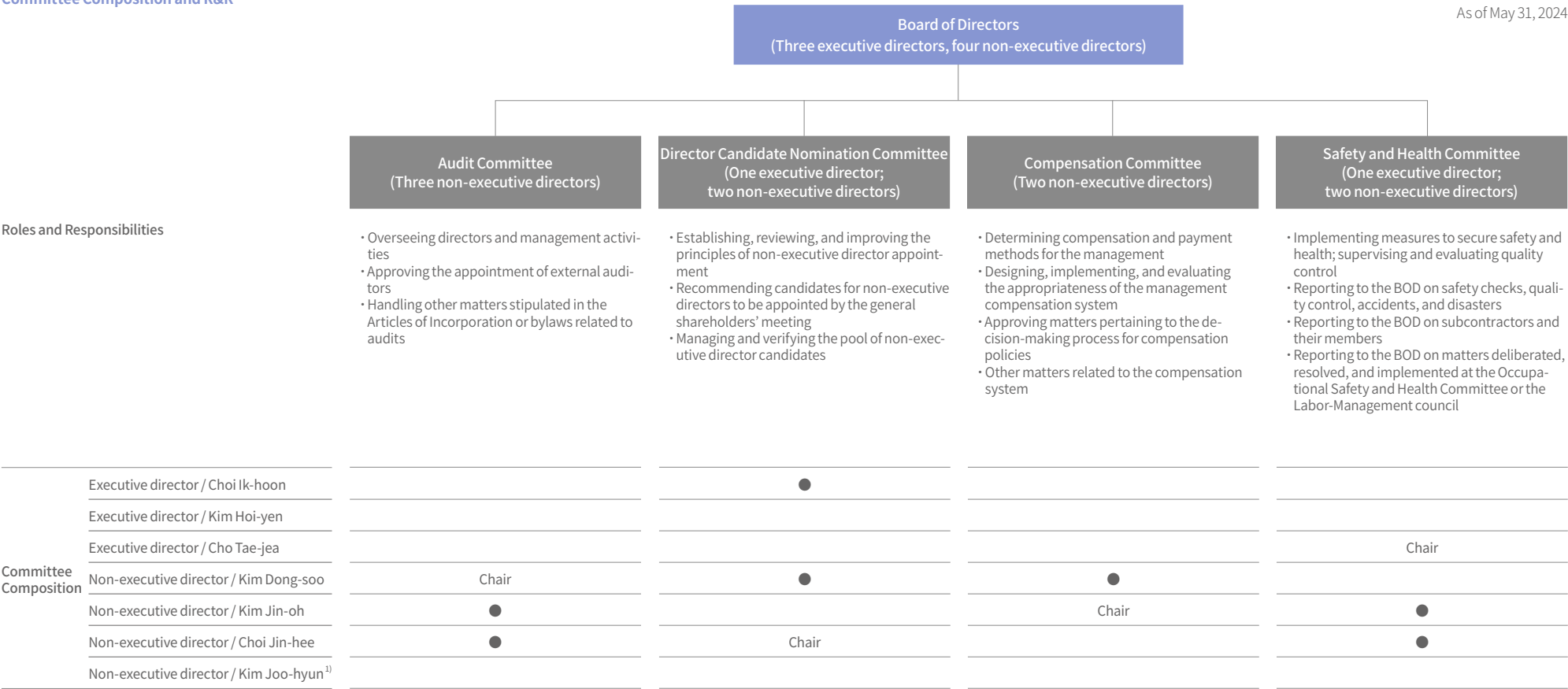


Board Agenda Review

Committees within the BOD

HDC Hyundai Development Company operates four committees under the Board of Directors to ensure efficient operation and professional decision-making: the Audit Committee; the Director Candidate Nomination Committee; the Compensation Committee; and the Safety and Health Committee. Except for the Safety and Health Committee, all committees are chaired by non-executive directors, with more than half of the members also being non-executive directors. The Audit Committee and the Compensation Committee are composed entirely of non-executive directors to ensure transparent and independent decision-making. Our website transparently discloses the operational regulations for each committee, specifying their purpose, authority, and responsibilities.

Committee Composition and R&R



1) Non-Executive Director Kim Joo-hyun voluntarily resigned due to personal reasons on May 7, 2024. A temporary auditor appointment request has been filed with the court, and the resignation will be registered following the court's decision.

■ Audit Committee

The Audit Committee is composed entirely of non-executive directors in accordance with relevant laws and internal regulations to ensure continuous enhancement of corporate value and shareholder rights through lawful procedures and rational decision-making. In 2023, the Audit Committee amended its operating regulations to incorporate the pre-screening of internal transactions between affiliates, ensuring procedural legitimacy and transparency. Furthermore, to uphold accounting transparency, the committee pre-screens non-audit services offered by external auditors that could potentially compromise their independence.

Date	Agenda	Resolution Status	Attendance Rate (%)
February 9, 2023	• Report on Financial Statements for the Fiscal Year 2022 • Report on Internal Accounting Control System Operation Status • Report on the Results of Internal Audit Activities for the Fourth Quarter of 2022 • Report on the Internal Audit Plan for 2023	Report	100
March 6, 2023	• Approval of the Audit Report for the Fiscal Year 2022 • Approval of the Internal Accounting Control System Evaluation Report	Resolutions	100
April 27, 2023	• Report on Financial Statements for the First Quarter of 2023 • Report on the Results of Internal Audit Activities for the First Quarter of 2023	Report	100
August 10, 2023	• Report on Financial Statements for the Second Quarter of 2023 • Report on the Results of Internal Audit Activities for the Second Quarter of 2023	Report	100
November 2, 2023	• Report on Financial Statements for the Third Quarter of 2023 • Report on the Results of Internal Audit Activities for the Third Quarter of 2023	Report	100
December 19, 2023	• Appointment of External Auditor • Approval of External Auditor's Non-Audit Service Contract • Approval of Transaction Limit with Affiliates in 2024	Resolutions	100

■ Director Candidate Nomination Committee

The Director Candidate Nomination Committee recommends candidates for non-executive director positions to be appointed by the general shareholders' meeting, after evaluating and verifying their qualifications and expertise. It manages the pool of candidates. The committee consists of at least two directors, with a majority being non-executive directors. Our BOD composition meets these requirements with one executive director and two non-executive directors.

Date	Agenda	Resolution Status	Attendance Rate (%)
March 3, 2023	Approval of Non-Executive Director Nominations	Resolutions	100
December 22, 2023	Review of Non-Executive Director Candidate Pool	Report	100

■ Compensation Committee

The Compensation Committee, though not legally mandated, was established through a BOD resolution to evaluate management performance transparently and objectively. It reviews matters concerning salaries and bonuses for registered directors and higher management, designs and operates compensation systems, assesses their appropriateness, and checks their alignment with financial conditions and risks. The committee consists entirely of non-executive directors to ensure independent discussion on compensation systems.

Date	Agenda	Resolution Status	Attendance Rate (%)
September 22, 2023	Salary and Wage Adjustment for the Business Year 2023	Resolutions	100

■ Safety and Health Committee

The Safety and Health Committee, established in response to small shareholder feedback and formalized through approval at the 2022 4th Annual General Meeting, oversees and evaluates key aspects of safety, health, and quality management. Operating with one executive director and two non-executive directors, chosen for their extensive industry experience, the committee enables swift reporting and informed decision-making tailored to industry demands.

Date	Agenda	Resolution Status	Attendance Rate (%)
February 8, 2023	• Approval of 2022 Safety, Health, and Quality Activity Results • Approval of 2023 Safety, Health, and Quality Activity Plan • Gwangju Hwajeong Accident Details and Preventive Measures	Resolution Resolution Report	100
April 26, 2023	• Approval of 1st Quarter 2023 Safety, Health, and Quality Activity Results	Resolution	100
July 27, 2023	• Approval of 2nd Quarter 2023 Safety, Health, and Quality Activity Results	Resolution	100
November 2, 2023	• Approval of 3rd Quarter 2023 Safety, Health, and Quality Activity Results	Resolution	100

Board Evaluation and Compensation

Hyundai Development Company continuously enhances transparent and advanced corporate governance structure. To improve the efficiency of Board of Directors (BOD) operations, regular evaluations are conducted, focusing on the roles and responsibilities of the BOD, board structure, operations, committee activities, and individual director performance. As part of this process, directors complete self-assessment surveys. The evaluation results are utilized as a basis for ongoing improvements in BOD operations and as supporting documentation for directors’ reappointments.

BOD and Committee Evaluation Results

Out of five points

Category	Evaluation Criteria	Average Score
Roles and Responsibilities of the BOD	Roles of the BOD	5
	Responsibilities and Obligations of the BOD	5
BOD Structure	BOD Composition	5
	BOD Independence	5
BOD Operation	BOD Operation Procedure	4.67
	BOD Agenda	5
	Data Collection	5
Operation of Committees within the BOD	Committee Structure	5
	Committee Operation	5
	Safety and Health Committee	5
	Compensation Committee	5
	Audit Committee	4.78
	Director Candidate Nomination Committee	5
Individual Director Activities		4.97

Directors’ remuneration is determined annually within approved limits set by the shareholders’ meetings, based on a comprehensive evaluation of position, job nature, and performance. The Compensation Committee decides on the base salary according to its resolutions. For bonuses, both quantitative metrics such as revenue and operating profit, and qualitative assessments including enhancement of asset value, discovery of new business ventures, establishment of efficient management systems, and other strategic objectives are considered. For executive directors, the final compensation amount includes non-financial performance indicators, and retirement benefits are separately governed by employment rules. The overall compensation details are transparently disclosed to stakeholders through the annual report.

Director Remuneration Criteria

Salary

Base salary is determined based on position, nature of duties, and performance results as resolved by the Compensation Committee.

Bonus

Bonuses may be paid based on quantitative metrics such as revenue, operating profit, net profit, financial balance, and qualitative metrics including enhancement of asset value, discovery of new sustainable businesses, establishment of efficient management systems, and other strategic objectives, as resolved by the Compensation Committee.

Director Remuneration

Category	Number of persons	Remuneration Total (Million KRW)	Average Remuneration Per Person (Million KRW)
Registered Directors	3	1,287	429
Non-Executive Directors ¹⁾	1	58	58
Audit Committee Members	3	173	58

1) Excluding Audit Committee members

Average Compensation Ratio between Registered Executives and Employees

Average Compensation for Registered Executives (Million KRW)	Average Compensation for Employees (Million KRW)	Ratio (Times)
429	80	5.4

Shareholder-Friendly Management

Shareholder Composition

Out of a total authorized share capital of 200,000,000 shares, HDC Hyundai Development Company has issued 65,907,330 common shares. One vote per share is granted to all shareholders, ensuring the fair exercise of voting rights in accordance with the Commercial Act and relevant laws, thereby preventing infringement on these fundamental rights.

Shareholder Status

As of December 31, 2023

Category	Number of shares	Percentage (%)
HDC	27,366,352	41.52
National Pension System	3,718,624	5.64
Foreigners	7,729,935	11.73
Other	27,092,419	41.11
Total	65,907,330	100

Protection of Shareholder Rights

HDC Hyundai Development Company stipulates measures to uphold shareholder rights in line with legal and regulatory frameworks outlined in the internal regulations. Notices for shareholder meetings, including details on dates, times, venues, and agendas, are disclosed via the electronic disclosure system at least four weeks ahead of each meeting. This practice allows shareholders ample time to review proposals and exercise their voting rights. We also promote proxy voting and has adopted electronic voting methods to facilitate easier shareholder participation.

In 2023, we acquired approximately KRW 20 billion worth of treasury stocks to enhance shareholder value. At the 2024 regular shareholders' meeting, we revised the Articles of Incorporation concerning dividend procedures to align with global standards. This change adjusted the ex-dividend date, enabling shareholders to decide on investments based on dividend eligibility and amounts. Furthermore, to enhance dividend predictability for shareholders and investors, HDC Hyundai Development Company has disclosed a mid- to long-term dividend policy, providing over 20% of annual standalone net profits in cash dividends for three years from 2024 to 2026.

HDC Hyundai Development Company also safeguards minority shareholder rights. In February 2022, Stichting Depositary APG Emerging Markets Equity Pool (APG), a shareholder of our company, proposed institutionalizing safety, health, and quality policies in the articles of incorporation. This was aimed at strengthening the responsibilities of the Board of Directors and senior management and restoring the company's reputation and credibility. We incorporated these proposals into the agenda of the 4th shareholders' meeting, held on March 29, 2022, thus protecting minority shareholder rights by accommodating overall requirements.

