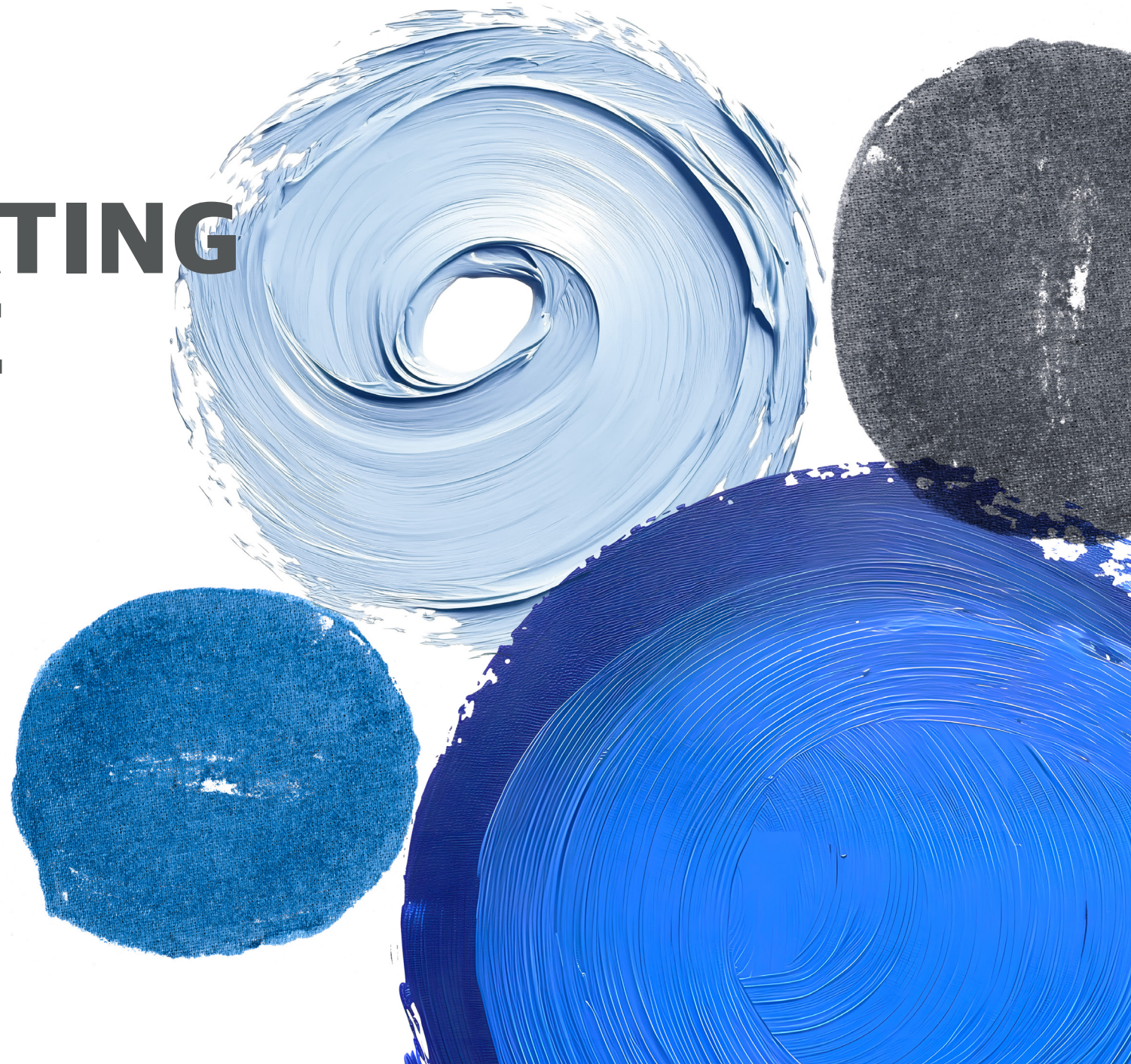


HDC Hyundai Development Company Sustainability Report 2025

# BUILDING TRUST & CREATING SUSTAINABLE VALUE



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# About this Report

## Report Overview

This Sustainability Report (hereinafter referred to as the “Report”) outlines HDC Hyundai Development Company’s ongoing ESG (Environmental, Social, and Governance) initiatives, performance, and future plans. We are committed to publishing this report annually to ensure transparent information disclosure and continued communication with our stakeholders.

## Reporting Period and Scope

The reporting period for this report is from January 1 to December 31, 2024. However, some key activities from the first half of 2025 are also included. For quantitative data requiring trend analysis, information from the past three years (2022-2024) is provided to enable year-over-year comparisons. The reporting scope covers HDC Hyundai Development Company’s headquarters and all domestic and overseas business sites. Where necessary, additional explanations are provided to clarify the boundaries of the data.

## Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, the international framework for sustainability reporting. It also incorporates the industry specific indicators of the Sustainability Accounting Standards Board (SASB) for Engineering & Construction Services, as well as the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Financial performance is reported in accordance with Korean International Financial Reporting Standards (K-IFRS), and includes information from major consolidated subsidiaries.

## Report Assurance

To ensure the reliability, fairness, and completeness of the report, third-party assurance was conducted by BSI (British Standards Institution), a globally recognized sustainability report assurance provider. The assurance was carried out in accordance with the international assurance standard AA1000AS. Detailed verification results and the assurance statement can be found on pages 144 to 146.

## HDC Hyundai Development Company Sustainability Report 2025

|                  |   |
|------------------|---|
| Publisher        | HDC Hyundai Development Company<br>55, Hangang-daero 23-gil, Yongsan-gu, Seoul, Korea<br>8th-9th Floors, HDC IPARK Mall |
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| Website          | www.hdc-dvp.com   |
| Email            | esg@hdc-dvp.com   |

The illustrations featured on the section dividers and inner pages of this report are original works created by members of the Symphony Arts Group, composed of artists with disabilities. These artworks reflect their unique emotions and talents.

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### Interactive User Guide

This report is published in an interactive PDF format that includes navigation to related pages and shortcuts to related web pages.  
This report is available in print and PDF format.

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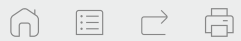
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# CEO Message

Dear Respected Stakeholders,

In 2024, despite an uncertain business environment, HDC Hyundai Development Company remained focused on its core strengths to achieve sustainable performance. We recorded sales of KRW 4.26 trillion and an operating profit of KRW 184.6 billion. Additionally, we were able to boost our credibility through positive external evaluations, including a credit rating upgrade, an A-grade ESG rating, and certification as an excellent service quality company. We remain dedicated to advancing our ESG management system to create sustainable corporate value and fulfill our social responsibilities. Specifically, by expanding eco-friendly construction, improving quality, and increasing governance transparency, we will enhance our corporate competitiveness and bring a sustainable future to life together with our stakeholders.



## Expansion of Eco-Friendly Construction and Carbon Emission Reduction

Addressing climate change and supporting the energy transition are critical challenges for the construction industry. In response to the expanded mandate for Zero Energy Buildings (ZEB) and the growing demand for renewable energy, HDC Hyundai Development Company has established the IPARK ZEB design guidelines and is continuously expanding the design, construction, and operation of energy-efficient green buildings. By delivering eco-friendly residential spaces equipped with advanced energy-saving systems and technologies, we aim to reduce carbon emissions during building operations and promote the use of renewable energy. Looking ahead, we will actively pursue new market opportunities such as the growth of renewable energy infrastructure to drive our continued development as a sustainable construction leader.

## Building a Sustainable Supply Chain

HDC Hyundai Development Company shares the values of sustainable management with all its business partners and systematically promotes ESG standards across its entire supplier network. ESG criteria are embedded in supplier evaluations, and we have established fair trade guidelines and a Supplier Code of Conduct to ensure transparent and responsible supply chain management. In addition, we offer tailored training and support programs to help strengthen our suppliers' sustainability capabilities. We are continuously enhancing our management system to foster a culture of ethical business practices and respect for human rights across the entire supply chain. Looking ahead, we remain committed to building a solid foundation for sustainable growth through mutual cooperation with our partners, while actively promoting the shared development of our company and society.

## Enhancing Governance Transparency and Integrated Risk Management

HDC Hyundai Development Company upholds responsible management through an independent and expert board of directors, continuously enhancing fairness and transparency in decision-making. We have implemented a risk management process across all stages of our business to comprehensively assess major financial and non-financial risks and develop appropriate response measures. By strengthening our internal audit system and fostering a culture of ethical management, we reinforce the credibility of our corporate operations. In addition, we have implemented an enterprise-wide ESG KPI system to embed performance-driven, sustainable management across the organization.

## Building a Sustainable Future Together

As HDC Hyundai Development Company approaches its 50th anniversary in 2026, we are accelerating preparations for a new leap forward. Our goal is to strengthen our core competitiveness and transform our organizational culture to become more flexible and efficient, enabling us to proactively adapt to the evolving business environment. By fostering close collaboration across departments and streamlining work processes, we will further solidify the foundation for sustainable growth. Through these changes and efforts, we are committed to enhancing corporate value and establishing ourselves as a trusted company among customers and society. Moving forward, we will continue to build a sustainable future together with all stakeholders and pursue balanced development that fulfills our corporate social responsibilities. We kindly ask for your continued interest and support as HDC Hyundai Development Company takes on new challenges and drives innovation.

Thank you.

A handwritten signature in black ink that reads "Kyung-ku Jung".