Key Dividend Data

Category	2021	2022	2023
Total Cash Dividends (Million KRW)	39,539	39,539	44,919
Dividend Cash Payout Ratio (%)	22.4	78.5	26.0
Cash Dividend Yield (%)	2.6	5.8	4.8
Cash Dividends per Share (KRW)	600	600	700

Compliance with Key Corporate Governance Indicators

HDC Hyundai Development Company adheres to 12 of the 15 key indicators recommended by financial authorities to enhance transparency in corporate governance. Specifically, the company has taken steps such as issuing notices for shareholder meetings four weeks in advance and implementing electronic voting in 2024. These initiatives strengthen shareholder rights, underscored by the disclosure of the mid- to long-term dividend policy. We are committed to maintaining a strong governance framework in the future.

Compliance with Key Corporate Governance Indicators

As of May 31, 2024

Category	Key Indicators	Compliance
Shareholders	1. Issuance of shareholder meeting notices four weeks in advance.	●
	2. Implementation of electronic voting.	●
	3. Holding additional meetings apart from the annual general meeting.	●
	4. Providing transparency in cash dividend predictions. ¹⁾	×
	5. Annual notification to shareholders regarding dividend policies and execution plans. ²⁾	×
Board of Directors	6. Establishment and operation of a CEO succession policy (including emergency appointment plans).	●
	7. Establishment and operation of internal control policies, including risk management.	●
	8. Determination of whether non-executive directors can serve as Board chairperson.	×
	9. Adoption of a cumulative voting system.	×
	10. Prevention of executive appointments responsible for eroding corporate value or infringing shareholder rights.	●
Audit Body	11. Composition of board members gender inclusive.	●
	12. Establishment of an independent internal audit department.	●
	13. Inclusion of accounting or financial experts in the internal audit body.	●
	14. Quarterly meetings between the internal audit body and external auditors without company management.	●
	15. Establishment of procedures enabling the internal audit body to access critical management-related information.	●
Compliance Rate (%)		73.3

1) Amendments to the Articles of Incorporation approved at the 2024 shareholders' meeting, effective for dividends from the 2024 fiscal year.
2) Public announcement made on February 26, 2024, effective for dividends from the 2024 fiscal year.

Ethics and Compliance Management

Ethics and Compliance Management System

Code of Ethics and Practice Guidelines

HDC Hyundai Development Company adheres to the core value of integrity in management, consistently upholding principles of thinking and acting in accordance with laws and ethical standards throughout business activities. To put this principle into practice, we declared ethics management in 2003 and has since established and implemented comprehensive regulations, including the Code of Ethics, Ethics Practice Guidelines, HDC Rules of Ethics, and Guidelines for Ethical Conduct. We ensure legal compliance by strictly adhering to laws and regulations, guaranteeing the legality of operations, and minimizing legal risks to enhance sustainability and credibility. We comply with the legal requirements of all countries and regions where we operate. To support this, internal policies and procedures are established to help employees stay in compliance with the law.

 Code of Ethics

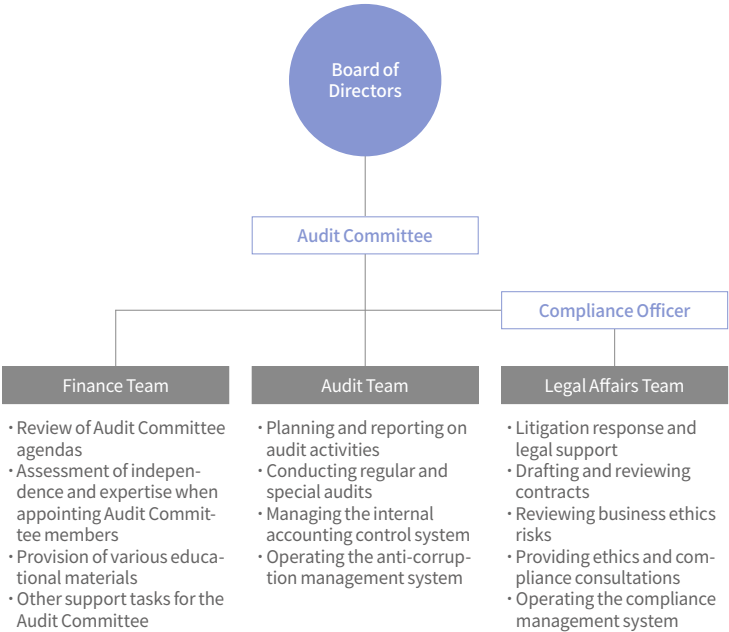
Code of Ethics

Customer Focus Respect for Customers, Customer Protection	Commitment to Shareholders Protecting Shareholder Rights, Providing Proactive Information
Fair Competition and Win-Win Partnerships Respect for Customers, Customer Protection	Emphasis on Talent and Respect for Employees Fostering Talent, Respect for Employees
Responsibilities to the Nation and Society Contributing to Social Development, Environmentally Friendly Management, Creating New Social Values	Basic Ethics for Employees Fostering a Healthy Organizational Culture, Ethical Conduct in Job Performance, Safeguarding Company Assets and Information, Adhering to Ethical Regulations

Implementing Organization

HDC Hyundai Development Company has established an ethics management organization centered on the Board of Directors and the Audit Committee. The Audit, Legal, and Finance teams play key roles in implementing anti-corruption measures and compliance management. Additionally, the Compliance Officer, appointed by the CEO, oversees compliance and fair trade matters, implements compliance education and training programs, and regularly reports significant issues related to ethical management to the Board of Directors and the Audit Committee.

Organizational Chart

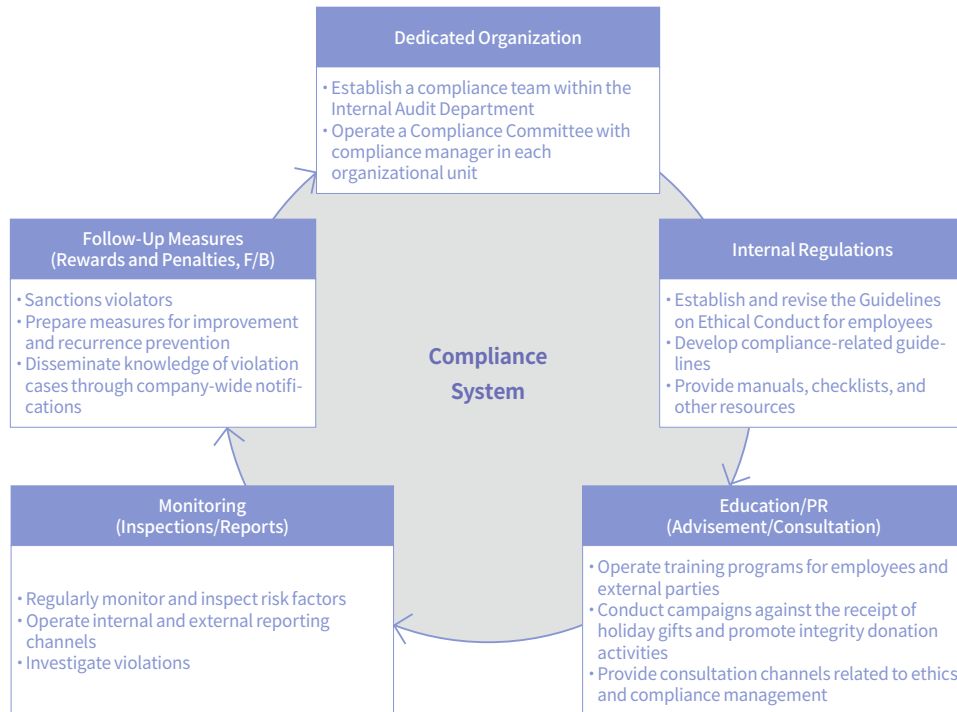


Compliance System Operation

With the tightening of legal standards against violations of the Fair Trade Act and corruption, companies must adhere to relevant laws, rules, company regulations, and societal ethical expectations in their business activities. To address these requirements, HDC Hyundai Development Company has established a robust compliance system designed to prevent violations and detect potential issues early for effective response. Since 2017, we have implemented a Fair Trade Compliance Program. In 2018, we established compliance control standards and appointed a Compliance Officer. In 2019, we further strengthened compliance framework by forming a dedicated implementation team and introducing Ethical Conduct Guidelines for employees. Since 2021, we have incorporated ethical management with social contribution initiatives through integrity donations and ethics education programs, embedding the compliance system into our corporate culture.

HDC Hyundai Development Company actively monitors adherence to regulations and procedures through an internal audit system, aiming to identify and prevent violations proactively. We also emphasize the importance of legal compliance by providing comprehensive education and training on relevant laws and regulations to our employees, ensuring they understand and follow the internal policies and standards.

Operation of the Circular Compliance System

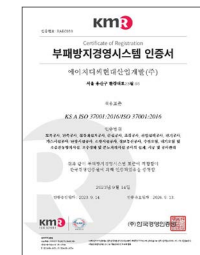


Operation of an Anti-Corruption Management System

The Anti-Corruption Management System is designed to prevent and systematically manage corruption, operating in accordance with the ISO 37001 international standard established by the International Organization for Standardization (ISO). In 2023, HDC Hyundai Development Company obtained ISO 37001 certification. This certification enables the company to identify corruption-related risks within the organization and implement effective management and monitoring measures to prevent and reduce corruption. To support these efforts, we conduct corruption risk assessments, establishes management standards, implements ethics management education programs, and has developed an anonymous reporting system. These initiatives strengthen governance against corruption, foster an ethical management environment, and promote the creation of social value and sustainable development.



ISO 37001 Certification Ceremony



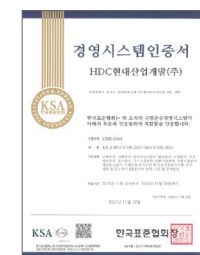
ISO 37001 Certificate

Operation of the Compliance Management System

HDC Hyundai Development Company has aligned internal regulations and guidelines with international compliance standards and strengthened ESG activities to meet the demands of regulatory authorities, investors, and customers. This effort led to ISO 37301 certification for the Compliance Management System. Compliance obligations are identified, risks are analyzed and assessed across headquarters and field units, and comprehensive training is provided to all employees. By training internal auditors, HDC Hyundai Development Company ensures systematic internal audits and monitoring, leading to continuous evaluation and improvement of the Compliance Management System. Moving forward, we are committed to fostering a culture of compliance within the organization, minimizing the risks of legal violations, enhancing trust both internally and externally, and expanding various compliance management programs and training initiatives.



ISO 37301 Certification Ceremony



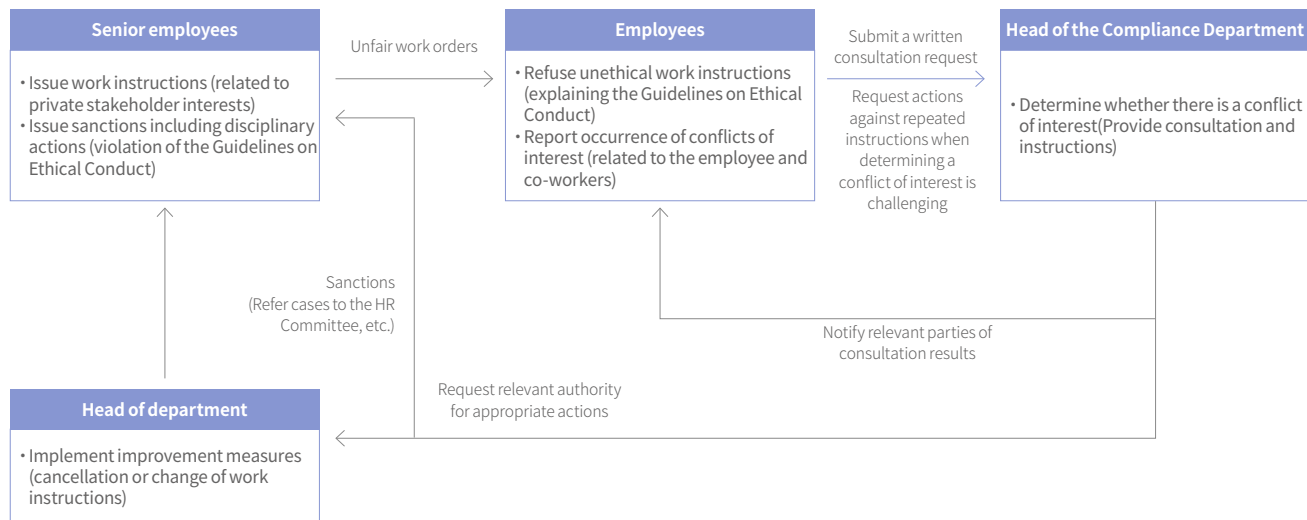
ISO 37301 Certificate

Ethics and Compliance Risk Management

Ethics Counseling Channel

HDC Hyundai Development Company operates various consultation channels to prevent and minimize unethical behavior among employees. When employees face unethical or illegal directives from superiors or encounter situations where it is difficult to make ethical decisions, such as potential conflicts of interest, they can seek advice and consultation from the ethics management department. Additionally, to support accurate and timely decisions regarding potential violations of the ethical code, we offer a question-and-answer and consultation service through our compliance system.

Process for Counseling on Conflicts of Interest



Anonymous Reporting Center

HDC Hyundai Development Company operates an Anonymous Reporting Center through a third-party entrusted helpline service to ensure anonymity and control the risk of information exposure. The helpline allows various stakeholders, including employees, partner companies, and clients, to report unethical behavior by employees. The primary principle of the service is to protect the identity and anonymity of the reporter, ensuring no adverse personnel consequences.

Reports can include unethical, fraudulent, or illegal activities by employees, such as demands and acceptance of bribes, unfair business practices, sexual harassment, and improper use of budgets. We remain committed to protecting employees and stakeholders from fraud and misconduct and to safeguarding customer values.



Anonymous Reporting Center Partner Company Portal

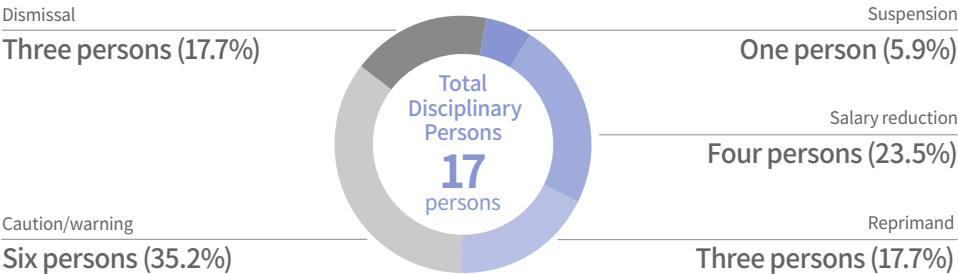
Reporter Protection and Rewards

HDC Hyundai Development Company operates various reporting channels to raise awareness among employees about ethics and compliance violations and to encourage active reporting. We have also established a system for rewarding informants and reducing penalties for voluntary reporters. Reports are investigated based on the principle of fairness. If a violation is self-reported, the penalties are reduced accordingly. Through the informant reward system, if a report is verified as true, the informant can receive up to five times the reported amount, with a maximum reward of KRW 100 million. The informant’s identity is protected, and their anonymity is maintained as a fundamental principle.

Ethics and Compliance Violations

Category	Number of Cases
Legal actions for unfair trade practices	0
Internal ethics regulation violations (confirmed cases of corruption)	7

Disciplinary Actions



Ethics and Compliance Training

To firmly instill an ethical management culture within the company, it is essential to cultivate an organizational environment where employees can independently practice ethical principles. The company has thus implemented a variety of ethics management training programs to enhance the ethical and compliance awareness of both internal and external stakeholders, including employees. All employees are required to participate in regular online and offline ethics training sessions. In addition, special training is provided for new hires and employees in roles related to procurement, sales, bidding, estimating, and on-site operations, focusing on real-world examples of ethics and compliance violations and how to effectively handle them. HDC Hyundai Development Company extends the commitment to ethical management to partner companies and suppliers by regularly providing training on ethics management policies and anonymous reporting systems, fostering a broader culture of ethical conduct. Furthermore, HDC Hyundai Development Company employees demonstrate their commitment to ethics and compliance by signing an annual Ethics Management Pledge. We also regularly collect pledge forms from the CEOs of partner companies to ensure their adherence to corporate ethics and transparent management practices.

Ethics Management Training Program

Category	Regular Training	Special Training	External Training
Target	All employees	New employees; employees in procurement, sales, bidding, estimating, and on-site operations	Partner companies and subcontractors involved in outsourcing, services, and procurement
Details	Ethics management and ethical standards, compliance system	Ethics management and compliance system, examples of violations, and response methods	HDC ethics management and reporting system

Ethics Training Status

Category	Training Targets	Number of persons who completed the training	Completion rate (%)
Employees	1,938	1,889	97.5
New partner companies	123	90	73.2

Integrated Risk Management

Integrated Risk Management System

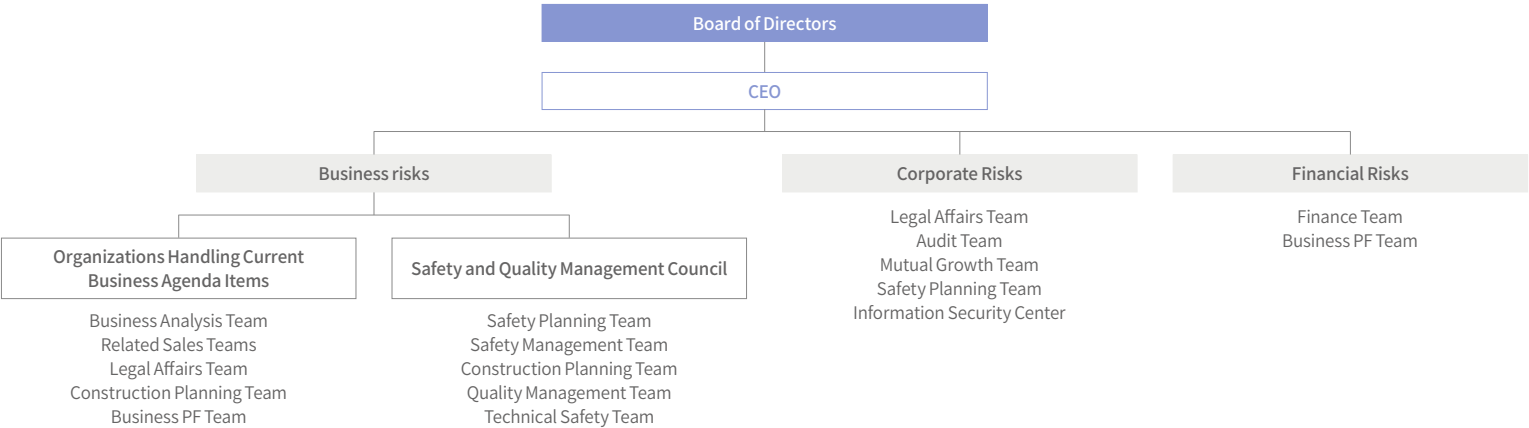
Company-Wide Risk Management

HDC Hyundai Development Company systematically approaches company-wide risk management from the perspective of stakeholders. Specific departments are designated to manage each risk category, which are divided into business, corporate, and financial risks. These departments identify potential risks and collaborate with other relevant departments to implement an integrated risk management system. In the event of exceptional situations, meetings involving relevant departments and management are held to discuss solutions, with management decisions supported throughout the process. We continually improve related procedures to ensure efficient business risk management. A system is in place to regularly identify and analyze significant business risks, allowing for systematic monitoring and documentation throughout all stages of operations. This approach strengthens risk management and promotes overall stability.

Identification of Company-Wide Risks

Relevant Stakeholders	Identified Risks		Responsible Team
Employees, partner companies, customers, investors, shareholders, and government institutions	Business risks	<ul style="list-style-type: none">• Market conditions: Availability of sales, permits, PF/construction funds• Industrial conditions: Labor unions, regulations, partner companies, material supply and demand• Quality safety: Construction periods, quality, costs, safety, and design• Business operation: Profit/loss fluctuations, change in conditions	<ul style="list-style-type: none">• Company-wide involved departments
Employees, customers, investors, government institutions, and local communities	Corporate Risks	<ul style="list-style-type: none">• Climate change: Greenhouse gas emission reduction, strengthening regulations• Community impact: Environmental pollution, building damage• Compliance: Related laws and regulations, ethics-related regulations• Information security: Customer data, confidential information	<ul style="list-style-type: none">• Legal Affairs Team• Audit Team• Fair Trade and Co-Prosperity Team• Safety Planning Team• Information Security Center
Employees, investors, shareholders	Financial Risks	<ul style="list-style-type: none">• Liquidity: Market (foreign exchange rates, interest rates), credit• Contingent liabilities: Credit	<ul style="list-style-type: none">• Finance Team• Project TF Team

Risk Management Organization Structure



Business Risk Management

Business Risk Management System

HDC Hyundai Development Company is enhancing risk management efficiency by improving the decision-making processes to respond flexibly to market changes. From the project-acquisition stage through the management and execution phases, we identify and manage business risks through a structured decision-making procedure. Even after deciding to participate in a project, we continue to address anticipated risks through inter-departmental collaboration to develop optimal strategies.

In 2024, in response to the deepening real estate market downturn, HDC Hyundai Development Company strengthened the feasibility verification and management system to mitigate increased business risks. We developed and implemented a new Project Life Cycle (PLC) management system. This system records and manages standardized project information monthly, allowing for periodic monitoring of project changes and timely risk responses. We have also added procedures to periodically review investment conditions and project feasibility changes – from investment review to pre-construction – strengthening the handover process between relevant departments before construction begins. This comprehensive approach ensures thorough business risk management without any gaps.

Project Review and Evaluation by Stage

■ Bid Stage

HDC Hyundai Development Company conducts thorough evaluations of risks and profitability during the decision-making process for project participation. A three-step verification process, including kick-off meetings, preliminary reviews, and investment committee evaluations, ensures meticulous assessment, particularly for high-risk projects. The PLC management system is implemented from the investment stage to systematically manage project-related information. Standardized data is recorded and maintained from the project's early stages, allowing for timely responses to various risks that may arise during execution. In 2023, we established a new process to assess and present the impact of new development projects on local communities to the investment committee, supporting informed decision-making. By evaluating and preparing for social and environmental impacts during construction, HDC Hyundai Development Company minimizes negative effects on communities and actively promotes positive outcomes.

■ Project Preparation Stage

Even after securing a project, ongoing monitoring of compliance with investment committee conditions and changes in project feasibility is conducted. If potential issues are identified, a project review meeting is convened to discuss risk mitigation strategies. The Pricing Review Committee determines appropriate sale prices during the planning phase to mitigate the risk of unsold inventory. Funding strategies are developed through financial review meetings, and model home inspections ensure optimal interior finishes and options, enhancing sales success rates.