June 2025

CEO, HDC Hyundai Development Company **Kyung-ku Jung**

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# About our Company

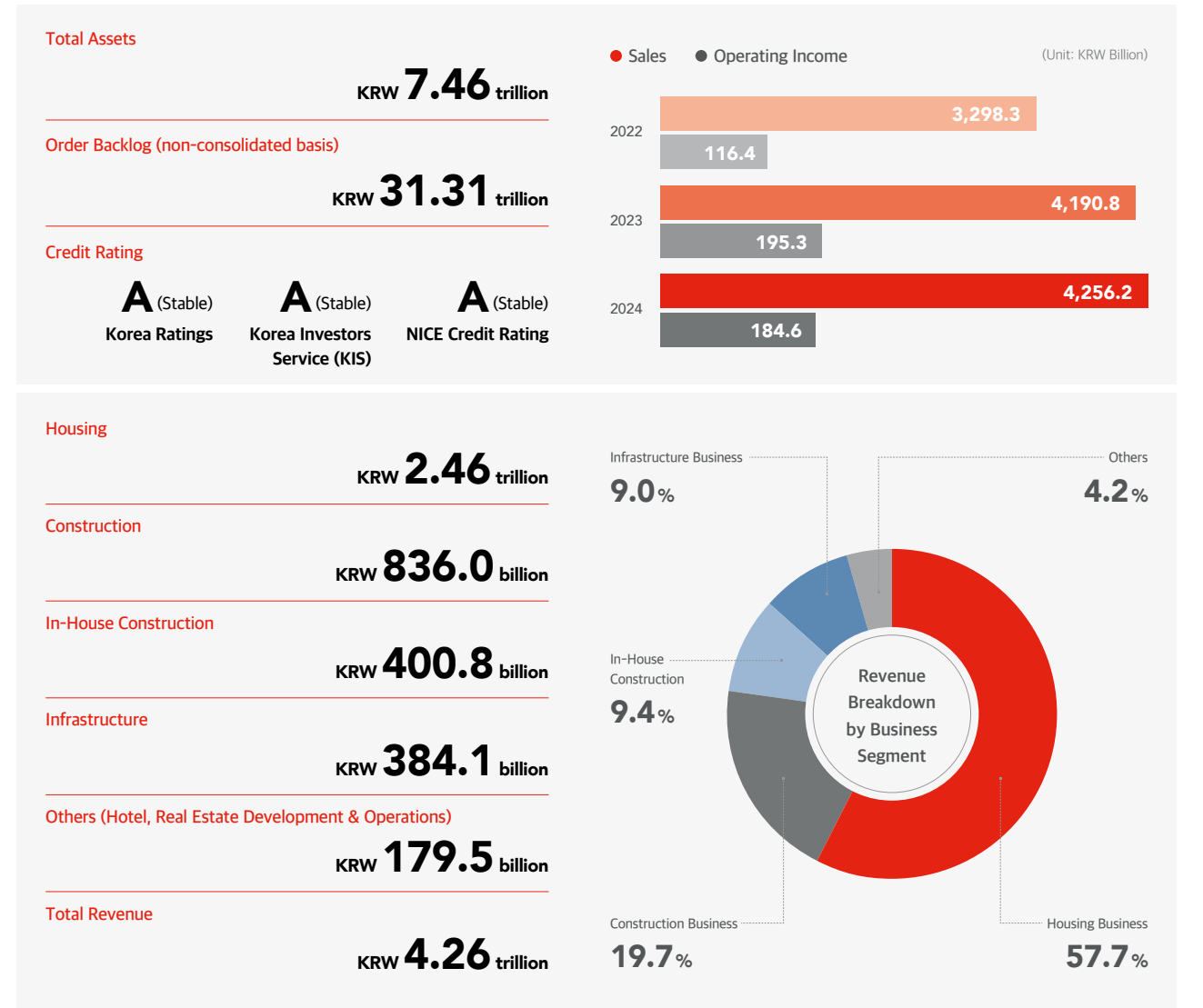
## About our Company

Leveraging its expertise in residential and urban development, HDC Hyundai Development Company goes beyond simply creating spaces—we design new ways of living. Drawing on extensive construction experience and differentiated operational capabilities, we deliver sustainable value across a range of sectors, including residential, commercial, and infrastructure, while contributing to the development of future cities.

|                                 |  |
|---------------------------------|--|
| <b>Company Name</b>             | HDC Hyundai Development Company  |
| <b>Established</b>              | March 25, 1976   |
| <b>Representative Directors</b> | Kyung-ku Jung, Tae-jea Cho   |
| <b>Core Businesses</b>          | Construction, Housing, Infrastructure Construction, and Real Estate Development & Operations |
| <b>Headquarters</b>             | 55, Hangang-daero 23-gil, Yongsan-gu, Seoul, South Korea                                     |
| <b>Number of Employees</b>      | 1,855  |
| <b>Website</b>                  | <a href="https://www.hdc-dvp.com/index.do">https://www.hdc-dvp.com/index.do</a>              |

## Key Financial Performance

(Based on the 2024 Consolidated Financial Statements)



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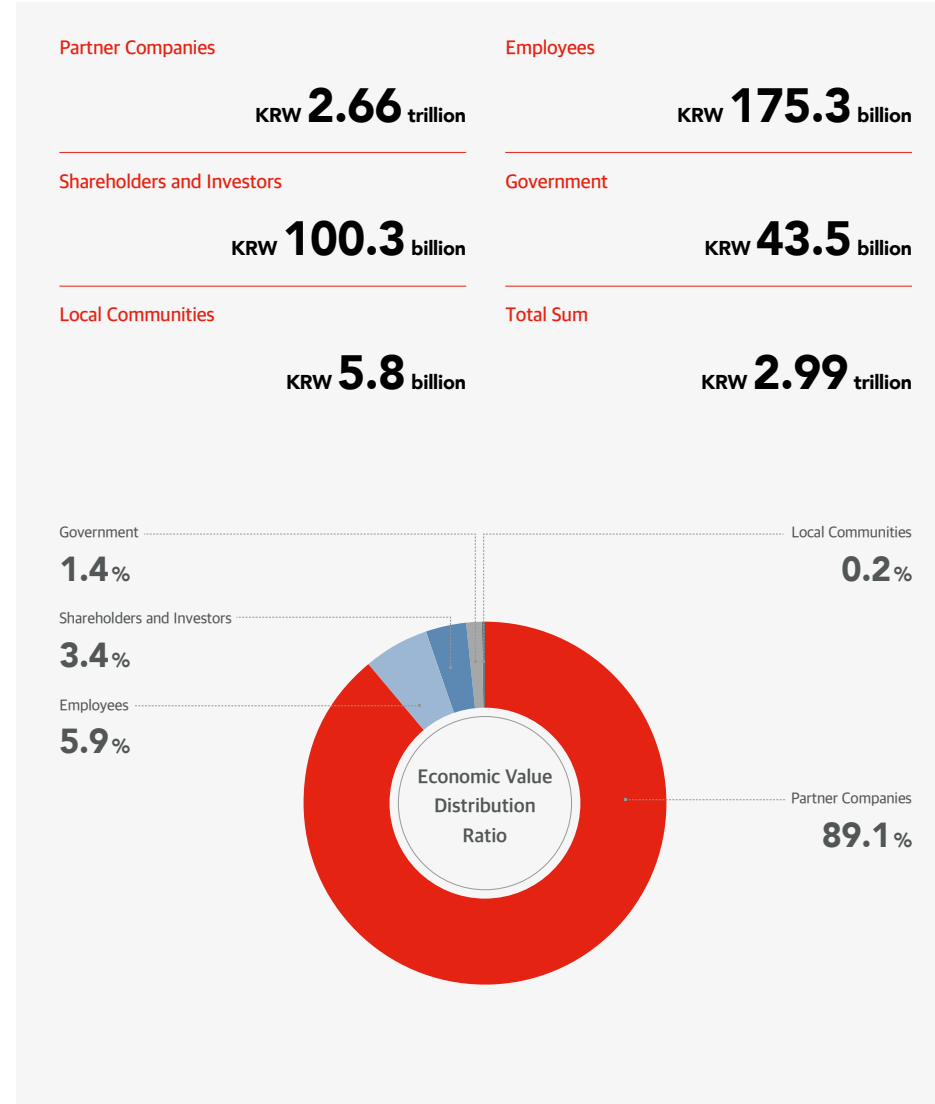
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# About our Company

## Distribution of Economic Value

(Based on the 2024 Consolidated Financial Statements)



## Key ESG Achievements

KCGS ESG Comprehensive Evaluation

**Achieved Grade A**

(Environment: A, Social: A+, Governance: A)



2024 Korea Management Awards

**ESG Division Grand Prize Winner**



31st Corporate Innovation Awards

**Recipient of the Minister of Trade, Industry and Energy Award**



Ministry of Health and Welfare & Korea Council of Social Welfare

**Selected as a Recognized Company for Community Contribution**



Korea Service Promotion Association

**Certified as an Excellent Service Quality Company**



Ministry of Gender Equality and Family

**Selected as a Family-Friendly Certified Company**



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## DEVELOPMENT



Gwangwoon University Station Area Development Project  
(Seoul One IPARK)

- Business Period  
November 2024 - July 2028 (Expected)
- Business Location  
Area around 85-7 Wolgye-dong, Nowon-gu, Seoul
- Business Scale  
768 units of private rental housing (residences) / 408 units of public rental housing, 25,000 pyeong (82,645m<sup>2</sup>) retail facilities / 24,000 pyeong (79,338m<sup>2</sup>) office facilities / hotel with around 200 rooms

## Development

HDC Hyundai Development Business Company enhances convenience and maximizes space value for customers through mixed-use development projects that integrate residential, office, commercial, hotel, and resort functions. We create innovative urban models that strengthen city competitiveness. By reflecting future lifestyles in our unique Development Business projects, we blur the lines between work, life, and leisure to deliver customer focused products and services. Additionally, we contribute to making urban environments more competitive and sustainable. Looking ahead, we will continue to grow as Korea's leading comprehensive real estate developer building a prosperous life and a trustworthy world centered on space. At HDC Hyundai Development Company, urban development and enhancing customers' quality of life are always top priorities in our business activities.

### ESG APPROACH

HDC Hyundai Development Company is dedicated to fostering mutual growth with local communities through various public contribution activities focused on improving urban infrastructure and living environments. During the development around Gwangwoon University Station, we enhanced transportation accessibility by opening new roads and constructing an east-west connecting road. We also created a pedestrian-friendly urban environment by remodeling aging overpasses and developing the Gyeongchun Line Forest Trail. Furthermore, by establishing a central living axis connecting Gwangwoon University Station and Seokgye Station and building multi-purpose cultural facilities on public land, we have revitalized local communities, strengthened communal ties, and improved living infrastructure.

### 2024 HIGHLIGHT



#### Seoul One Project

A massive 150,000m<sup>2</sup> urban development underway in the Gwangwoon University Station area.



#### Proposing a compact cultural city\* model \* Work / Residential / Commercial / Cultural

3,032 apartment units within mixed-use residential land  
Retail, office, and lodging facilities within commercial and business land  
Public dormitories and other buildings within public land

#### Preliminary Certificate for Housing Construction Standards Obtained

Preliminary Green Building Certification  
(Green Grade 2 - High)

High

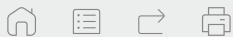
Preliminary Certification for Building Energy Efficiency Rating

Grade 1++

Eco-friendly Certification

5 certificates

Preliminary Certification for Zero Energy Building (ZEB)