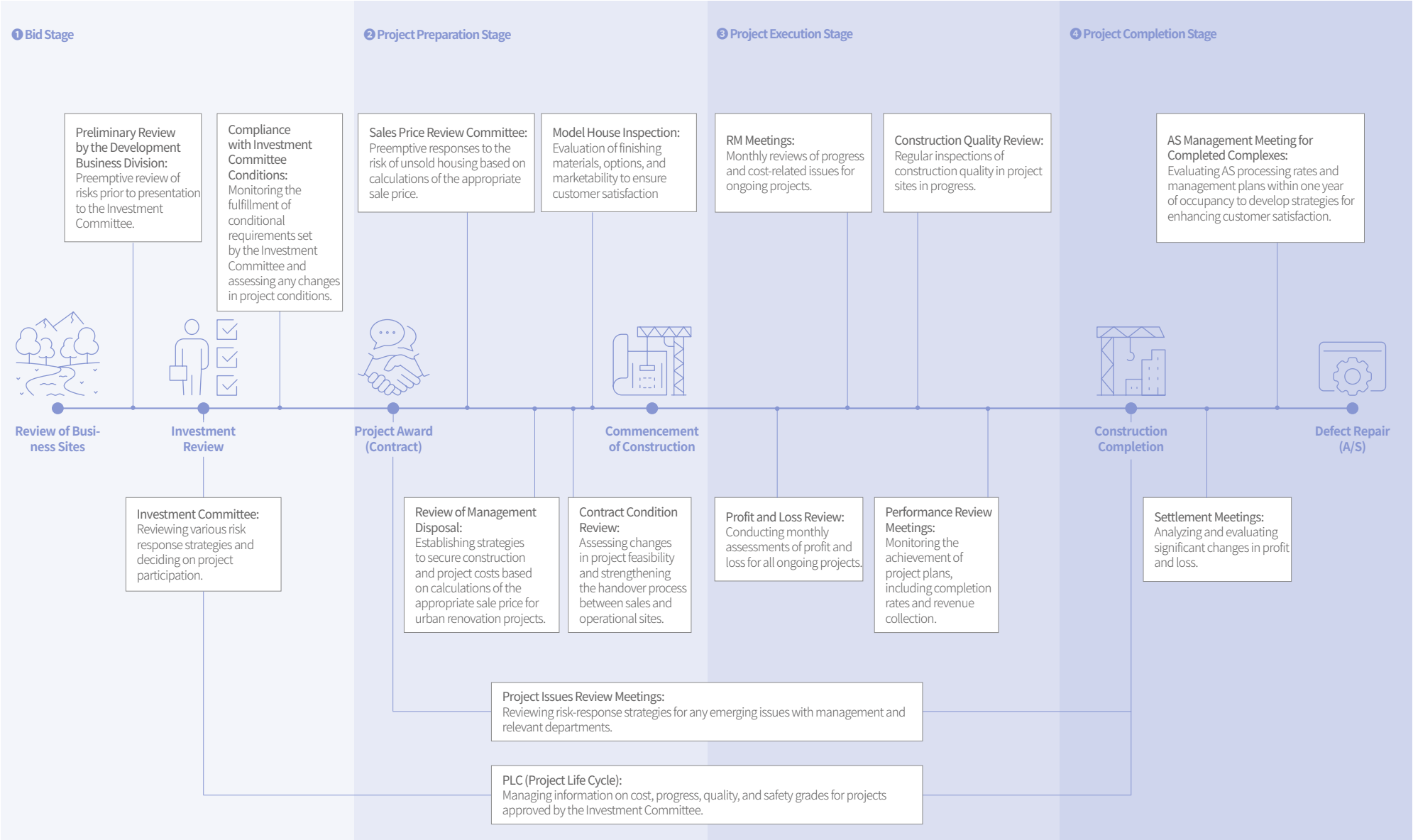
■ Project Execution Stage

During project execution, comprehensive risk management procedures are implemented, encompassing safety, quality, profitability, and progress management. Safety risks are addressed through monthly site safety evaluations, in with sites graded and managed accordingly. Quality risks are monitored via self-inspections, regular site checks, patrol inspections, and ISO audits until project completion. Profitability is assessed monthly, with projects categorized into six stages for targeted management based on risk levels. Monthly RM meetings are held to discuss progress and cost-related issues, ensuring prompt responses to any risks that arise during construction.

■ Project Completion Stage

After project completion, within one year of occupancy, the AS processing rate and management plans are reviewed to develop strategies for enhancing customer satisfaction. Settlement meetings analyze significant profit and loss changes at each stage post-investment committee approval, providing a comprehensive evaluation of project participant performance. The outcomes of these meetings are shared with relevant departments to strengthen organizational capabilities and improve the ability to anticipate and respond to market changes.

Risk Management Process by Project Stage



Corporate Risk Management

Climate Change Response

HDC Hyundai Development Company has not identified any stranded asset risks that significantly impact, or are impacted by, the environment within the asset holdings and construction, investment, or operational portfolios. While the annual greenhouse gas emissions from business operations are below 50,000 tCO₂-eq and not subject to mandatory greenhouse gas target management, the company has established a greenhouse gas inventory and conducts voluntary verifications to mitigate environmental impacts during construction. To enhance energy efficiency during the building operation phase, HDC Hyundai Development Company has developed guidelines for designing zero-energy buildings.

Community Impact Assessment

HDC Hyundai Development Company evaluates the positive and negative impacts of construction projects on the local community. Positive contributions include job creation, support for local small businesses, and economic revitalization through regional development and infrastructure improvements. Efforts are made to minimize negative environmental impacts such as noise, vibration, dust, soil contamination, and ecosystem disruption. Additionally, we strive to address resident safety and health issues and ensure building safety. Real-time information on environmental management, including noise levels and particulate matter concentrations, is disclosed to the public to enhance communication with the local community and alleviate residents' concerns. When cracks appear in buildings near construction sites, safety inspections and reinforcement measures are carried out to ensure building stability. Going forward, we plan to compare and analyze the effects of mitigation measures before and after implementation to prevent similar issues, thereby strengthening collaborative activities with the community to mitigate negative impacts.

Site Name	Impact	Response Details
Cheongju Gagyeong I-Park 6 Complex	Positive	• Expansion of local infrastructure and creation of local jobs • Prevention of unplanned development due to the sunset clause and creation of an environmentally friendly new town
	Negative	• Habitat destruction of a legally protected species (narrow-mouthed toad) → Relocation of the narrow-mouthed frogs and continuous monitoring of habitat adaptation
Gocheok I-Park	Positive	• Coexistence with local small businesses and job creation through priority hiring of local residents • Contribution to revitalizing a relatively underdeveloped local economy
Busan Asiad Leicounty	Negative	• Cracks in school buildings near the construction site due to heavy rain → Completed ground reinforcement and repair after safety inspection

Ensuring Compliance

HDC Hyundai Development Company operates a systematic management process to address compliance risks that may arise from interactions with various stakeholders within the long-term business cycle of the real estate and construction industries. We specifically manage issues related to subcontracting and sales through a detailed organizational approach. To establish a fair subcontracting culture, HDC Hyundai Development Company conducts regular awareness programs such as training sessions. We also operate processes to swiftly respond to subcontracting issues, minimizing associated risks. Enhanced ethics training is provided for sales personnel, and a monitoring system for unethical sales activities has been established to ensure transparent and fair business practices.

Strengthening Information Protection

In 2022, HDC Hyundai Development Company appointed a Chief Information Security Officer (CISO) and established a dedicated information security organization to oversee the information protection and privacy safeguards. All employees handling personal information are required to complete mandatory training on the Personal Information Protection Act. To verify the management of personal information, especially in sales offices and customer centers where large amounts of data are collected, site visits are conducted. Additionally, plans and response procedures, including simulated hacking and disaster recovery activities, have been implemented to prevent security breaches and data leaks.

Financial Risk Management

Liquidity Management

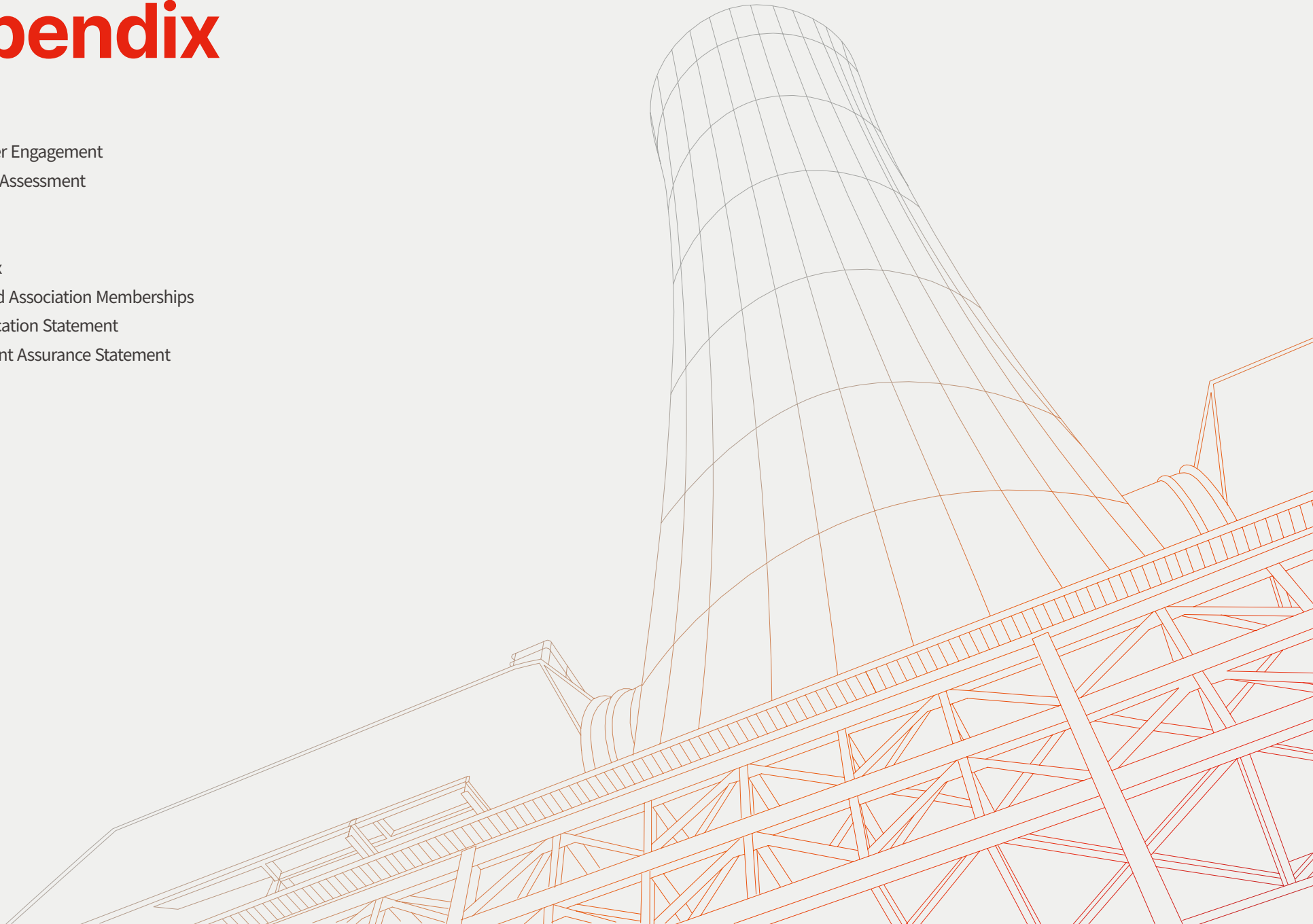
The Finance Team is responsible for managing overall financial risks, including fund management and control, liquidity, key financial indicators, and the management of borrowings and contingent liabilities. The team identifies and reports to management any significant increases or decreases in these indicators compared to the previous quarter. Key indicators such as cash inflow (e.g., decreased orders, increased unsold inventory), cash outflow, and overall cash flow (e.g., rising cost ratios, increased net borrowings), as well as macroeconomic variables (e.g., market interest rate hikes, real estate policies), are continuously monitored. Any warning signals trigger the development and implementation of stage-specific crisis response plans.

Contingent Liability Management

During the execution of projects, the Business PF Team manages contingent liabilities to ensure they do not convert into direct liabilities for the company. This includes monitoring the timing of contingent liability recognition, forms of credit enhancement, and the overall scale of contingent liabilities according to the progress stage of each project type. The team oversees these tasks through project investment committees for each site and project issue review meetings. To ensure financial stability, the company secures cash liquidity and considers various funding options to effectively respond to potential contingent liabilities.

Appendix

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- 103 GHG Verification Statement
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Stakeholder Engagement

HDC Hyundai Development Company identifies key stakeholders who impact, and are impacted by, our business activities to ensure sustainable development. We engage in active communication with major stakeholders such as customers, partners, investors, local communities, and employees. Based on the issues and demands identified through various channels, we are continuously developing management systems that proactively address risks affecting our business operations.

Category	Communication channels	Areas of interest	Activities
Customer	<ul style="list-style-type: none">• IPARK mobile app• IPARK call center• IPARK brand website	<ul style="list-style-type: none">• Top quality• Customer-centric management• Enhanced communication	<ul style="list-style-type: none">• Quality management and quality control• Increasing customer satisfaction and trust• Providing prompt response services to customer requests
Partner companies	<ul style="list-style-type: none">• Shared growth portal• Partner consultations by construction sector• Win-win letter for partner companies• Partner site operation evaluation	<ul style="list-style-type: none">• Shared growth• Fair trade• Win-win partnerships	<ul style="list-style-type: none">• Fair management and evaluation of partners• Strengthening partner support• Supporting partners in establishing ESG management
Employees	<ul style="list-style-type: none">• Intranet, SNS• Grievance Handling Committee• Labor-Management Council• Employee meetings, CEO letters	<ul style="list-style-type: none">• Competency development• Flexible organizational culture• Fair performance evaluation• Work-life balance• Securing diverse talent	<ul style="list-style-type: none">• Providing educational programs• Improving human rights management systems• Employee grievance handling• Supporting career re-planning• Expanding recruitment diversity
Government agencies	<ul style="list-style-type: none">• Public hearings• Website• Press releases	<ul style="list-style-type: none">• Industrial safety and health• Ethical management• Anti-corruption and regulatory compliance	<ul style="list-style-type: none">• Compliance with relevant laws and regulations• Obtaining ISO 37001 certification• Strengthening compliance systems
Shareholders and investors	<ul style="list-style-type: none">• Regular disclosures (e.g., business reports)• Shareholders' meetings• Analyst meetings• Credit rating responses	<ul style="list-style-type: none">• Stability and transparency of governance• Economic performance• Risk management	<ul style="list-style-type: none">• Generating stable profits• Efforts to return value to shareholders• Transparent disclosure of performance and governance
Local Communities	<ul style="list-style-type: none">• CSR activities• Resident briefings	<ul style="list-style-type: none">• Fulfilling corporate social responsibility• Minimizing environmental impact near construction sites	<ul style="list-style-type: none">• Community service and donation activities• Collaborating with local communities

Materiality Assessment

Identification of Top Material Issues

Materiality assessment refers to the systematic analysis of the impact of a company's activities on stakeholders from economic, environmental, and social perspectives. This process identifies the key issues that a company must prioritize and manage. HDC Hyundai Development Company conducts a double materiality assessment, considering not only the impact of sustainability issues on the environment and society but also the impact of external risks on the company's business and financial environment. By leveraging international standards and evaluation indicators specific to the construction industry, along with industry benchmarking, media research, and stakeholder surveys, we have identified and prioritized the top eight material issues.

Identification Process

<div>STEP 1</div> <div></div> <div>Identification of Sustainability Issues and Issue Pool</div>	<div>Total of 64 issues identified through internal and external environmental analysis; finalized 19 issues closely related to HDC Hyundai Development Company.</div> <ul style="list-style-type: none">Media analysisAnalysis of key issues in domestic and international competitorsReview of global sustainability standards/frameworks (e.g., GRI Standards, SASB standards)Review of ESG evaluation indicators
<div>STEP 2</div> <div></div> <div>Evaluation of issues in terms of impact and priority</div>	<div>Assessed the impact of each issue based on stakeholder online survey evaluations</div> <ul style="list-style-type: none">Environmental and social impact (Inside-Out): Partners, media, local communities, industry peersFinancial impact (Outside-In): Employees, investors, expertsParticipation of stakeholders: Total of 267 participants, from March 7 to 15, 2024
<div>STEP 3</div> <div></div> <div>Identification of Top Material Issues</div>	<div>Conducted a comprehensive evaluation of the environmental, social, and financial impacts of each issue.</div> <div>Incorporated external expert opinions to select the top eight material issues.</div>

Top Material Issues

The identified material issues are incorporated into the company's overall risk management system and are managed in an integrated manner. HDC Hyundai Development Company transparently discloses the strategies, action plans, activities, and outcomes related to these issues through the sustainability report to enhance communication with all stakeholders. We are committed to reflecting the key issues identified through the materiality assessment in the management strategies to create both financial performance and social and environmental value.

Results

Rank	Area	Material Issue	Materiality		Change (Compared to 2023 evaluation)	Reporting page(s)
			Financial impact	Environmental and social impact		
1	G	Governance Soundness and Transparency	●	●	▲ 5	p. 63~70
2	S	Occupational Safety and Health Management	●	●	=	p. 30~37
3	S	Construction Quality Management	◐	●	▲ 2	p. 38~42
4	E	Greenhouse Gas and Energy Management	●	◐	New	p. 25~28
5	G	Management Based on Principles of Integrity (Ethics, Compliance)	◐	◐	▼ 1	p. 71~74
6	G	Integrated Risk Management	◐	◐	▲ 2	p. 75~78
7	E	Establishment of Climate Change Response Strategy	◐	◐	New	p. 25~28
8	S	Securing Excellent Talent and Competency Development	◐	◐	▼ 5	p. 49~52

● High impact, ◐ Medium impact

Responses to Top Material Issues

Issue	Risk and Opportunity Factors	Key Achievements and Actions	UN SDGs	GRI
Governance Soundness and Transparency	<ul style="list-style-type: none"> • Risk: Decreased credibility and stock price; decreased corporate competitiveness • Opportunity: Increased corporate trust and stock price improvement 	<ul style="list-style-type: none"> • Appointed female non-executive directors • Implemented BOD and committee evaluation systems • Acquired treasury shares (~KRW 20 billion) • Introduced electronic voting system (2024) • Improved dividend procedures and established a mid- to long-term dividend policy (2024) 	16, 17	GRI2
Occupational Safety and Health Management	<ul style="list-style-type: none"> • Risk: Business losses due to accident compensation and construction halts; damage to corporate reputation • Opportunity: Enhanced corporate image through compliance with industrial safety regulations 	<ul style="list-style-type: none"> • Maintained a high-risk accident rate of 3% • Conducted 492 safety inspections • Developed and operated the integrated safety and health platform I-SAFETY2.0 • Strengthened accident prevention activities, including a 100-day campaign to eradicate equipment-related accidents • Enhanced safety and health capacity through training and education 	4, 5	GRI403
Construction Quality Management	<ul style="list-style-type: none"> • Risk: Legal sanctions and decline in corporate value due to quality issues • Opportunity: Secured competitiveness in bidding and improved customer satisfaction through quality innovation 	<ul style="list-style-type: none"> • Implemented a quality management accountability system across all sites • Achieved a Good Quality (GQ) rating in 98.2% of sites • Conducted 48 inspections of ready-mix concrete plants • Won the Minister of Land, Infrastructure, and Transport Award (Grand Prize) at the BIM Awards 2023 	11, 12	-
Greenhouse Gas and Energy Management	<ul style="list-style-type: none"> • Risk: Increased costs due to strengthened greenhouse gas regulations • Opportunity: Expanded opportunities for eco-friendly projects such as zero-energy buildings 	<ul style="list-style-type: none"> • Reduced greenhouse gas emissions by 5.9% compared to the previous year • Set mid- to long-term greenhouse gas reduction targets • Calculated Scope-3 emissions • Signed a voluntary agreement with Seoul City to operate eco-friendly construction sites 	7, 13	GRI302 GRI305
Management Based on Principles of Integrity (Ethics, Compliance)	<ul style="list-style-type: none"> • Risk: Increased social responsibility costs due to legal violations • Opportunity: Enhanced corporate credibility through compliance 	<ul style="list-style-type: none"> • Newly obtained ISO 37001 Anti-Bribery Management System certification • Newly obtained ISO 37301 Compliance Management System certification • Operated ethics counseling channels and an anonymous reporting center 	16	GRI205
Integrated Risk Management	<ul style="list-style-type: none"> • Risk: Unidentified risks and delays in decision-making • Opportunity: Timely identification of risk factors and prevention of risk escalation 	<ul style="list-style-type: none"> • Established procedures for investment committee review of community impact assessments • Developed the Project Life Cycle (PLC) management system • Strengthened the project feasibility verification management system 	9, 12, 15	-
Establishment of Climate Change Response Strategy	<ul style="list-style-type: none"> • Risk: Non-compliance with regulations and market demands, risks in supply chain management • Opportunity: Reduced environmental impact through the development of green technologies 	<ul style="list-style-type: none"> • Identified climate change risks and opportunities • Developed and strategized zero-energy building design guidelines • Tested a system for monitoring electricity usage at construction sites 	13	GRI305
Securing Excellent Talent and Competency Development	<ul style="list-style-type: none"> • Risk: Decline in productivity due to a shortage of skilled workers • Opportunity: Improved work productivity and construction management capabilities 	<ul style="list-style-type: none"> • Hired a total of 59 experienced and new employees (permanent positions) • Expanded capacity-building training by job level • Established and conducted human rights management policies and impact assessments • Improved welfare by introducing Family Day, increasing holiday bonuses, and providing housing loans 	4, 5, 8	GRI401 GRI404

ESG Data

Financial Data

Financial Performance (Consolidated)

Income Statement	Unit	2021	2022	2023
Sales	100 million KRW	33,639	32,983	41,908
Cost of sales	100 million KRW	28,676	29,818	38,101
Gross profit	100 million KRW	4,963	3,165	3,807
Selling and administrative expenses	100 million KRW	2,193	2,011	1,859
Operating profit (loss)	100 million KRW	2,734	1,164	1,953
Other profit	100 million KRW	468	481	245
Other losses	100 million KRW	521	962	336
Interest income	100 million KRW	639	1,028	947
Interest expense	100 million KRW	353	630	455
Financial income	100 million KRW	27	47	23
Financial expense	100 million KRW	12	2	11
Net profit (loss) before tax	100 million KRW	2,944	1,209	2,370
Tax expense	100 million KRW	1,181	707	641
Net profit (loss)	100 million KRW	1,763	502	1,729

Balance sheet	Unit	2021	2022	2023
Current assets	100 million KRW	49,558	54,425	49,873
Non-current assets	100 million KRW	16,106	18,938	20,290
Total Assets	100 million KRW	65,664	73,363	70,163
Current liabilities	100 million KRW	28,470	34,591	31,476
Non-current liabilities	100 million KRW	8,341	9,753	8,607
Total Liabilities	100 million KRW	36,811	44,345	40,083
Total Equity	100 million KRW	28,853	29,019	30,080

Financial Performance (Separate)

Income Statement	Unit	2021	2022	2023
Sales	100 million KRW	34,307	32,835	41,627
Cost of sales	100 million KRW	28,760	29,902	38,077
Gross profit	100 million KRW	5,547	2,934	3,550
Selling and administrative expenses	100 million KRW	2,057	1,844	1,661
Operating profit (loss)	100 million KRW	3,453	1,100	1,893
Other profit	100 million KRW	498	490	249
Other loss	100 million KRW	518	973	324
Interest income	100 million KRW	637	1,022	953
Interest expenses	100 million KRW	342	630	454
Financial income	100 million KRW	27	46	22
Financial expenses	100 million KRW	11	1	10
Net profit (loss) before tax	100 million KRW	3,745	1,055	2,328
Tax expenses	100 million KRW	1,343	689	608
Net profit (loss)	100 million KRW	2,401	366	1,720

Balance sheet	Unit	2021	2022	2023
Current assets	100 million KRW	48,533	54,114	49,716
Non-current assets	100 million KRW	15,150	16,625	17,952
Total Assets	100 million KRW	63,683	70,738	67,668
Current liabilities	100 million KRW	25,704	31,258	28,272
Non-current liabilities	100 million KRW	8,240	9,727	8,579
Total Liabilities	100 million KRW	33,944	40,985	36,850
Total Equity	100 million KRW	29,739	29,754	30,818

R&D

Income Statement	Unit	2021	2022	2023
R&D investment	Million KRW	2,212	2,134	17,263
R&D personnel	Persons	20	5	12
R&D achievements (IP, patent, etc.)	Ea	1	3	6

Environmental Data

The environmental performance of HDC Hyundai Development Company encompasses data from the head office and 74 domestic sites.

Green-Certified Buildings and Sales

Category		Unit	2021	2022	2023
Green Certifications ¹⁾	Percentage of buildings certified for eco-friendliness	%	55.5	64.3	57.1
	Number of buildings certified for eco-friendliness	Ea.	5	9	4
	Number of completed buildings	Ea.	9	14	7
Green Sales ²⁾	Percentage of eco-friendly sales	%	50.9	62.0	76.1
	Sales of eco-friendly products	100 million KRW	17,471	20,357	31,673

*Data from the previous year have been corrected due to changes in data aggregation standards.
1) Includes government-recognized certifications such as Green Building Certification, Zero Energy Building Certification, and Building Energy Efficiency Rating.
2) Revenue generated from construction projects with eco-friendly certifications.

Environmental Education

Category		Unit	2021	2022	2023
Employees	Number of participants	Persons	-	594	1,424
	Training hours	Hours	-	890	1,579
	Training hours per person	Hours	-	1.5	1.1
Partner companies	Number of participants	Persons	-	3,449	9,971
	Training hours	Hours	-	4,852	10,363
	Training hours per person	Hours	-	1.4	1.0

Environmental Management Systems in Business Sites

Category	Unit	2021	2022	2023
Percentage of Sites with Environmental Management System Certification	%	100	100	100
Number of Sites Eligible for Environmental Management System Certification	Ea.	70	78	74
Number of Sites Certified with Environmental Management Systems	Ea.	70	78	74

Green Investment

Category	Unit	2021	2022	2023
Environmental management expenses	100 million KRW	133	196	219

* Data from the previous year have been corrected due to changes in data aggregation standards.

Violation of Environmental Laws

Category	Unit	2021	2022	2023
Number of corporate fine cases	Ea.	0	0	0
Amount of corporate fines	Million KRW	0	0	0
Number of fine for negligence cases	Ea.	0	0	0
Amount of fine for negligence cases	Million KRW	0	0	0

*Minor monetary penalties under KRW 10 million are not included.

Air Pollutants

Category	Unit	2021	2022	2023
NOx ¹⁾ emissions	Ton	0	0	0
SOx ²⁾ emissions	Ton	0	0	0
Fine PM ³⁾ emissions	Ton	0	0	0
VOC ⁴⁾ emissions	Ton	0	0	0

1) Nitrogen Oxides
2) Sulfur Oxides
3) Particulate Matter
4) Volatile Organic Compounds

Water Pollutants

Category	Unit	2021	2022	2023
Total wastewater emissions	Ton	-	50,338	91,184
TOC ¹⁾ emissions	Ton	-	0.138	0.583
BOD ²⁾ emissions	Ton	-	-	0.15
SS ³⁾ emissions	Ton	-	0.386	0.853
T-N ⁴⁾ emissions	Ton	-	-	1.279
T-P ⁵⁾ emissions	Ton	-	-	0.007

*Data from the previous year has been corrected due to changes in data aggregation standards.