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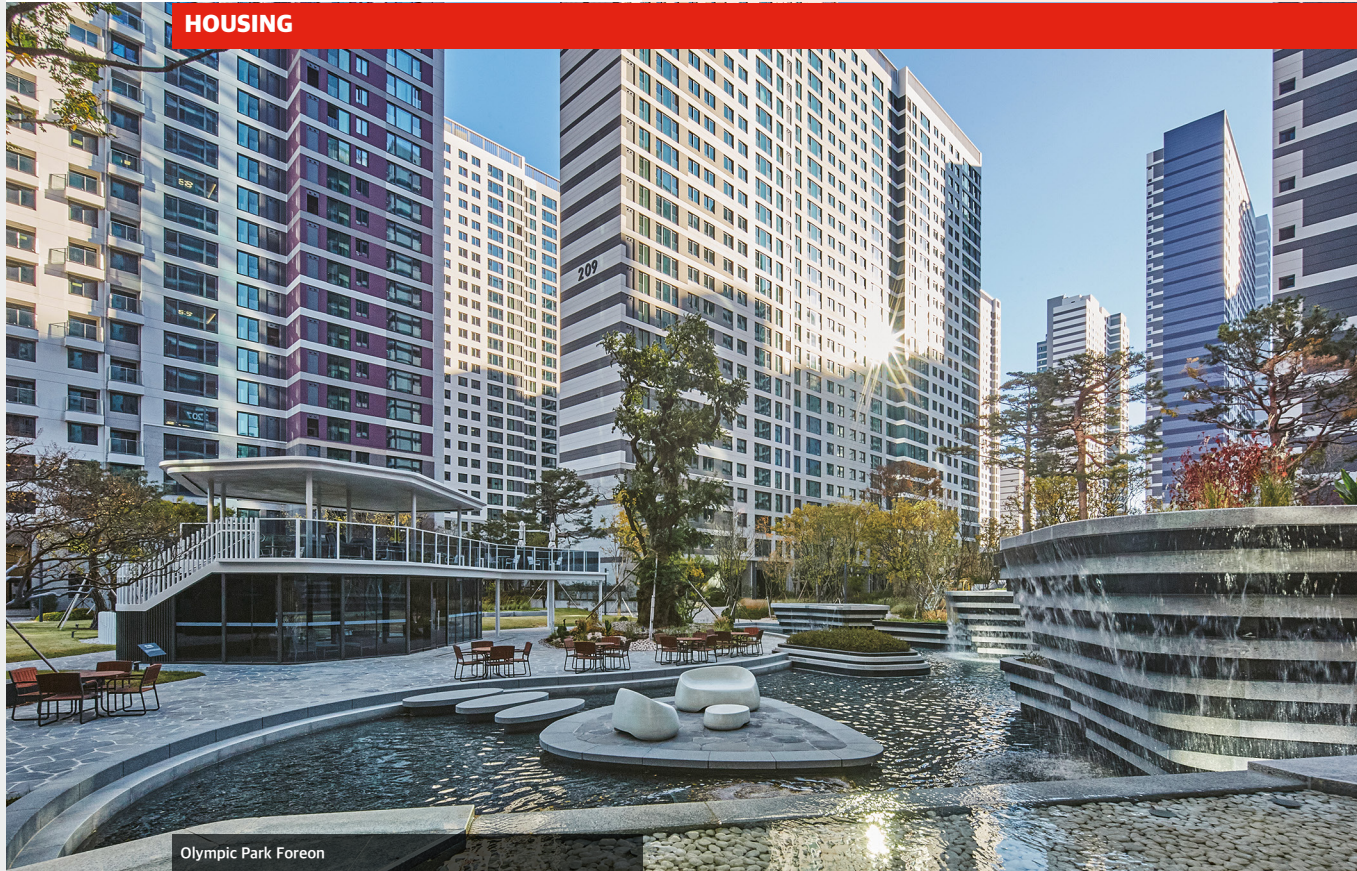
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## HOUSING



Olympic Park Foreon

- **Business Period**  
February 2020 - November 2024 (57 months)
- **Business Location**  
Dunchon-dong, Gangdong-gu, Seoul
- **Business Scale**  
A total of 12,032 units, 85 buildings, from B3F (basement level 3) to 35F (35th floor)

### 2024 HIGHLIGHT



**Creating a Comfortable Living Environment and Establishing a Branded Town**

Won the Grand Prize in the Construction Sector



**Creation of Premium Housing Communities**

Olympic Park Foreon residential complex



**Urban Redevelopment Business Procurement Achievement**

Secured Orders Worth Approximately KRW 1.33 Trillion

## Housing

With 500,000+ housing units built, HDC Hyundai Development Company leads South Korea's private housing market, shaping premium residential culture. For more than 50 years, we've driven innovation across apartments, officetels, mixed-use buildings, private rentals, and urban redevelopment projects. Looking ahead, we remain committed to customer convenience, safety, and sustainability—creating lasting value and advancing sustainable living.

### ESG APPROACH

HDC Hyundai Development Company is evolving from housing supply to creating high-quality, eco-friendly residences. By expanding PC (Precast Concrete) use, improving the I-NRD system, and adopting digital site management, we boost efficiency, quality, and sustainability while minimizing waste. These efforts promote community harmony and strengthen our ESG-driven housing competitiveness.

#### Examples of Application

**Expansion of PC Construction Method Technology** Through a dedicated committee, we continuously identify and apply new PC (Precast Concrete) methods to enhance construction efficiency and eco-friendliness by shortening build times, improving quality, and reducing waste.

**Development of Impact Sound Insulation Structure (I-NRD)** HDC Hyundai Development Company is advancing impact sound insulation technologies, holding certifications for Lightweight Grade 1 and Heavyweight Grade 2, with R&D underway to achieve Heavyweight Grade 1. This enhances quality, structural efficiency, and reduces material use.

**Digital Technology-Based Site Management System** We are upgrading the I-QMS (Quality Management System) into a mobile-based site management platform. Additionally, we developed and operate the HDC Estimate System by BIM(HEB) and introduced automated earthwork volume calculation via a drone platform.

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## ARCHITECTURE



Gangdong IPARK The River

- **Business Period**  
June 2021 - January 2025 (44 months)
- **Business Location**  
Godeok-dong, Gangdong-gu, Seoul
- **Business Scale**  
Total floor area of 91,154 pyeong (approx. 301,000 m<sup>2</sup>), 590 units, 1 tower building, Basement 6 floors (B6F) to 21 floors above ground (21F)

### 2024 HIGHLIGHT



#### Portfolio diversification

- Completion of various-purpose construction projects
- Logistics centers, knowledge industry centers, mixed-use buildings, etc.



#### Application of eco-friendly design

- Green building certification, application of renewable energy, etc.

## Architecture

HDC Hyundai Development Company undertakes architectural projects that harmonize with the urban environment by leveraging its extensive design and construction expertise. With exceptional design skills and rich experience, we create landmark buildings that reflect contemporary trends and embody the character of their regions, driving fresh and inspiring changes in the cityscape. This year, we've expanded our portfolio by completing various projects including logistics centers, knowledge industry centers, and mixed-use buildings. Looking ahead, we will continue to contribute to urban improvement and sustainable development through the application of eco-friendly construction technologies.

### ESG APPROACH

HDC Hyundai Development Company has proactively embraced eco-friendly and high-efficiency technologies, including renewable energy, energy-saving designs, and environmentally friendly materials. This commitment has earned us the highest Green Building certification and a top energy efficiency rating of 1+. Building on this foundation, we strive for sustainable construction that supports carbon reduction, daily energy savings, and the improvement of urban environments.

#### HDC Hyundai Development Company's Track Record in Applying Eco-Friendly Construction Technologies

Gangdong IPARK The River: Eco-Friendly Design

Green Building Certification

Building Energy Efficiency Rating

Highest Rating

Grade 1++

#### Examples of Application

① Application of Renewable Energy

- Geothermal System (Geothermal Heat Pump)
- Solar Power System (PV, BAPV, BIPVs, Concentrated Daylighting Louvers)
- Fuel Cell System

② Application of Energy-Saving Control Systems

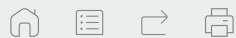
- District Heating Heat Exchanger, Absorption Chiller, etc.

③ Use of Eco-friendly, Low-Carbon, and Green Building Materials

- Ceiling materials, insulation materials, paints, etc.

④ Application of Energy-Efficient Exterior Materials

- Low-E double-glazed windows



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## INFRASTRUCTURE



Busan New Port Phase 2-4 Container Terminal

- Business Period  
February 2016 - May 2022 (76 months)
- Business Location  
Sinhangnam-ro, Gangseo-gu, Busan
- Business Scale  
50,000-ton class, 3 berths (1,050m), 1.5 million TEU/year (maximum 2.2 million TEU/year)

### 2024 HIGHLIGHT



Entry into the LNG power plant sector

Successful commencement of commercial operations at Tongyeong LNG Combined Power Plant



Strengthening infrastructure development capabilities

Establishment of a dedicated team for new infrastructure business

## Infrastructure

HDC Hyundai Development Company is strategically identifying sustainable new businesses that align with eco-friendly and digital transformation trends, leveraging its expertise in infrastructure development. In October 2024, the company successfully launched commercial operations of the Tongyeong LNG Combined Power Plant, which it led, laying the groundwork for expanding into the new and renewable energy sector. To further support this direction, HDC Hyundai Development Company established a dedicated organization for new infrastructure businesses, strengthening its future-oriented portfolio and systematically building a foundation for sustainable growth. Looking ahead, HDC Hyundai Development Company will continue to promote innovative, environmentally focused infrastructure development, contributing to the creation of sustainable cities and societies.

### ESG APPROACH

HDC Hyundai Development Company is expanding into digital infrastructure development and operations, such as data centers, in response to the growing demand driven by digitalization and artificial intelligence, extending beyond its energy business. The company is focused on building eco-friendly, sustainable data centers capable of reliably handling the rapidly increasing volumes of data in modern society. These centers incorporate efficient cooling systems and waste heat recycling technologies to reduce carbon emissions. To support these initiatives, HDC has proactively secured strategic sites near the Seoul metropolitan area, establishing a solid foundation for future growth in digital infrastructure.

#### Examples of Application

LNG cooling system construction

Increased energy efficiency, reduction of greenhouse gas emissions

Development of low-carbon data centers (in progress)

Establishment of eco-friendly energy infrastructure

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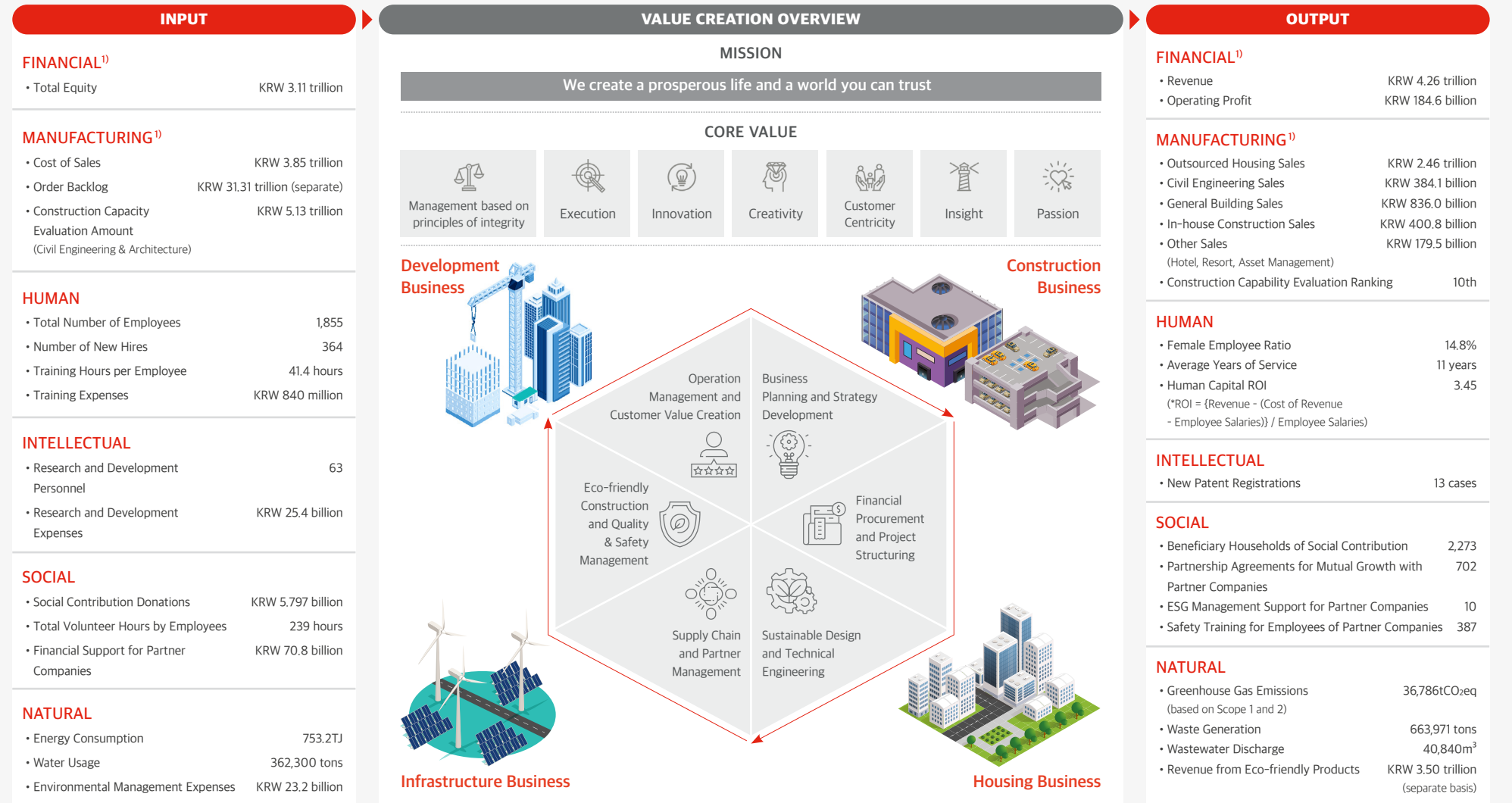
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# Value Creation