1) Total Organic Carbon
2) Biochemical Oxygen Demand
3) Suspended Solids
4) Total Nitrogen
5) Total Phosphorus

Water Resources

Business Sites	Category	Unit	2021 ³⁾	2022	2023
Water consumption ¹⁾ Total		Ton	170,728	330,613	377,041
Head office	Subtotal	Ton	4,180	4,361	5,097
	Waterworks	Ton	4,180	4,361	5,097
	Underground water	Ton	0	0	0
	Surface water, lake, river	Ton	0	0	0
Business Sites	Subtotal	Ton	166,098	326,252	371,944
	Waterworks	Ton	139,850	196,464	176,941
	Underground water	Ton	26,248	121,804	166,614
	Surface water, lake, river	Ton	0	7,984	28,389
Water intensity ²⁾		Tons/100 million KRW	4.7	9.4	8.9

1) Water intake and consumption are managed uniformly.
2) Calculations are based on separate revenue figures.
3) Added previously omitted head office usage data.

Consumption of Raw and Subsidiary Materials

Category		Unit	2021	2022	2023
Construction materials	Rebar	Ton	172,976	132,650	194,220
	Ready-mix concrete	m³	2,010,991	1,331,735	1,827,771
	Aggregate	m³	64,717	488,734	159,931
	Asphalt concrete	Ton	275,610	122,604	61,288
Recycled construction materials	Recycled aggregate ¹⁾	m³	-	50,396	0

1) Purchased and used certified recycled aggregates

Eco-Friendly Purchasing

Category	Unit	2021	2022	2023
Total materials purchase amount	100 million KRW	8,974	7,767	11,016
Green products ¹⁾ Purchase amount	100 million KRW	1,176	1,642	2,437
Percentage of green product purchases	%	13.1	21.1	22.1

1) Includes Environmental Label Certification, Low Carbon Product Certification, High Efficiency Energy Equipment, Eco-friendly Mark Certification, and Healthy Building Materials Certification (HB Mark), etc.

Waste Management

Category		Unit	2021	2022	2023
Waste Generation	Total amount generated	Ton	810,634	937,583	918,826
	General waste from business sites	Ton	68	330,263	233,887
	Designated waste	Ton	0	136	21.5
	Construction waste	Ton	810,566	607,184	684,918
Waste Incineration	Total Incineration	Ton	51,217	70,103	48,700
	General waste from business sites	Ton	6	0	0
	Designated waste	Ton	0	136	21.2
	Construction waste	Ton	51,211	69,967	48,679
Waste Landfill	Total Landfill	Ton	0	3,121	277
	General waste from business sites	Ton	0	3,121	106
	Designated waste	Ton	0	0	0
	Construction waste	Ton	0	0	171
Waste Recycling	Total amount of waste recycled	Ton	759,417	864,359	869,849
	General waste from business sites	Ton	62	327,142	233,781
	Designated waste	Ton	0	0	0.3
	Construction waste	Ton	759,355	537,217	636,068
Percentage of waste recycling	Total percentage of waste recycled	%	93.7	92.2	94.7
	General waste from business sites	%	91.2	99.1	100.0
	Designated waste	%	0	0	1.4
	Construction waste	%	93.7	88.5	92.9
Waste intensity ¹⁾		Tons/100 million KRW	23.6	28.6	22.1

1) Calculations are based on separate revenue figures.

Greenhouse Gas Emissions (Scope1, Scope2)

Category	Unit	2021	2022	2023
Scope1, Scope2 Total Emissions	t-CO ₂ eq	31,495	35,697	33,582
GHG Direct Emissions (Scope-1)	t-CO ₂ eq	6,518	6,945	5,580
GHG Indirect Emissions (Scope-2)	t-CO ₂ eq	24,977	28,752	28,002
GHG intensity ¹⁾	t-CO ₂ eq/100 million KRW	0.94	1.08	0.80

*Calculated based on the Guidelines for Reporting and Certification of Emissions under the Emissions Trading Scheme (Ministry of Environment Notification 2022-279).

*Reporting scope has been changed to consolidated accounting standards, and past years' data has been recalculated.

1) Calculated based on consolidated revenue

GHG Emissions (Scope-3)

Category	Unit	2021	2022	2023
Total Scope-3 Emissions	t-CO ₂ eq	112,113	107,348	95,107
Category 3 Fuel and Energy Related Activities	t-CO ₂ eq	4,293	4,036	3,250
Category 5 Waste Generated in Operations	t-CO ₂ eq	10,396	8,329	9,457
Category 11 Use of Sold Products	t-CO ₂ eq	97,424	94,983	82,400

*For responsible climate action, three categories are calculated and reported for the first time. Third-party assurance has not been performed.

*The scope of calculated items will be continuously expanded in the future.

Energy Consumption

Category	Unit	2021	2022	2023
Total energy consumption	TJ	638	720	696
Consumption of non-renewable energy	TJ	637	719	695
Lignite	TJ	5	0	0
LNG	TJ	51	52	59
LPG	TJ	25	22	21
Gasoline	TJ	1	1	0
Diesel	TJ	19	11	12
Kerosene	TJ	15	12	12
Charcoal	TJ	0	0	1
Electricity Other Petroleum Products	TJ	0	20	5
Electricity	TJ	521	601	585
Use of Renewable Energy	TJ	1.4	1.3	1.3
Solar Power	TJ	1.4	1.3	1.3
Geothermal	TJ	0	0	0
Energy intensity ¹⁾	TJ/100 million KRW	0.019	0.022	0.017

1) Calculated based on consolidated revenue

Social Data

Employee Data

Category	Unit	2021	2022	2023
Total number of executives and employees	Persons	1,722	1,847	1,907
Executive	Persons	16	17	14
Total employees	Persons	1,706	1,830	1,893
Number of full-time workers	Persons	945	1,064	1,083
	%	54.9	57.6	56.8
Male	Persons	875	969	982
	%	92.6	91.1	90.7
Female	Persons	70	95	101
	%	7.4	8.9	9.3
Number of temporary (contract) workers	Persons	777	783	824
	%	45.1	42.4	43.2
Male	Persons	614	618	639
	%	79.0	79.0	77.5
Female	Persons	163	165	185
	%	21.0	21.0	22.5

Number of workers who are not employees of the company

Category	Unit	2021	2022	2023
Total number of workers	Persons	6,662	7,871	9,953
Gender	Male	Persons	6,285	7,381
	Female	Persons	377	490
	Percent of female workers	%	5.6	6.2

Employee Diversity

Category		Unit	2021	2022	2023
Gender	Male	Persons	1,489	1,587	1,621
		%	86.5	85.9	85.0
	Female	Persons	233	260	286
		%	13.5	14.1	15.0
	Percentage of female managers	%	4.6	3.7	2.8
By age	Under 30 years	Persons	162	280	292
		%	9.4	15.2	15.3
	Between 30 and 40 years	Persons	419	441	451
		%	24.3	23.9	23.7
	Between 40 and 50 years	Persons	559	491	508
		%	32.5	26.5	26.6
	50 years and over	Persons	582	635	656
		%	33.8	34.4	34.4
Persons with Disabilities ¹⁾	Number of employees	Persons	12	9	9
	Employment rate	%	0.69	0.49	0.48
Number of national veterans employed		Persons	26	26	24
Number of foreign employees		Persons	0	0	0
Number of employees working overseas		Persons	17	16	14

*Data from the previous year has been corrected due to changes in data aggregation standards.
1) Based on the year-end number of employees and annual employment rate as per the Disabled Employment Levy Report.

New Hires					
Category		Unit	2021	2022	2023
Total number of new hires		Persons	443	647	383
Gender	Male	Persons	343	527	294
		%	77.4	81.5	76.8
	Female	Persons	100	120	89
		%	22.6	18.5	23.2
By age	Under 30 years	Persons	115	237	119
		%	26.0	36.6	31.1
	30~50 years	Persons	296	348	221
		%	66.8	53.8	57.7
	50 years and over	Persons	32	62	43
		%	7.2	9.6	11.2
*Sum of all new hires including experienced employees					

Employee Turnover and Retirement Data					
Category		Unit	2021	2022	2023
Total number of turnovers		Persons	379	565	340
Gender	Male	Persons	303	467	275
	Female	Persons	76	98	65
By age	Under 30 years	Persons	60	89	61
	30~50 years	Persons	249	388	199
	50 years and over	Persons	70	88	80
By employment type	Permanent	Persons	57	103	66
	Temporary	Persons	322	462	274
Turnover rate		%	23.5	32.8	18.4
Voluntary	Number of voluntary turnovers	Persons	121	86	45
	Turnover rate ¹⁾	Persons	12.5	9.1	4.2
Average years of service		Years	8.0	9.0	10.0
1) Voluntary turnover among permanent, full-time employees					

Employee Performance Evaluation Data

Category		Unit	2021	2022 ¹⁾	2023
Management / Executives	Male	Persons	92	0	117
	Female	Persons	7	0	3
	Percentage of eligible employees evaluated	%	100	-	100
Non-Managers	Male	Persons	1,117	1,177	1,236
	Female	Persons	126	127	160
	Percentage of eligible employees evaluated	%	76	72	79

1) Organizational performance evaluation was not conducted due to organizational restructuring in response to the Gwangju Hwajeong incident.

Employee Compensation

Category		Unit	2021	2022	2023
Average salary		Million KRW	73	67	80
Technical position	Male	Million KRW	78	75	87
	Female	Million KRW	56	54	61
	Female to male salary ratio	%	71.8	72	70.1
Administrative position	Male	Million KRW	75	73	79
	Female	Million KRW	36	34	45
	Female to male salary ratio	%	48	46.5	56.9

Employee Education and Training Status

Category		Unit	2021	2022	2023
Total training hours		Persons	51,959	68,131	101,590
Total training expenses		Million KRW	422	671	839
Average training hours per person		Hours/person	30	37	53
Average training cost per person		Million KRW	0.25	0.36	0.44
Number of participants	Total number of participants	Persons	11,926	10,823	17,441
	Language courses	Persons	64	16	10
	Organizational development/ leadership + voice coaching	Persons	200	70	267
	Job competencies (Including global competency)	Persons	425	492	4,778
	Core competencies (Basic business, introductory training)	Persons	1,860	2,245	2,316
	Statutory obligations	Persons	5,628	6,274	8,132
	Internal duties	Persons	3,749	1,726	1,938

Parental Leave Status

Category		Unit	2021	2022	2023
Employees eligible for parental leave	Subtotal	Persons	266	290	304
	Male	Persons	251	285	285
	Female	Persons	15	5	19
Employees who used parental leave	Subtotal	Persons	7	9	9
	Male	Persons	3	7	3
	Female	Persons	4	2	6
Employees who returned from parental leave	Subtotal	Persons	7	8	3
	Male	Persons	4	4	2
	Female	Persons	3	4	1
Employees who are expected to return from parental leave	Subtotal	Persons	7	9	4
	Male	Persons	4	5	3
	Female	Persons	3	4	1
Return rate ¹⁾ after using parental leave		Persons	100	89	75
Number of employees who worked for 12 months or more after returning from parental leave	Subtotal	Persons	1	7	7
	Male	Persons	0	4	3
	Female	Persons	1	3	4
Number of employees subject to work for 12 months or more after returning from parental leave	Subtotal	Persons	2	7	8
	Male	Persons	1	4	4
	Female	Persons	1	3	4
Rate of continuous work for 12 months or more after returning from parental leave ²⁾		%	50.0	100.0	87.5

1) Return rate from parental leave: Actually returned / expected to return
2) Rate of continuous work for 12 months or more: Number of employees who worked for 12 months or more / number of employees expected to work for 12 months or more

Maternity Leave Status

Category		Unit	2021	2022	2023
Number of employees who used maternity leave		Persons	27	23	28
Male		Persons	24	18	26
Female		Persons	3	5	2
Return rate after maternity leave		%	100	100	100
Employees who are expected to return from maternity leave		Persons	27	23	27
Employees who returned from maternity leave		Persons	27	23	27

Labor-Management Council

Category		Unit	2021	2022	2023
Number of meetings		Ea.	3	3	4
Number of agenda items		Ea.	36	22	25

Grievance Handling Status

Category		Unit	2021	2022	2023
Number of reported cases		Ea.	1	5	4
Number of handled cases		Ea.	1	5	4
Rate of grievance handling		%	100	100	100

Registered Partner Companies

Category	Unit	2021	2022	2023
Total number of partner companies	Ea.	661	694	702
Outsourcing	Ea.	369	400	408
Materials	Ea.	292	294	294
Number of partners reviewed for registration	Ea.	661	694	702
Renewal rate	%	77	85	86
Termination rate ¹⁾	%	23	15	14
Number of key partner companies	Ea.	25	84	66
Number of new partner companies	Ea.	98	127	103

1) Percentage of disqualification by reason for termination (lack of competence): Safety management 65%, construction quality capacity 12%, financial status 10%, and other (poor overall evaluation) 13%

Support for Shared Growth

Business Sites	Unit	2021	2022	2023
Number of partners in shared growth agreements	Ea.	622	555	697
Percentage of partners in agreements	%	94.1	79.9	99.3
Outsourcing	Ea.	341	282	407
Materials	Ea.	281	273	290
Total amount of financial support for partners	Million KRW	47,957	49,381	71,470
Shared growth fund	Million KRW	40,000	47,521	58,008
Interest-free loans	Million KRW	7,640	1,500	13,312
Rewards	Million KRW	317	360	150
Shared growth index	-	Excellent	Good	Good

Partner Evaluation

Category		Unit	2021	2022	2023
Number of partners evaluated		Ea.	1,703	1,549	1,375
Safety evaluation	Existing	Ea.	-	1,316	1,165
	New	Ea.	-	474	361
ESG Assessment	Existing	Ea.	-	278	311
	New	Ea.	-	72	76

* Safety and ESG evaluation systems for partner companies were introduced in 2022.

Industrial Accidents

	Category	Unit	2021	2022	2023
Employees and partners	Death rate per 10,000 workers ¹⁾		0	4.98	0.62
	Accident rate ²⁾	%	0.36	0.44	0.64
Employees	Number of injured persons ³⁾	Persons	0	0	1
	Number of deaths	Persons	0	0	0
	Number of work-related diseases ⁴⁾	Persons	0	0	0
Partner companies	Number of injured persons	Persons	64	74	122
	Number of deaths	Persons	0	6	1
	Number of work-related diseases	Persons	31	39	14

* Due to changes in construction performance, death rates and accident rates for 2022 have been updated.
1) Death rate per 10,000 workers = (Number of deaths/Number of full-time workers) X 10,000
2) Accident rate = (Number of injured persons/Number of full-time workers) X 100
3) Due to tripping, getting caught, getting struck, etc.
4) Noise-induced hearing loss, intervertebral disc escape, damage to the rotator cuff, etc.

Safety and Health Training Status

	Category	Unit	2021	2022	2023
Employees	Total number of employees trained	Persons	-	1,101	1,214
	Management	Persons	-	53	45
	Project managers	Persons	-	181	61
	Supervisors	Persons	-	588	532
	Safety and Health Managers	Persons	-	219	467
	Health Manager	Persons	-	60	109
Partner companies	CEO	Persons	-	77	183
	Employees	Persons	-	-	223

* Safety training for executives, employees, and partner companies has been conducted since 2022.

Site Safety Inspection

Category	Unit	2021	2022	2023
Total number of safety inspections	Ea.	127	256	523
Regular inspections	Ea.	108	123	95
Special (support) inspections	Ea.	-	17	147
Third party inspections	Ea.	9	98	136
Other (heating/equipment)	Ea.	-	-	114
Management inspections (CEO, CSO, Director)	Ea.	10	18	31

CSR Activities

Category		Unit	2021	2022	2023
Social Contribution Donation Amount		100 million KRW	25.7	39.46	48.50
Number of households benefiting from social contribution initiatives		Ea.	184	1,079	1,876
Donation amount as a percentage of revenue		%	0.07	0.12	0.12
Volunteer work	Number of volunteer activities conducted	Ea.	5	4	14
	Total volunteer hours	Hours	90	2,098	525
	Number of participants per year	Persons	45	284	169
	Average volunteer hours per person	Hours	2.0	7.4	3.1

*Data from the previous year has been corrected due to changes in data aggregation standards.

Customer Satisfaction and Complaint Handling

Category	Unit	2021	2022	2023
Customer satisfaction score	Points	83	82	85
Complaints received	Ea.	405,595	392,973	532,532
Complaints handled	Ea.	395,580	377,096	523,473
Complaint-handling rate	%	97.5	96.0	98.3

Information Security Activities

Category		Unit	2021	2022	2023
Information security investment	Investment ratio (to sales)	%	9.77	2.1	12.8
	Investment amount	Million KRW	425	244	1,578
	Total IT budget	Million KRW	4,347.96	11,622.97	12,323
Risk Management	Number of security risk assessments	Ea.	0	2	2
	Number of personal data loss and breach incidents	Ea.	0	0	0
	Number of information security policy violations	Ea.	0	0	0
	Number of targets	Persons	227	577	1,950
Information Security Training	Number of persons who completed	Persons	225	577	1,923
	Completion rate	%	99.1	100	98.6

Governance Data

Board of Directors Composition

Category	Unit	2021	2022	2023
Number of directors				
Total number of partner companies	Persons	7	7	7
Executive directors	Persons	3	3	3
Non-Executive Directors	Persons	4	4	4
Gender ratio				
Male	%	100.0	100.0	85.7
Female	%	0	0	14.3
Composition by age				
Under 30 years	%	0	0	0
Between 30 and 50 years	%	0	0	14.3
50 years and over	%	100.0	100.0	85.7

BOD Operation Status

Category	Unit	2021	2022	2023
Number of BOD meetings	Ea.	7	10	11
Number of agendas reported and voted	Ea.	23	46	42
Attendance Rate	Executive directors	%	90.5	83.3
	Non-Executive Directors	%	96.4	95.0

Committee Operation

Category	Unit	2021	2022	2023
Director Candidate Nomination Committee				
Number of meetings	Ea.	1	1	2
Attendance rate of executive directors	%	100	100	100
Attendance rate of non-executive directors	%	100	100	100
Audit Committee				
Number of meetings	Ea.	6	8	6
Attendance rate of non-executive directors	%	100	100	100
Compensation Committee				
Number of meetings	Ea.	2	3	1
Attendance rate of non-executive directors	%	100	100	100
Safety and Health Committee				
Number of meetings	Ea.	-	2	4
Attendance rate of executive directors	%	-	100	100
Attendance rate of non-executive directors	%	-	100	100

Board Remuneration

Category	Unit	2021	2022	2023
Annual Compensation for the BOD				
Total annual compensation for registered executives	Million KRW	849	994	1,287
Total annual compensation for non-executive directors (excluding Audit Committee members)	Million KRW	66	62	58
Total annual compensation for Audit Committee members	Million KRW	200	186	173
Average remuneration per person				
Executive directors	Million KRW	283	331	429
Non-Executive Directors	Million KRW	66	62	58
Annual compensation for non-registered executives				
Total annual compensation for non-registered executives	Million KRW	4,573	3,282	2,373
Number of non-registered executives	Persons	13	14	10
Average annual salary per non-registered executive	Million KRW	352	234	237
Annual total compensation ratio				
Average compensation ratio of registered executive directors to employees	Times	3.9	4.9	5.4

Protection of Shareholder Rights

Category	Unit	2021	2022	2023
Total Cash Dividends	Million KRW	39,539	39,539	44,919
Dividend Cash Payout Ratio	%	22.4	78.5	26.0
Cash Dividend Yield	%	2.6	5.8	4.8
Cash Dividends per Share	KRW	600	600	700
Number of Days of Advance Notice for General Shareholders' Meeting	Days	15	15	31
Number of Investor Relations (IR) Meetings Held	Ea.	4	0	8

Legal Violations

Category	Unit	2021	2022	2023
Total amount of fines and settlement payments due to corruption, unfair trade practices, etc.	Million KRW	0	0	0

Compliance Management

Category	Unit	2021	2022	2023
Internal audit				
Percentage of units evaluated for corruption risk	%	23.3	13.8	13.3
Number of units subject to evaluation	Ea.	73	80	75
Number of units evaluated	Total	Ea.	17	11
	Regular audits	Ea.	7	5
	Management assessment	Ea.	1	0
	Special audit	Ea.	9	6
Ethics training				
Members	Completed by employees	Persons	1,594	1,629
	Completion rate	%	99.3	95.4
Partner companies	Number of partner companies	Ea.	0	170
	Completion rate	%	0	98.8
Violation reports and handling				
Anonymous reporting system	Total number of reports	Ea.	48	93
	Number of audits processed	Ea.	3	5
	Number of cases transferred to relevant teams	Ea.	12	43
	Number of cases closed	Ea.	33	45
Total number of reports received via Cyber Reporting System	Ea.	112	85	91
Total number of reports received via Compliance System	Ea.	0	0	2
Violation Cases and Actions				
Number of internal ethics regulation violations (Confirmed cases of corruption)	Ea.	3	10	7
Actions taken for internal ethics regulation violations (actions for confirmed cases of corruption)	Number of disciplinary actions	Persons	7	16
	Dismissal	Persons	1	3
	Suspension	Persons	0	0
	Salary reduction	Persons	1	3
	Reprimand	Persons	2	3
	Caution/warning	Persons	3	7

GRI Index

Category	Topic		Report Page(s)	Remarks
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GRI203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	47, 48, 56~59	
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	205-2	Communication and training about anti-corruption policies and procedures	47, 72, 74	
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GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	96	
Eco-friendly technology development and investment				
GRI 3: Material Topics 2021	3-3	Management of material topics	82	
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GRI 306 : Waste 2020	306-1	Waste generation and significant waste-related impacts	21	
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	306-3	Waste generated	21, 86	
	306-4	Waste diverted from disposal	21, 86	
	306-5	Waste directed to disposal	21, 86	
Supplier Environmental Assessment				
GRI 308 : Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	46, 92	
	308-2	Negative environmental impacts in the supply chain and actions taken	46, 92	
Securing Excellent Talent and Competency Development				
GRI 3 : Material Topics 2021	3-3	Management of material topics	82	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	50, 89	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	52	
	401-3	Parental leave	91	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	90	
	404-2	Programs for upgrading employee skills and transition assistance programs	51, 90	
	404-3	Percentage of employees receiving regular performance and career development reviews	52, 90	
Organization-specific index	-	Total training hours of employee competency development training	51, 90	
	-	Total cost of education and training	90	
	-	Investment in training per person	90	

Category	Topic		Report Page(s)	Remarks
Occupational health and safety				
GRI 3 : Material Topics 2021	3-3	Management of material topics	82	
GRI 403 : Occupational health and safety 2018	403-1	Occupational health and safety management system	30	
	403-2	Hazard identification, risk assessment, and incident investigation	32, 33, 35	
	403-3	Occupational health services	36, 37	
	403-4	Worker participation, consultation, and communication on occupational health and safety	35~37	
	403-5	Worker training on occupational health and safety	35, 93	
	403-6	Promotion of worker health	36	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	32~37	
	403-8	Workers covered by an occupational health and safety management system	33	
	403-9	Work-related injuries	93	
	403-10	Work-related ill health	93	
Organization-specific index	-	Total number of on-site safety inspections performed	33, 93	
Diversity and Equal Opportunity				
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	50, 65, 88, 95	
	405-2	Ratio of basic salary and remuneration of women and men	96	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	55	
Local Communities				
GRI 413: Local Communities 2016	413-1	Operation with local community engagement, impact, assessments, and development programs	56~59	
Supplier Social Assessment				
GRI414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using environmental criteria	46, 92	
	414-2	Negative environmental impacts in the supply chain and actions taken	45, 46, 92	
Construction Quality Innovation				
GRI 3: Material Topics 2021	3-3	Management of material topics	82	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A (2023 Business Report pp.411~413)	
Organization-specific index	-	Number of construction status inspections	39, 40	
Customer privacy protection				
GRI 418: Customer Privacy 2016	418-1	Number of complaints proven to be in violation of customer privacy and loss of customer information	61, 94	
Governance Soundness and Transparency				
GRI 3: Material Topics 2021	3-3	Management of material topics	82	
Organization-specific index	-	Average remuneration per executive director	69, 96	
	-	Average remuneration per non-executive director	69, 96	