Under the vision of becoming a comprehensive financial real estate company, HDC Hyundai Development Company provides total solutions that span the entire construction industry value chain, from development planning to construction and operation. We create meaningful value by prioritizing customer satisfaction, driving technological innovation, and fostering mutual growth with partner companies across various sectors, including residential, infrastructure, and mixed-use developments. Acknowledging the environmental impacts of greenhouse gas emissions and resource consumption associated with our business activities, we are actively strengthening sustainable technologies and management systems to reduce these effects. Looking ahead, we remain committed to delivering trust and value to all stakeholders and aim to lead the way in sustainable real estate development.



1) Based on the 2024 Consolidated Financial Statements

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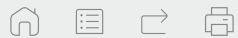
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# ESG MANAGEMENT

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# CSO Message

Dear Respected Stakeholders,

HDC Hyundai Development Company is continuously advancing its management practices to go beyond today's changes and build a sustainable future. We prioritize safety in all areas of our business operations and uphold a people-centered approach, even as the business environment rapidly evolves.

At the same time, we are actively responding to climate change and working to reduce our environmental impact.

We remain fully committed to fulfilling our social responsibility and embedding sustainable management across the entire organization.

Through these efforts, we aim to create long-term corporate value across environmental, social, and governance (ESG) dimensions and build a more sustainable future together with our stakeholders.



## People-Centered Occupational Safety and Health Management —

Construction sites inherently involve various risks, and accidents can lead not only to serious injuries or fatalities but also to significant damage to a company's reputation and social responsibility. Recognizing this, HDC Hyundai Development Company treats occupational safety and health not merely as a regulatory requirement, but as a core strategy for achieving sustainable growth and cultivating a trusted corporate culture. We prioritize safety above all else by fostering a proactive, prevention-oriented culture where both supervisors and workers actively participate. Our goal is to create a work environment where accidents are prevented before they occur. To support this, we operate the SAFETY-I Academy and actively apply smart safety technologies such as I-SAFETY 2.0, continuously strengthening our on-site safety management capabilities. We've also implemented a One-Stop Safety Inspection System to elevate safety standards among partner companies and have reinforced risk assessments to embed a preventive, risk-based approach to safety. Additionally, we conduct regular site inspections involving senior management and partner company leaders to promote a culture of shared responsibility and active participation. Through these

comprehensive initiatives, we make safety an integral part of our daily operations and work to prevent workplace incidents at every level.

## Strengthening Sustainable Management Through Climate Change Response —

The climate crisis presents serious challenges not only to construction site operations but also to overall corporate management. As a result, proactive responses have become essential for achieving sustainable development and maintaining financial stability. HDC Hyundai Development Company is actively managing greenhouse gas emissions, aiming to achieve carbon neutrality by 2050. We set and implement annual reduction targets for both Scope 1 and Scope 2 emissions. As part of Korea's Greenhouse Gas Target Management System, we are also strengthening our climate risk response framework. Aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have developed scenario analyses and risk response strategies that enable us to adapt flexibly to global environmental changes. In parallel, HDC is leading efforts to build eco-friendly worksites by implementing a wide range of low carbon initiatives

including improving on-site energy efficiency, electrifying vehicles and equipment, and expanding the use of renewable energy.

## Our Commitment to a Sustainable Future —

At HDC Hyundai Development Company, we are fully committed to protecting and respecting both people and the environment as we build a sustainable future. Together with our employees and partner companies, we will take responsibility for fostering a culture of accountability and best practices at every site. By doing so, we aim to earn the trust of our stakeholders and achieve sustainable growth. Moving forward, we will continue to embrace change and challenges with confidence, remaining steadfast in our pursuit of a sustainable future.

Thank you.

June 2025

HDC Hyundai Development Company CEO **Tae-jea Cho**

# Sustainability Management Framework

To effectively implement an ESG strategy, a clear decision-making structure, company-wide engagement, and an integrated understanding of sustainability are essential. HDC Hyundai Development Company has established a transparent governance system grounded in the independence and expertise of its Board of Directors, continuously enhancing its capacity to execute ESG management.

## Sustainability Management Structure

HDC Hyundai Development Company operates an ESG governance system designed to create sustainable value based on trust, while strengthening its response to environmental and social issues and fulfilling its corporate responsibilities. The Board of Directors, as the company's highest decision-making body, reviews and approves ESG policies, strategies, and goals, and comprehensively evaluates the company's sustainability and social responsibility efforts. The Board comprises two executive directors and three non-executive directors, ensuring both independence and expertise through a majority of non-executive directors. From an operational perspective, the Sustainability Management Council oversees ESG goals and performance across all business units. Meanwhile, the ESG Working Group identifies key ESG issues affecting company-wide operations and implements improvement initiatives based on these insights. Through this governance structure, HDC Hyundai Development Company clearly defines its ESG priorities and reinforces its sustainable management system through actionable and effective implementation measures.



## Board of Directors Activities

The Board of Directors of HDC Hyundai Development Company operates in accordance with its Board Regulations, holding both regular and extraordinary meetings. Agenda items are shared in advance to allow sufficient time for review. Resolutions are adopted by a majority vote of the directors present, in line with relevant laws and the company's Articles of Incorporation. The Board also facilitates remote participation and enforces procedures to prevent conflicts of interest. In 2024, the Board convened 12 times and reviewed and approved 48 agenda items. These included ESG management plans, responses to the greenhouse gas target management system, and plans for safety, health, and quality-related initiatives.

### Sustainability-Related Board Agenda Items

| Category   | Key Sustainability Management Agenda Items   |   |
|------------|--|---|
| 2024.01.25 | <ul style="list-style-type: none"> <li>Approval of Electronic Voting System</li> <li>Appointment of Fair Trade Compliance Officer</li> </ul>   | <ul style="list-style-type: none"> <li>Approval of 2024 Safety, Health, and Quality Activity Policy</li> <li>Report on 2023 Safety, Health, and Quality Activity Performance</li> </ul>   |
| 2024.02.26 | <ul style="list-style-type: none"> <li>Report on the Operation Status of the Internal Accounting Control System</li> <li>Evaluation Report on the Operation Status of the Internal Accounting Control System</li> </ul>  | <ul style="list-style-type: none"> <li>Report on the 2024 ESG Work Plan</li> </ul>  |
| 2024.03.28 | <ul style="list-style-type: none"> <li>Appointment of Committee Members (Chairs) within the Board of Directors</li> <li>Approval of the 2024 Environmental Management Promotion Plan</li> </ul>  |   |
| 2024.05.21 | <ul style="list-style-type: none"> <li>Resignation and Appointment of Committee Members (Chairs) within the Board of Directors</li> <li>Appointment of Compliance Officer</li> </ul>   | <ul style="list-style-type: none"> <li>Report on Safety, Health, and Quality Activity Performance for Q1 2024</li> </ul>  |
| 2024.06.21 | <ul style="list-style-type: none"> <li>Report on Board of Directors Evaluation Results</li> </ul>  |   |
| 2024.07.01 | <ul style="list-style-type: none"> <li>Report on the Publication of the 2024 Sustainability Management Report (Review of Materiality Assessment Results)</li> </ul>  |   |
| 2024.07.25 | <ul style="list-style-type: none"> <li>Report on Safety, Health, and Quality Activity Performance for Q2 2024</li> </ul>   |   |
| 2024.09.06 | <ul style="list-style-type: none"> <li>Report on Fair Trade Compliance Program (CP) Performance</li> </ul>   |   |
| 2024.10.25 | <ul style="list-style-type: none"> <li>Report on Safety, Health, and Quality Activity Performance for Q3 2024</li> </ul>   |   |
| 2024.12.16 | <ul style="list-style-type: none"> <li>Report on Fair Trade Compliance Program (CP) Performance</li> <li>Report on 2024 ESG Management Performance</li> <li>Report on Establishment of Climate Change Response Strategy</li> <li>Report on 2024 Environmental Management Implementation Results</li> </ul> | <ul style="list-style-type: none"> <li>Report on the Plan to Respond to the Greenhouse Gas Target Management System</li> <li>Report on the Operation Results of the Anti-Corruption Management System</li> <li>Report on the Operation of the Compliance Management System</li> </ul> |

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# Sustainability Management Goals and Strategies

HDC Hyundai Development Company establishes its strategic direction based on a mid- to long-term roadmap, continuously strengthening its execution capabilities. By leveraging a strategic implementation system, the company advances sustainable management across all business areas. It is strengthening its ESG management framework across all operations and creating long-term value based on trust with a diverse range of stakeholders. Through its mid- to long-term growth strategy for the next decade, HDC Hyundai Development Company aims to reinforce the foundation for a sustainable future across environmental, social, and economic dimensions.