SASB Index

Engineering & Construction Services

Topic	Code	Accounting metric	Explanation	Report Page(s)
Environment impacts of Project Development	IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	• As of December 31, 2023, there were no confirmed corporate fines or penalties imposed for violations of environmental regulations.	-
	IF-EN-160a.2	Discussions of processes to assess and manage environmental risks associated with project design, siting, and construction	• We identify and assess the environmental impacts (such as water pollution, soil contamination, and protection of species) before commencing construction on relevant sites. We follow the proper procedures, take appropriate management measures, and obtain approvals for these assessments	18~22
Structural Integrity and Safety	IF-EN-250a.1	Amount of defect- and safety-related rework costs	• Subject to undisclosed	-
	IF-EN-250a.2	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	• There have been no fines imposed on the corporation related to product defect and safety incidents.	-
Workforce Health and Safety	IF-EN-320a.1	Total recordable incident rate (TRIR) and fatality rate for direct employees and contact employees	• The fatality rate per 10,000 full-time workers is 0.62, and the accident severity rate is 0.64.	93
Lifecycle Impacts of Buildings & Infrastructure	IF-EN-410a.1	Number of commissioned projects certified to a third party multi-attributable sustainability standard and active projects seeking such certification	• Among the seven housing and construction projects completed in 2023, the percentage of projects that received sustainable management certification is 57.1%. Out of the 40 projects under construction or scheduled to commence within the year, the forecasted percentage of projects expected to receive the relevant certification is 92.5%	84
	IF-EN-410a.2	Discussion of process to incorporate operation phase energy and water efficiency considerations into project planning and design	• To enhance environmentally friendly construction activities, we encourage the use of green materials and promote eco-friendly projects and technology development. In order to achieve energy savings, we have secured key technologies through the development and verification of high-performance insulation; airtightness; moisture resistance; condensation-prevention double-glazed windows; and Building Integrated Photovoltaics (BIPV) solar louver windows for multi-unit housing. We aim to provide buildings that are capable of efficient energy management in the era of climate change, ranging from eco-friendly energy modules to smart management systems, including whole-unit power shutdown and power interruption systems, high-efficiency LED lighting, DC distribution lighting systems, energy-saving heat exchange ventilation systems, and real-time energy monitoring systems, based on a systematic roadmap.	22, 27
Climate Impacts of Business Mix	IF-EN-410b.1	Amount of backlog for hydrocarbon related projects and renewable energy projects	• There is no backlog for the project.	-
	IF-EN-410b.2	Amount of backlog cancellations associated with hydrocarbon-related projects	• As of the end of 2023, no related projects have been canceled.	-
	IF-EN-410b.3	Amount of backlog for non-energy projects associated with climate change mitigation	• As of the end of 2023, the order backlog related to the railway project totaled KRW 530,895 million. (Incheon-Dongtan Double-Track Railway, Phase 2 of Gwangju Urban Railway Line 2, Section 4 of Dodam-Yeongcheon Double-Track Railway on the Jungang Line).	-
Business Ethics	IF-EN-510a.1	Number of active projects and backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	• As of the end of 2023, there were no projects in the 20 lowest-ranking countries of the Transparency International's Corruption Perception Index.	-
	IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of bribery or corruption and anticompetitive practices	• As of 2023, there are no financial losses such as fines, fines and settlements due to bribery, corruption and anti-competitive behavior.	-
	IF-EN-510a.3	Description of policies and practices for prevention of bribery and corruption, and anti-competitive behavior in the project bidding processes	• We operate an Anti-Bribery Management System (ISO 37001) and a Compliance Management System (ISO 37301).	72
Activity Metric	IF-EN-000.B	Number of Commissioned Projects	• Twelve domestic and one overseas site as of 2023.	-
	IF-EN-000.C	Total Backlog	• As of the end of 2023, the total backlog stands at KRW 30.4052 trillion, with KRW 30.2576 trillion domestically and KRW 147.6 billion internationally.	-

Awards and Association Memberships

Awards in 2023

Date of award	Award name	Awarded by
May	Residential Service Awards Best Smart Home Award	Money Today Co., Ltd.
May	Apartment Brand Awards for Social Contribution	The Asia Business Daily
June	Hankyung Residential Culture Awards in the Eco-friendly Category	The Korea Economic Daily
June	Social Contribution Enterprise Award, ESG Support for the Underprivileged	The Korea Economic Daily
June	Win-Win Management Appreciation Award	Professional Construction Mutual Aid Association
August	Korea Luxury Housing Grand Prize in Social Contribution	Money Today Co., Ltd.
September	Asia Construction Comprehensive Awards in the Eco-friendly Category	The Asia Business Daily
September	Korea Representative Apartment Awards in the Smart Technology Category	Korea Economic TV
September	Korea Landscape Awards Academic Chairman's Award	Ministry of Land, Infrastructure and Transport, Korea Institute of Landscape Architecture
October	Aju Business Construction Awards in the Customer Satisfaction Category	Aju Business Daily
November	Eco-friendly Construction Industry Awards in the Eco-friendly Category	The Economist, JoongAng Ilbo
November	Smart Construction Awards in the Community Category	EToday
November	Construction Industry Awards in the Regional Development Category	Edaily
November	Grand Prize in the General Category at BIM Award 2023	Building SMART Korea
November	Green Roof Association President's Award (Excellence Award)	Green Roof Association
November	Bronze Prize in Good Design Award	Ministry of Trade, Industry and Energy, Korea Institute of Design Promotion
November	Construction Environmental Management Best Practice Contest Association President's Award	Korea Construction Environment Association, Ministry of Environment, Ministry of Land, Infrastructure and Transport
December	Korea Construction Management Association President's Award, Safety Environment Sector (For developing heating pipe support panels to prevent inter-floor noise in multi-family housing)	Korea Federation of Construction Contractors
December	Minister of Land, Infrastructure and Transport Award, Fusion Sector (For developing an emergency bell integrated electric vehicle charging outlet)	Korea Federation of Construction Contractors
December	Korea Management Awards, Report of the Year	Korea Management Association
December	House Design Grand Prize	Herald Corporation
December	Hankyung Residential Culture Awards in the Floor Plan Innovation Category	The Korea Economic Daily
December	Green Housing Awards in the Community Category	Hankook Ilbo
December	Selected as a Company Recognized for Community Contribution	Ministry of Health and Welfare, Korea National Council on Social Welfare

Affiliated association

Association name	
Building SMART Korea	Contractors Association
Construction Management Strategy Institute	Korea Construction Environment Association
Korea Fire Facility Association	Korea Housing Association
Korea Construction Engineers Association	Construction Association of Korea
Seoul Chamber of Commerce and Industry	The Korea Institute of Building Construction
Korea Smart Home Industry Association	Korean Geotechnical Society
Construction Safety Management Committee	Society of Air-Conditioning and Refrigerating Engineers of Korea
Institute of Smart City & Architecture	Fair Competition Federation
Korea Electric Contractors Association	Korea Railway Construction Association
Construction Safety Practice Expert Council	Korea Federation of Construction Contractors
Korea Institute of Electrical Engineers	Korea Management Association
Korea Road Association	Korea Railway Association
Construction Safety Executive Council	Korea Specialty Contractors Association
Korea Institute of Construction Engineering and Management	Korea Rail Electrification Technology Association
Korea Institute of Construction Safety	Korea Concrete Institute
Construction Safety Council	Korean Society of Civil Engineers
Korea Information and Communication Contractors Association	Korea Society of Public-Private Partnerships
Korea Listed Companies Association	Korea Ports & Harbors Association
Construction Industry KOSHA-MS Council	Maekyung Safety & Environment Institute
Korea Association of Construction Quality	The Korean Institute of Landscape Architecture
Korea Landscape Architecture Association	International Contractors Association of Korea
Construction Industry Personnel Managers Association	Private and Public Enterprise Council (Energy & Mineral Resources Development Association of Korea)
Korea Construction Defect Management Association	Korean Association of Air Conditioning Refrigerating and Sanitary Engineers
Korean Institute of Illuminating and Electrical Installation Engineers	

GHG Verification Statement

VVC-24-022

GHG Emission Verification Opinion

HDC Hyundai Development Company

55, Hangang-daero 23-gil, Yongsan-gu, Seoul, Republic of Korea

1. Verification Goal

The goals of greenhouse gas (GHG) emission verification (hereinafter referred to as 'verification') conducted by the Korean Standards Association are as follows.

- Confirming the conformity with standards and procedures of GHG emission and GHG emissions calculated within the scope of verification
- Checking the validity of declarations related to the organization's GHG emissions or removals
- Confirming the effective implementation of the organization's management of GHG emissions or removals
- Confirming the conformity of processes for implementing, managing and improving the organization's GHG emissions or removals estimates

2. Verification Scope

Korea Standards Association conducted limited guarantee level verification for Scope1 and Scope2 for HDC Hyundai Development Company's Greenhouse Gas declaration.

- Reporting Target : HDC Hyundai Development Company's Headquarter, Construction Sites, I-Park Kondo, Park Rosh, Park Hyatt Seoul, Park Hyatt Busan
- Boundary : Scope1(Direct emissions), Scope2(Indirect emissions)
 - Scope1 : Stationary combustion, Mobile combustion
 - Scope2 : Externally purchased power
- Year : January 1, 2023 to December 31, 2023

3. Verification Criteria and Guidelines

Korean Standards Association conducted verification according to international standards and the standards and guidelines of the National Institute of Environmental Research.

- KS I ISO 14064-1:2018, KS I ISO 14064-3:2019
- Verification Guidelines for the Operation of the Greenhouse Gas Emissions Trading System (Recent Issue, Ministry of Environment)
- Guidelines for Reporting and Certification of Emissions from Greenhouse Gas Emissions Trading System (Recent Issue, Ministry of Environment)
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- WRI(World Resources Institute) Greenhouse Gas Protocol

4. Level of assurance verification and Responsibility

Korea Standards Association provides verification at limited level of assurance to strengthen GHG management for your company's GHG emissions.

- On-site inspection : Visit to HDC Hyundai Development Company Head Office
- Method of confirmation :
 - Interview with greenhouse gas emissions manager and field staff
 - Review of the management system and data used to calculate greenhouse gas emissions during the reporting period
 - Tracking review of internal documents and basic data

HDC Hyundai Development Company should provide fair data on information and evidence related to GHG emissions, and the KSA is limited to guaranteeing GHG emissions.

5. Verification Limit

GHG emissions can be affected by factors such as data limits and uncertainties in the scope of verification, and inherent limitations may exist accordingly.

6. Verification Conclusion

No errors or false facts were found in HDC Hyundai Development Company's GHG emissions verified through the ISO 14064-3 verification procedure within the scope of verification.

● Appendix. GHG emissions and Energy consumption

Division	GHG emissions(tCO ₂ eq)			Energy consumption(TJ)
	Scope1	Scope2	Subtotal	
Headquarter	247	478	725	14
Construction Sites	1,721	18,637	20,358	428
I-Park Kondo	442	654	1,096	21
Park Rosh	771	1,940	2,711	54
Park Hyatt Seoul	934	2,544	3,478	72
Park Hyatt Busan	1,464	3,750	5,214	107
Total	5,579	28,003	33,582	696

※ Note : The final greenhouse gas emission was cut below the decimal point and expressed in integer units.

April 15, 2024



KOREAN STANDARDS ASSOCIATION

Independent Assurance Statement

To readers of 2024 HDC Sustainability Report

Introduction

Korea Management Registrar (KMR) was commissioned by HDC Hyundai Development Company to conduct an independent assurance of its Sustainability Report 2024 (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of HDC Hyundai Development Company. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with HDC Hyundai Development Company and issue an assurance statement.

Scope and Standards

HDC Hyundai Development Company described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR’s assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process

- GRI Sustainability Reporting Standards 2021
- Universal standards
- Topic specific standards
 - GRI 205: Anti-corruption
 - GRI 302: Energy
 - GRI 305: Emissions
 - GRI 401: Employment
 - GRI 403: Occupational Health and Safety
 - GRI 404: Training and Education

As for the reporting boundary, the engagement excludes the data and information of HDC Hyundai Development Company’s partners, suppliers and any third parties.

KMR’s Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report’s performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service’s DART and public databases.

Limitations and Recommendations

KMR’s assurance engagement is based on the assumption that the data and information provided by HDC Hyundai Development Company to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with HDC Hyundai Development Company on the revision of the Report. We reviewed the Report’s final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Independent Assurance Statement

Inclusivity

HDC Hyundai Development Company has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

HDC Hyundai Development Company has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

HDC Hyundai Development Company prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of HDC Hyundai Development Company's actions.

Impact

HDC Hyundai Development Company identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021 : 2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with HDC Hyundai Development Company and did not provide any services to HDC Hyundai Development Company that could compromise the independence of our work.

June 2024 Seoul, Korea



KMR CEO Hwang Eun-joo

E. J. Hwang





This product is made with FSC®(Forest Stewardship Council®) certified paper, which is only affixed to products made with wood produced in responsibly managed forests, and is printed with soy ink by an FSC® Chain of Custody certified company (Certification Number: SGS HK-COC-340194).