Mid- to Long-Term Sustainability Management Roadmap



Detailed Strategies for Sustainable Management



Goals and Performance by Sector

| Category  | Sustainability Management KPIs                                   | 2024   |   | 2025  |
|---|--|--|---|---|
|   |  | Target   | Performance                                     | Target  |
| <b>Strengthening Environmental Management</b> <ul style="list-style-type: none"> <li>Enhancing climate change response</li> <li>Reducing environmental impact during construction</li> <li>Enhancing resource circulation activities</li> </ul> | Greenhouse Gas Emissions (tCO <sub>2</sub> -eq)                  | 31,302   | 36,786  | 34,947  |
|   | Energy Consumption (TJ)  | 661.0  | 753.2   | 715.5   |
|   | Waste Generation (ton)   | 872,885  | 663,971   | 630,772   |
|   | Waste Recycling Rate (%)   | 99.0   | 99.8  | 99.0  |
|   | Waste Generation Intensity (tons/100 million KRW)                | 21.0   | 15.8  | 15.0  |
|   | Water Usage (ton)  | 358,189  | 362,300   | 344,185   |
| <b>Strengthening Social Responsibility</b> <ul style="list-style-type: none"> <li>Establishing Safe Worksites</li> <li>Strengthening Supply Chain Sustainability</li> <li>Contributing to and Coexisting with Local Communities</li> </ul>      | High-Risk Accident Rate (%)                                      | Below 5%   | 2.1%  | Maintain below 4%   |
|   | Number of Safety Inspections (times)                             | 278  | 274   | 301   |
|   | Number of Quality Inspections (times)                            | 155  | 191   | 213   |
|   | Mutual Growth Index  | High   | Good  | High  |
|   | Compliance Program (CP) Rating                                   | AA(High)   | AA(High)  | AA(High)  |
|   | Consumer Complaint Resolution Rate (%)                           | 97.0   | 93.3  | 97.0  |
|   | Social Contribution Expenditure Ratio based on Sales Revenue (%) | 0.13   | 0.14  | 0.12  |
|   | Community Contribution Recognition Score                         | 154  | 156   | 157   |
| <b>Strengthening Management Transparency</b> <ul style="list-style-type: none"> <li>Strengthening Accountability of the Board</li> <li>Protecting Shareholder Rights</li> <li>Integrated Risk Management</li> </ul>                             | Board Attendance Rate (%)  | 100  | 100   | 100   |
|   | Board Diversity  | Strengthen review of non-executive director candidates | Appointment of female non-executive director    | Maintain appointment of female non-executive director           |
|   | Board Evaluation   | Conduct self-assessment of Board and Committees        | Conduct self-assessment of Board and Committees | Report evaluation results to Board (via self-assessment survey) |

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**BEST PRACTICE**

**2024 Korea Management Awards - ESG Division Grand Prize Winner**



In October 2024, HDC Hyundai Development Company was honored with the Grand Prize in the ESG Management category at the 2024 Korea Management Awards, hosted by the Korea Management Association (KMA). The company received high praise for its strengthened board-led governance, effective climate change response strategies, and expanded employee engagement—demonstrating strong execution and systematic strategies across all ESG areas. This award marks the second consecutive year that HDC Hyundai Development Company has been recognized, highlighting its ongoing commitment and solid foundation in ESG management.

**31st Corporate Innovation Awards - Minister of Trade, Industry and Energy Award Winner**



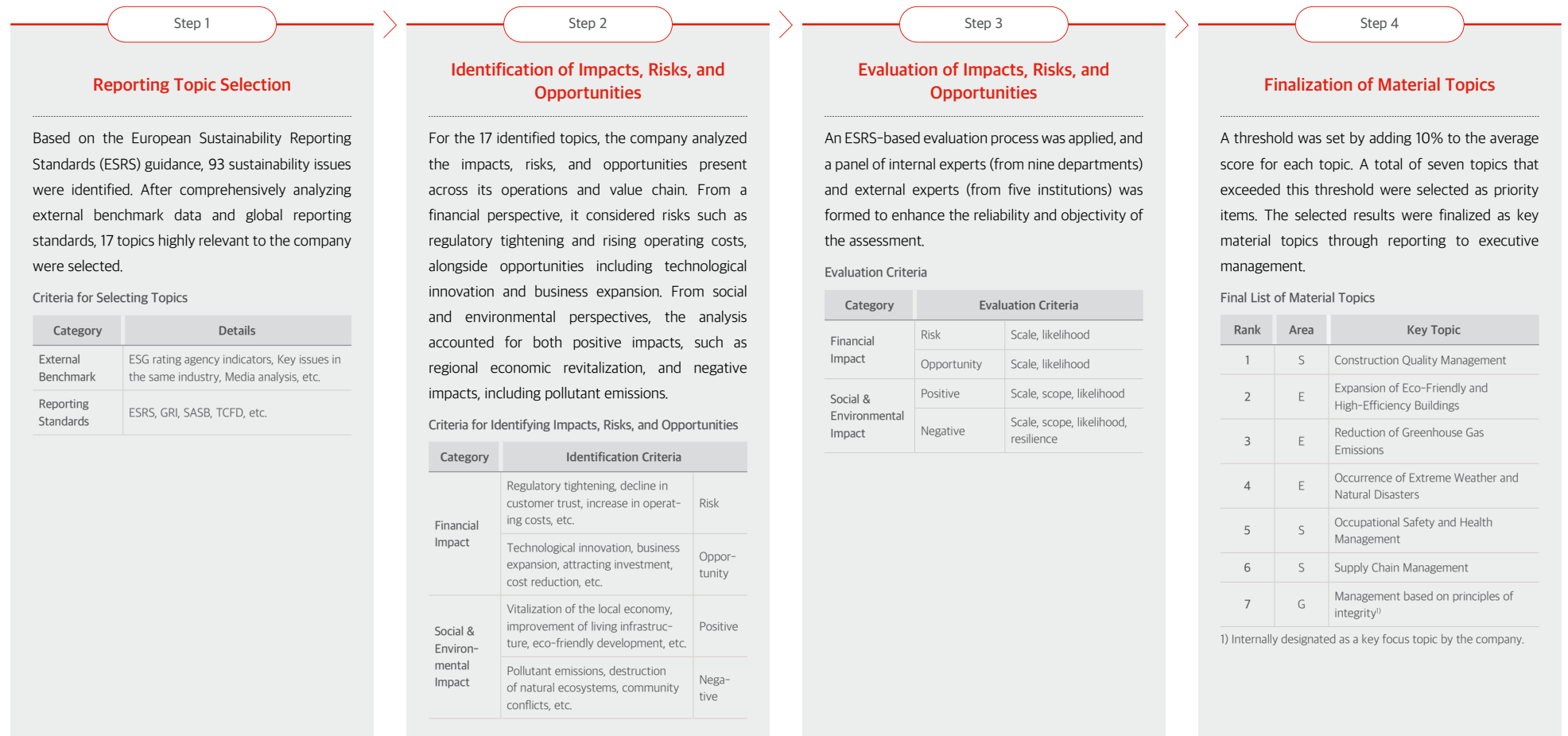
In 2024, HDC Hyundai Development Company received the Minister of Trade, Industry and Energy Award at the 31st Corporate Innovation Awards. This award recognizes companies excelling in ESG practices and management innovation. The company was highly praised for improvements in governance such as managing the pool of non-executive director candidates and introducing an electronic voting system; strengthening social responsibility through establishing codes of conduct for partner companies and enhancing human rights and safety management; and its environmental strategies focused on reducing greenhouse gas emissions and expanding resource circulation.

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# Materiality Assessment

HDC Hyundai Development Company conducts an annual Double Materiality Assessment to evaluate both the impact of its business activities on external stakeholders such as local communities and the environment (impact materiality) and the effect of external factors, including climate change, regulatory changes, and market demands, on the company's financial performance (financial materiality). This dual assessment enables the company to identify critical issues across economic, social, and environmental dimensions, supporting the development and refinement of strategies that strengthen its foundation for sustainable management. In 2025, the company enhanced its assessment framework by aligning it with the European Sustainability Reporting Standards (ESRS), issued by the European Financial Reporting Advisory Group (EFRAG). By transparently disclosing its strategies and performance on these material topics, HDC Hyundai Development Company aims to continuously build trust with its stakeholders.

## Double Materiality Assessment Process



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## Results of Material Topic Selection

HDC Hyundai Development Company conducted a comprehensive assessment of the financial, social, and environmental impacts of sustainability issues related to its business activities, identifying seven key material topics.

### 2024 Material Topics

| Category | Issue Name  | Materiality Assessment |                        | Key Stakeholders   | Rank Change (Compared to 2024) |
|----------|---|------------------------|------------------------|--|--------------------------------|
|          |   | Financial              | Social & Environmental |  |                                |
| E        | Expansion of Eco-Friendly and High-Efficiency Buildings <sup>1)</sup> | ●●●●                   | ●●●●                   | Customers, Local Communities, Government and Regulatory Agencies, Investors, Partner Companies       | ▲5                             |
|          | Occurrence of Extreme Weather and Natural Disasters                   | ●●●                    | ●●●                    | Local Communities, Customers, Partner Companies, Government  | New                            |
|          | Reduction of Greenhouse Gas Emissions                                 | ●●●                    | ●●●●                   | Government and Regulatory Agencies, Investors, Local Communities, NGOs, Customers, Partner Companies | ▲1                             |
| S        | Construction Quality Management <sup>1)</sup>                         | ●●●●                   | ●●●●                   | Customers, Partner Companies, Employees, Government and Regulatory Agencies                          | ▲2                             |
|          | Occupational Safety and Health Management                             | ●●●                    | ●●●                    | Employees, Partner Companies, Local Communities, NGOs, Government and Regulatory Agencies            | ▼3                             |
|          | Supply Chain Management   | ●●●                    | ●●●                    | Partner Companies, Investors   | New                            |
| G        | Management Based on Principles of Integrity (Ethics, Compliance)      | ●●●                    | ●●●                    | Employees, Partner Companies, Investors  | ▼2                             |

1) Key Material Topics

### Key Topic Metrics



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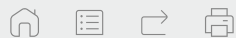
Appendix

## Sustainability Impact and Response Status by Key Topic

| Category | Material Issue   | Location in Value Chain               | Major Impact  | Response Status  | Impact Type <sup>1)</sup> | Response Timeline <sup>2)</sup> |
|----------|--|---------------------------------------|---|--|---------------------------|---------------------------------|
| E        | Expansion of Eco-Friendly and High-Efficiency Buildings          | Upstream, own corporation             | Expansion of the mandatory scope for Zero Energy Buildings (ZEB) leads to increased demand for high-efficiency green buildings.   | <ul style="list-style-type: none"> <li>• Adoption of renewable energy and next-generation carbon-neutral energy technologies</li> <li>• Expansion of eco-certified material procurement and promotion of low-carbon construction project strategy development including the installation of energy-efficient equipment</li> </ul>                                      | Opportunity               | Medium term                     |
|          |  |                                       | Expansion of the proportion of eco-friendly energy used during building operation through the supply of homes equipped with energy-saving systems   | <ul style="list-style-type: none"> <li>• Continuous development of high-efficiency technologies and expanded on-site application, including installation of louvers and solar panels in outdoor unit rooms.</li> </ul>   | Positive                  | Medium term                     |
|          | Occurrence of Extreme Weather and Natural Disasters              | Upstream, own corporation             | Due to changes in precipitation patterns and rising average temperatures, there is an increase in project delays (longer construction periods) and damage to buildings and external facilities.   | <ul style="list-style-type: none"> <li>• Establishment of site-specific damage prevention systems based on climate change scenarios</li> </ul>   | Risk                      | Long-term                       |
|          | Reduction of Greenhouse Gas Emissions                            | Upstream, own corporation, downstream | Increase in global average temperature caused by greenhouse gas emissions from construction material production processes, construction sites, and buildings  | <ul style="list-style-type: none"> <li>• Establishment of a carbon neutrality roadmap and implementation of reduction strategies</li> <li>• Company-wide calculation of greenhouse gas emissions (Scope 1-3) and introduction of emission monitoring in response to greenhouse gas target management systems and emissions trading schemes</li> </ul>                  | Negative                  | Long-term                       |
| S        | Construction Quality Management                                  | Own corporation, downstream           | Defective construction, safety accidents, project delays, administrative penalties, and increased construction costs due to non-compliance with construction-related laws   | <ul style="list-style-type: none"> <li>• Establishment of a technical safety management system aligned with quality management goals</li> <li>• Implementation of quality control processes and quality rating targets for each construction phase</li> <li>• Execution of safety inspection programs, including safety and quality campaigns and workshops</li> </ul> | Risk                      | Medium term                     |
|          |  |                                       | Providing safe and high-quality apartments to customers to increase customer satisfaction and enhance brand value.  | <ul style="list-style-type: none"> <li>• Enhancing customer satisfaction through focused initiatives such as a smart quality management system (app) and strengthened open house services.</li> </ul>  | Positive                  | Long-term                       |
|          | Occupational Safety and Health Management                        | Own corporation                       | Strengthened labor laws such as working hour limits, minimum wage increases, and stricter industrial safety regulations have increased costs, particularly labor expenses.  | <ul style="list-style-type: none"> <li>• Operate job competency enhancement training programs by position (Career Redesign)</li> <li>• Implement preventive measures at construction sites (Use of I-SAFETY 2.0 platform, operation of smart safety equipment, conducting safety training, etc.)</li> </ul>  | Risk                      | Medium term                     |
|          | Supply Chain Management  | Upstream, own corporation             | Due to the strengthened Serious Accidents Punishment Act, partner companies bear increased responsibility for ensuring safety. In the event of a safety accident involving internal or external partners, losses may occur including reduced tax benefits, employee income loss, compensation costs such as workers' compensation insurance premiums for industrial accidents, and settlement fees. | <ul style="list-style-type: none"> <li>• Conduct safety and health capability assessments and regular training for partner companies</li> <li>• Systematically operate the fair trade compliance program (CP grade AA)</li> </ul>  | Risk                      | Medium term                     |
| G        | Management Based on Principles of Integrity (Ethics, Compliance) | Own corporation                       | Costs incurred for inspection and improvement to comply with anti-corruption, ethical management, and fair trade laws, and fines or penalties imposed in case of violations.  | <ul style="list-style-type: none"> <li>• Operation of an ethics management system based on ISO 37001/37301 certification</li> <li>• Operation of ethics consultation channels and anonymous reporting centers, along with regular ethics and compliance training</li> </ul>  | Risk                      | Medium term                     |

1) Financial impact received by the company from external sources (risk, opportunity) / Social and environmental impact the company exerts externally (positive, negative)







2) Short-term: within 1 year, Medium-term: within 2-5 years, Long-term: over 5 years



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# Stakeholder Engagement

HDC Hyundai Development Company identifies key stakeholders who both influence and are affected by its business activities as part of its commitment to sustainable development. The company maintains ongoing communication with a diverse range of stakeholders, including customers, partners, investors, local communities, and employees. By collecting insights and expectations through various stakeholder engagement channels, HDC Hyundai Development continuously enhances its management systems to proactively address potential risks that may impact its operations.

|                        | <br><b>Customers</b>  | <br><b>Partner Companies</b>   | <br><b>Employees</b>   | <br><b>Government Agencies and Related Institutions</b>  | <br><b>Shareholders and Investors</b>  | <br><b>Local Communities</b>  |
|------------------------|--|---|---|---|---|--|
| Key Issues of Interest | <ul style="list-style-type: none"> <li>• Excellent Quality</li> <li>• Customer-Centric Management</li> <li>• Strengthening Communication</li> </ul>  | <ul style="list-style-type: none"> <li>• Mutual Growth</li> <li>• Fair Trade</li> <li>• Collaborative Partnership</li> </ul>  | <ul style="list-style-type: none"> <li>• Capability Development</li> <li>• Flexible Organizational Culture</li> <li>• Fair Performance Evaluation</li> <li>• Work-Life Balance</li> <li>• Diverse Talent Acquisition</li> </ul>   | <ul style="list-style-type: none"> <li>• Industrial Safety and Health</li> <li>• Ethical management</li> <li>• Anti-corruption and Regulatory Compliance</li> </ul>   | <ul style="list-style-type: none"> <li>• Governance Stability and Transparency</li> <li>• Economic Performance</li> <li>• Risk Management</li> </ul>  | <ul style="list-style-type: none"> <li>• Corporate Social Responsibility (CSR) Implementation</li> <li>• Minimization of Environmental Impact Near Construction Sites</li> </ul> |
| Communication Channels | <ul style="list-style-type: none"> <li>• Customer App (IPARK Mobile)</li> <li>• IPARK Call Center</li> <li>• IPARK Customer Center Website</li> </ul>  | <ul style="list-style-type: none"> <li>• Dedicated Shared Growth Portal</li> <li>• Partner Company Meetings by Construction Phase</li> <li>• Partner Company Dispute Mediation Committee</li> <li>• Partner Company Safety &amp; Quality Management Committee</li> <li>• Partner Company Win-Win Letter</li> <li>• Partner Company Site Operation Evaluation</li> </ul> | <ul style="list-style-type: none"> <li>• Internal Intranet, Social Media (SNS)</li> <li>• Grievance Committee</li> <li>• Labor-Management Council</li> <li>• HDC Do Dream (Employee Program)</li> <li>• Employee Meetings, CEO Letter</li> <li>• Cyber Ombudsman</li> <li>• Red Whistle Helpline (Anonymous Reporting System)</li> <li>• Grievance Counseling for Complaints</li> </ul> | <ul style="list-style-type: none"> <li>• Public Hearings</li> <li>• Website</li> <li>• Press Releases</li> </ul>  | <ul style="list-style-type: none"> <li>• Regular disclosures such as business reports</li> <li>• Shareholders' meetings</li> <li>• Analyst meetings</li> <li>• Responses to credit rating agencies</li> </ul> | <ul style="list-style-type: none"> <li>• Social contribution activities</li> <li>• Community briefing sessions</li> </ul>  |
| Engagement Activities  | <ul style="list-style-type: none"> <li>• Quality management and quality control</li> <li>• Enhancing customer satisfaction and trust</li> <li>• Providing prompt response services to customer requests</li> </ul> | <ul style="list-style-type: none"> <li>• Fair management and evaluation of partner companies</li> <li>• Strengthening support for partner companies</li> <li>• Supporting partner companies in establishing ESG management</li> </ul>   | <ul style="list-style-type: none"> <li>• Providing training programs</li> <li>• Establishing a human rights management system</li> <li>• Handling employee grievances</li> <li>• Supporting career redesign</li> <li>• Expanding diversity in recruitment</li> </ul>  | <ul style="list-style-type: none"> <li>• Compliance with relevant laws and regulations</li> <li>• Obtained ISO 37001 (Anti-Corruption) certification</li> <li>• Obtained ISO 37301 (Compliance Management) certification</li> <li>• Strengthening compliance systems</li> </ul> | <ul style="list-style-type: none"> <li>• Stable profit generation</li> <li>• Efforts to return value to shareholders</li> <li>• Transparent disclosure of performance and governance</li> </ul>               | <ul style="list-style-type: none"> <li>• Community service and donation activities</li> <li>• Community win-win cooperation council</li> </ul>                                   |

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## Communication Channels

HDC Hyundai Development Company operates a variety of communication including the official IPARK website, e-model houses, YouTube, and Instagram alongside dedicated platforms such as the Ethics Reporting Center, to bolster trust-based engagement with customers and other stakeholders. Looking ahead, we will continue to broaden stakeholder participation across diverse touchpoints and ensure consistent, ongoing communication.

IPARK

Build the Change **IPARK**

고객센터 안내

|         |          |        |        |      |
|---------|----------|--------|--------|------|
| 고객센터 안내 | 자주 묻는 질문 | 1:1 문의 | A/S 안내 | 공지사항 |
|---------|----------|--------|--------|------|

고객센터 대표번호  
**1670-1144**

아이파크 실시간 자동상담  
**챗봇 상담하기 >**

이용가능시간  
- 평일 09:00 ~ 18:00 (휴일시간: 12:00~13:00)  
- 토요일 09:00 ~ 13:00 (일요일, 공휴일 휴무)

메신저 등으로 실시간 자동상담까지  
분류/장주/개인정보 변경 안내까지 바로바로 해결하세요

(Official) <https://www.i-park.com/>  
(Customer Center) <https://www.i-park.com/customer/center>

e-Model House

**IPARK**  
SEOULONE

사업안내

(Official) [https://www.seoulone-ipark.co.kr/contents/sub06\\_03.php](https://www.seoulone-ipark.co.kr/contents/sub06_03.php)

Channel HDC

채널  
**HDC**

우리는 풍요로운 삶과  
신뢰할 수 있는 세상을 만들어 갑니다.

오늘 177 · 전체 4,484,927

채널 HDC

HDC현대산업개발  
비즈니스 뉴스, 7655명의 이웃

+ 이웃추가

카테고리

<https://m.blog.naver.com/iparkstory?categoryNo=99&tab=1>

YouTube

채널 HDC

@HDCNEWSROOM · 구독자 5.16천명  
HDC현대산업개발 공식 유튜브 채널입니다.

HDC현대산업개발  
채널/서비스  
#HDC #HDC현대산업개발 #현대산업개발  
#IPARK #아이파크 #imagine\_ipark

Shorts

<https://www.youtube.com/iparkstory>

Instagram

hdcvdp

게시물 801 · 팔로워 7107 · 팔로우 14

HDC현대산업개발  
채널/서비스  
#HDC #HDC현대산업개발 #현대산업개발  
#IPARK #아이파크 #imagine\_ipark

<https://www.instagram.com/hdcvdp/>

Help Line

**HDC 현대산업개발 헬프라인 안내**

HDC현대산업개발 소속 임직원의 비위행위나 선행에 대해 익명으로 제보하는 공간으로 이곳을 통한 제보는 감찰, 감사정보 등으로 활용됩니다.

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**주의사항**  
단순 민원에 해당하거나, 대상 및 내용이 불명확한 경우, 근거 없는 비방으로 판단되는 경우에는 제보하더라도 접수 및 처리가 불가할 수 있음을 알려드립니다.

<https://www.redwhistle.org/report/report.asp?organ=8213&RTtype=1>

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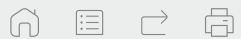
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- Safety and Health Management
- Construction Quality Management
- Sustainable Supply Chain
- Management Based on Principles of Integrity

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# OUR PRIORITIES

- 024** Climate-Change Response (TCFD)
- 034** Safety and Health Management
- 044** Construction Quality Management
- 054** Sustainable Supply Chain
- 062** Management based on principles of integrity



**Our Priorities**

- Climate-Change Response (TCFD)

- Safety and Health Management

- Construction Quality Management

- Sustainable Supply Chain

- Management Based on Principles of Integrity

## Material Issue #1



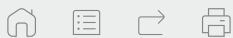
### 2024 KEY PERFORMANCE



**0.86** tons per 100 million KRW  
Scope 1/2 Emission Intensity



**99.8%**  
Waste Recycling Rate



# Climate-Change Response (TCFD)

## GOVERNANCE

HDC Hyundai Development Company manages climate risks and opportunities through Board-led governance and regularly reviews progress toward 2050 carbon neutrality. A CEO-led Sustainable Management Council oversees climate action, with climate indicators integrated into company-wide KPIs to boost executive accountability. Cross-departmental teams, led by Digital Transformation and Safety & Environment Planning, coordinate carbon management and strengthen response efforts.

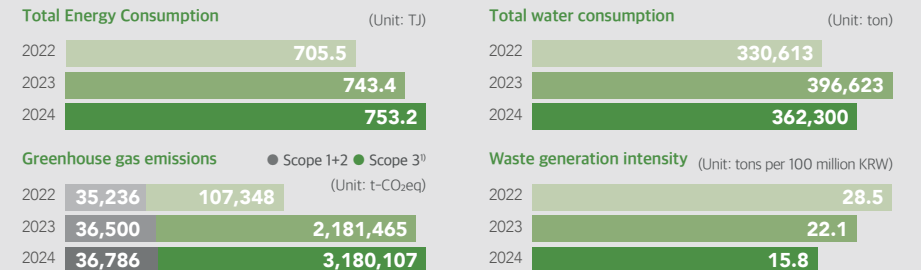
## STRATEGY

| Impact, Risk, and Opportunities  | Value Chain                           | Response Period      | Stakeholders                             | Anticipated Financial Impact   | Our Response   |
|--|---------------------------------------|----------------------|--|--|--|
| <b>[Risk]</b><br>• Changes in rainfall patterns and rising temperatures cause construction delays and greater damage to buildings and facilities, leading to higher direct and indirect costs. | Upstream, own corporation             | Short to Medium Term | Employees, Partner Companies, Customers  | <ul style="list-style-type: none"> <li>Project delays from extended construction timelines and higher restoration costs for external facilities</li> <li>Increased material costs and design changes to improve durability, including weather-resistant materials and better drainage systems</li> </ul> | <ul style="list-style-type: none"> <li>Analyzed climate-related physical risks at key sites</li> <li>Installed customized disaster prevention facilities and strengthened response systems at construction sites to address risks such as flooding and strong winds</li> <li>Integrated storm and flood prevention measures into design processes and established a monitoring system to track and manage climate-related damages</li> </ul> |
| <b>[Negative Impact]</b><br>• Greenhouse gas emissions from material production and construction contribute to global temperature rise.  | Upstream, own corporation, downstream | Short- to mid-term   | Employees, Partner companies, government | <ul style="list-style-type: none"> <li>Higher costs from carbon taxes and low-carbon technologies</li> <li>Expanded government incentives and better access to green financing</li> <li>Enhanced competitiveness in public procurement and private markets</li> </ul>                                    | <ul style="list-style-type: none"> <li>Developed a carbon neutrality roadmap and implemented reduction strategies</li> <li>Expanded emissions monitoring and adopted reduction technologies to meet greenhouse gas targets</li> <li>Expanded procurement of eco-friendly materials and promoted joint R&amp;D for low-carbon alternatives.</li> </ul>  |
| <b>[Opportunity]</b><br>• Mandatory ZEB (Zero Energy Building) standards are driving growing market demand for energy-efficient green buildings.   | Upstream, own corporation             | Short- to mid-term   | Partner Companies, Government, Customers | <ul style="list-style-type: none"> <li>Expanded opportunities for high-efficiency building projects</li> <li>Increased investment costs from eco-friendly facilities and materials</li> </ul>  | <ul style="list-style-type: none"> <li>Strengthening design and construction capabilities for zero energy buildings</li> <li>Enhancing energy self-sufficiency through the implementation of Building Energy Management Systems (BEMS) and smart management systems</li> </ul>   |
| <b>[Positive Impact]</b><br>• Supplying homes with energy-saving systems is increasing the use of eco-friendly energy in building operations.  | Upstream, own corporations            | Short- to mid-term   | Customers, Investors                     | <ul style="list-style-type: none"> <li>Recognized for excellence in ESG evaluations, boosting brand credibility</li> <li>Increased customer repurchase rates and loyalty</li> </ul>  | <ul style="list-style-type: none"> <li>Ongoing development and wider application of high-efficiency residential technologies (e.g., solar louver windows)</li> <li>Enhancing energy efficiency in complexes with the IPARK Smart Managing System</li> </ul>  |

## RISK MANAGEMENT

HDC Hyundai Development Company quantitatively assesses physical and transition climate risks through scenario analysis and integrates them into company-wide risk management. Key environmental indicators like greenhouse gas emissions and energy use are continuously monitored. Functional teams lead safety processes, including emergency drills. Transition risks are managed via working committees and regular board reports. This comprehensive approach embeds climate risk management across the business lifecycle, supporting informed strategic decisions.

## METRICS AND TARGETS



<sup>1)</sup> In 2022, only Cat 3, 5, and 11 within the Scope 3 calculation boundaries were measured.

**[SDG 7] Affordable and Clean Energy**  
Target 7-3 Double the global energy efficiency improvement rate by 2030

**[SDG 12] Responsible Consumption and Production**  
Target 12-5 By 2030, significantly reduce waste through prevention, recycling, and reuse

**[SDG 13] Climate Action**  
Target 13-2 Integrate climate change actions into national policies, strategies, and plans.

- Climate-Change Response (TCFD)

- Safety and Health Management

- Construction Quality Management

- Sustainable Supply Chain

- Management Based on Principles of Integrity

# Climate-Change Response (TCFD)

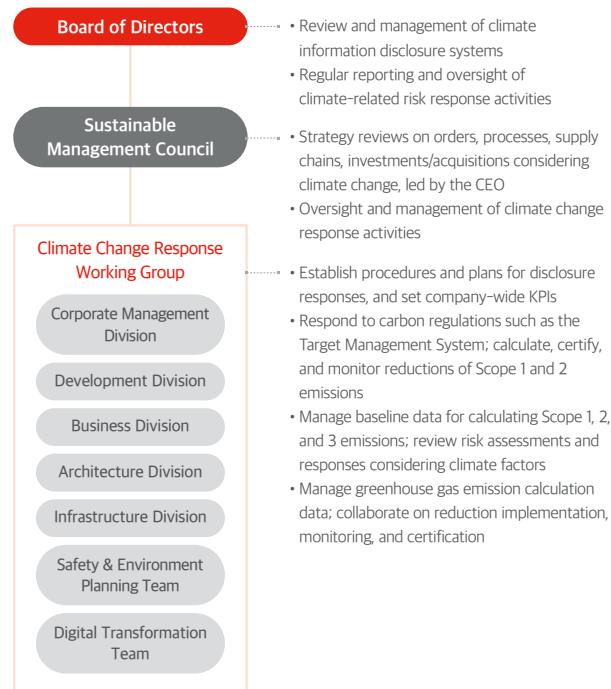
## GOVERNANCE

### Climate Change Response Framework

#### Climate Change Governance

HDC Hyundai Development Company acknowledges the significant impact of climate change on the construction industry, including extreme weather events, growing demand for eco-friendly materials and technologies, and stricter carbon emission regulations. To address these challenges effectively, the company has established a decision-making system led by the Board of Directors and senior management.

Organizational Chart



#### Role of the Board of Directors

The Board of Directors at HDC Hyundai Development Company is the top decision-making body overseeing climate risks and opportunities, approving strategies and investments. It reviews climate plans to meet greenhouse gas targets and regularly evaluates progress toward carbon neutrality. Independent directors with risk management and auditing expertise are appointed, and ongoing ESG training strengthens the board's ability to address climate risks.

#### Composition of the Board of Directors and Committees

Records of Climate and Environmental Reports and Reviews

| Meeting Date | Agenda Item Details   | Decision Outcome   |
|--------------|---|--|
| 2024.02.26   | • Report on the 2024 ESG Work Plan  | • Reported   |
| 2024.03.28   | • Approval of the 2024 Environmental Management Implementation Plan   | • Decided  |
| 2024.12.16   | <ul style="list-style-type: none"> <li>• 2024 ESG Management Performance Report</li> <li>• Climate Change Response Strategy Report</li> <li>• 2024 Environmental Management Implementation Report</li> <li>• Greenhouse Gas Target Management System Response Plan</li> </ul> | <ul style="list-style-type: none"> <li>• Reported</li> <li>• Reported</li> <li>• Reported</li> <li>• Reported</li> </ul> |

#### Roles and Responsibilities of Management

HDC Hyundai Development Company's Sustainable Management Council, led by the CEO and division heads, drives climate action by setting company-wide targets and integrating them into business operations. By embedding climate indicators into management KPIs, the company institutionalizes sustainable practices and strengthens its climate response.

#### Roles and Responsibilities of Operational Teams

HDC Hyundai Development Company operates a Climate Change Response Working Group (WG) that facilitates cross-departmental collaboration to systematically implement climate change response strategies. The Digital Transformation Team is responsible for the carbon neutrality implementation plan and climate scenario impact analysis, while the Planning Team monitors Scope 1 and 2 (direct and indirect) emissions and reduction performance related to carbon neutrality efforts. Additionally, relevant execution departments identify climate change response tasks, evaluate risks and opportunities, and on-site teams actively work toward carbon neutrality by reducing greenhouse gas emissions and managing environmental information.

#### Performance-Linked Reward System

To strengthen climate change response capabilities, HDC Hyundai Development Company plans to gradually incorporate environmental performance indicators into the KPIs of C-level executives. Currently, environmental KPIs are included in the performance evaluations of Project Managers, with environmental evaluation scores from sites being linked to overall site performance assessments. Starting in 2026, quantitative environmental performance indicators, such as achievement of reduction targets, compliance with the greenhouse gas target management system, adoption rates of reduction technologies, introduction rates of energy-efficient equipment, ZEB certification compliance, and the purchase rate of eco-friendly construction materials, will be reflected in KPIs. Through this approach, HDC Hyundai Development Company aims to reinforce its climate change response system and enhance the execution of environmental management.

**STRATEGY**

**Climate Risk and Opportunity Analysis**

HDC Hyundai Development Company recognizes climate change as a critical management issue affecting the sustainability of its construction and real estate businesses, as well as its overall financial soundness. In accordance with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), the company analyzes and monitors the financial impacts of various climate scenarios, including low-carbon transition scenarios and high-emission scenarios.

**Identification of Risks and Opportunities**

Following TCFD recommendations, HDC Hyundai Development Company identifies climate-related risks and opportunities and incorporates them into financial impact assessments. To identify relevant issues, the company conducted a comprehensive review of industry analysis reports from asset management firms, feedback from internal and external stakeholders, and expert consultations on climate change. Based on this, a pool of 28 climate-related issues was identified. Each issue was evaluated for its likelihood and level of impact through both quantitative and qualitative evaluations by internal and external experts. Materiality was assessed across three time horizons: short-term (2024-2026), medium-term (2027-2030), and long-term (2031-2050). The analysis highlighted key risk factors, including construction delays, stricter emissions regulations, greenflation, asset damage from natural disasters, and the mandatory adoption of zero-energy buildings. Identified opportunities included the expansion of energy transition projects and growing demand for eco-friendly buildings.

Climate Change Impact Analysis Process

| Physical Risk Pool   |   |            |   |
|----------------------|---|------------|---|
| Acute                | P1. Flooding, typhoons, droughts, hailstorms, etc.  | Chronic    | P3. Increased demand for products with cold and heat resistance   |
|                      | P2. Occurrence of abnormal weather events and natural disasters   |            | P4. Decrease in renewable energy generation<br>P5. Process delays caused by changes in precipitation patterns and rising average temperatures |
| Transition Risk Pool |   |            |   |
| Policy               | T1. Inclusion in the Greenhouse Gas Target Management System  | Market     | T9. Increased demand for low-carbon construction materials and renewable energy   |
|                      | T2. Mandatory implementation of Zero Energy Buildings<br>T3. Expansion of carbon neutrality policies in overseas markets<br>T4. Mandatory climate-related disclosures                               |            | T10. Strengthened demand for climate change response information<br>T11. Greenflation   |
| Legal                | T5. Delays in meeting climate change targets  | Reputation | T12. Inadequate carbon neutrality roadmap and strategy  |
| Technology           | T6. Utilization and procurement of low-carbon alternatives<br>T7. Low-carbon construction technologies<br>T8. Electrification of construction equipment and transition to high-efficiency equipment |            | T13. Increased ESG weighting in corporate evaluations   |

P : Physical Risk | T : Transition Risk | O : Opportunity

**Climate Materiality Assessment**

- To identify potential risks arising from climate change, a management issue pool was developed through the review and consideration of domestic and international policies and trends, internal conditions, and external stakeholder demands.
- Key risks and opportunities were identified through a materiality assessment based on their likelihood of occurrence and level of impact.

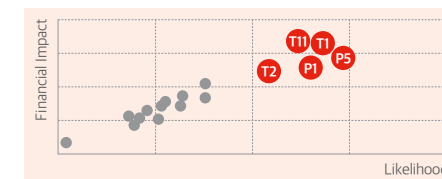
**Scenario-Based Risk and Opportunity Analysis**

- Selection of climate scenarios
- Derivation of expected financial and non-financial impacts through scenario analysis by setting parameters and making reasonable assumptions

Climate-Related Opportunities

| Opportunity Pool    |   |            |   |
|---------------------|---|------------|---|
| Resource Efficiency | O1. Application of smart construction technologies  | Market     | O6. Increasing demand for Carbon Capture, Utilization, and Storage (CCUS) technologies  |
|                     | O2. Use of high-efficiency and eco-friendly buildings   |            | O7. Entry into new renewable energy markets and growth/expansion of sales<br>O8. Generation of revenue through emission trading via Clean Development Mechanism (CDM) and similar projects<br>O9. Expansion of green finance, including ESG bonds |
| Energy Source       | O3. Growing demand for energy transition projects   | Resilience | O10. Agile response to energy transition policies   |
|                     | O4. Increasing demand for low-carbon technology development<br>O5. Rising demand for eco-friendly buildings |            |   |

Prioritization Results of Climate-Related Risks



Prioritization of Climate-Related Opportunities



**STRATEGY**

**Analysis of Climate Risks and Opportunities**

**Risk and Opportunity Analysis**

HDC Hyundai Development Company has systematically analyzed how key climate risks and opportunities impact the company's financial performance. We evaluated the likelihood and potential effects of each factor, identified the financial implications for business operations and investment decisions, and developed appropriate response strategies accordingly.

| Risk/Opportunity            | Factor        | Main Occurrence Period  |                          |                        | Type of Impact  | Affected Financial Indicators  | Response Strategy  |
|-----------------------------|---------------|-------------------------|--------------------------|------------------------|---|--|--|
|                             |               | Short-term<br>(*25~*26) | Medium-term<br>(*27~*30) | Long-term<br>(*31~*50) |   |  |  |
| Physical Risk <sup>1)</sup> | Acute         | ●                       | ●                        | ●                      | Increased maintenance and repair costs due to direct impacts on buildings and external facilities.  | <ul style="list-style-type: none"> <li>Increased loss costs</li> <li>Increased impairment losses on tangible assets</li> <li>Increased operating cash outflows</li> </ul>                            | <ul style="list-style-type: none"> <li>Establishment of on-site damage monitoring and reporting systems.</li> <li>Implementation of flood and wind disaster prevention measures for key sites (e.g., flood prevention systems, roof and exterior wall reinforcements).</li> <li>Enrollment in insurance policies covering natural disaster damages.</li> </ul> |
|                             | Chronic       | ●                       | ●                        |                        | Construction delays and additional costs incurred. <sup>2)</sup>  | <ul style="list-style-type: none"> <li>Decreased sales (due to delayed revenue recognition)</li> <li>Decreased operating and investing cash flows</li> </ul>   | <ul style="list-style-type: none"> <li>Calculation of non-working days considering weather changes caused by climate change</li> <li>Establishment of a work planning system based on weather condition forecasts</li> </ul>   |
| Transition Risk             | Policy        |                         | ●                        | ●                      | Additional expenses arising to meet emission reduction obligations.   | <ul style="list-style-type: none"> <li>Increased operating expenses</li> <li>Increased liabilities</li> </ul>  | <ul style="list-style-type: none"> <li>Establishment and ongoing implementation of a carbon neutrality roadmap and execution of response strategies</li> <li>Company-wide calculation of greenhouse gas emissions (Scope 1, 2, 3) and response to the Greenhouse Gas Target Management System / Emissions Trading Scheme</li> </ul>                            |
|                             |               |                         | ●                        | ●                      | Increased costs associated with meeting Zero Energy Building standards during architectural design and construction.  | <ul style="list-style-type: none"> <li>Increased operating expenses and Cost of Goods Sold (COGS)<sup>3)</sup></li> <li>Increased tangible assets</li> <li>Decreased investing cash flows</li> </ul> | <ul style="list-style-type: none"> <li>Development and deployment of Building Energy Management Systems (BEMS)</li> <li>Management of Zero Energy Building (ZEB) implementation tasks</li> </ul>   |
|                             | Market        |                         |                          | ●                      | Rising operating costs and supply chain instability caused by raw material price increases and supply uncertainties due to green policies and energy transition.                      | <ul style="list-style-type: none"> <li>Decreased gross profit</li> <li>Increased inventory value</li> <li>Decreased operating cash flows</li> </ul>  | <ul style="list-style-type: none"> <li>Independent and joint R&amp;D on low-carbon construction materials and securing alternative supply chains</li> </ul>  |
| Opportunity                 | Energy Source |                         |                          | ●                      | Growth potential for energy transition projects driven by increased demand for sustainable energy sources, offering related industry investment opportunities and revenue generation. | <ul style="list-style-type: none"> <li>Increased sales</li> <li>Increased tangible assets</li> <li>Increased investing cash flows</li> </ul>   | <ul style="list-style-type: none"> <li>Market research and analysis for energy transition projects (including technical and economic feasibility assessments, and legal/regulatory reviews)</li> <li>Review of key business models, technology partners, and supply chains</li> </ul>  |
|                             |               |                         |                          | ●                      | New business opportunities in eco-friendly buildings, stimulating demand for related technologies and services.   | <ul style="list-style-type: none"> <li>Increased sales</li> <li>Decreased inventory</li> </ul>   | <ul style="list-style-type: none"> <li>Analysis of demand for eco-friendly buildings and formulation of strategies for eco-friendly construction projects</li> </ul>   |

1) The type of impact from physical risks is estimated based on the SSP-2-4.5 scenario, and the affected financial indicator is calculated as the impairment amount ratio relative to the total asset value.

2) Analysis was conducted on two sites: Seoul One I-Park and Gwangju Hwajeong I-Park.

3) COGS (Cost of Goods Sold): The cost of goods sold, deducted from revenue on the income statement to calculate gross profit.

STRATEGY

## Physical Risk Analysis

### Analysis Overview

HDC Hyundai Development Company selected 10 major business sites to quantitatively assess physical risks associated with climate change. The analysis covered seven operational assets—including hotels, resorts, and three construction sites, with no regional overlap. It assessed both acute risks (e.g., damage to building assets) and chronic risks (e.g., cost losses due to extended construction periods) projected through 2050. Climate scenario analysis was conducted using the Jupiter ClimateScore Tool, with simulations based on the combined RCP (Representative Concentration Pathways) and SSP (Shared Socioeconomic Pathways) scenarios from the IPCC Sixth Assessment Report, in accordance with guidelines from the World Meteorological Organization (WMO). The resulting impacts are expressed as Modeled Average Annual Loss (MAAL), a single indicator that consolidates potential financial effects, such as revenue loss, increased operating costs, and capital expenditure growth, into a comprehensive metric. Although the analysis is based on reliable scientific assumptions, uncertainties inherent in climate scenarios and the construction industry’s typical 3-5 year project duration impose certain limitations on interpreting medium- to long-term loss estimates.

### Climate Scenario Selection

HDC Hyundai Development Company applied climate scenarios based on the IPCC Sixth Assessment Report for their climate change scenario analysis. The analysis incorporated key socio-economic variables such as population, economy, and energy consumption. For the physical risk assessment, multiple emission pathways were considered, including low emission (SSP1-2.6), intermediate emission (SSP2-4.5), and high emission (SSP5-8.5) scenarios. This approach enabled a comprehensive evaluation of physical risk exposure levels and potential impacts resulting from climate change.

| Category | Description  | Physical Risk Level |
|----------|--|---------------------|
| SSP1-2.6 | Assumes minimal use of fossil fuels with environmentally friendly and sustainable economic growth. | Low                 |
| SSP2-4.5 | Assumes current levels of climate change mitigation and socio-economic development.                | Moderate            |
| SSP5-8.5 | Assumes rapid industrial growth with continued use of fossil fuels.                                | High                |

### Impact Assessment and Response

#### Acute Risks (Floods, Wildfires, Strong Winds, etc.)

#### | Background and Impact on Business |

Acute climate risks like floods, wildfires, and strong winds pose major management challenges by damaging construction sites, increasing repair costs, and raising safety risks. To address this, HDC Hyundai Development analyzed building asset damage from these risks through 2050 across 10 key business locations.

#### | Impact Analysis Results and Response Measures |

The analysis of physical climate risks showed a low average annual loss rate of under 1%, with strong winds identified as the most significant acute threat. While some sites faced minor losses from floods and wildfires, overall impacts were limited. In response, HDC Hyundai Development has implemented site-specific disaster prevention measures, including flood control systems and reinforced structures. The company also mitigates financial risks through natural disaster insurance. Climate risk pre-assessments are conducted before project launch, supported by real-time monitoring and reporting systems. To strengthen resilience, the company continuously improves practical measures such as schedule adjustments based on climate data, proactive personnel deployment, and installation of disaster prevention facilities.

Exposure to Climate Risks and Financial Impact Assessment by Business Site<sup>1)</sup>

| Business Site          | Flood                        |                            |                             | Wildfire                     |                            |                             | Strong wind                  |                            |                             |
|------------------------|------------------------------|----------------------------|-----------------------------|------------------------------|----------------------------|-----------------------------|------------------------------|----------------------------|-----------------------------|
|                        | Short-term Average ('24~'26) | Mid-term Average ('27~'30) | Long-term Average ('31~'50) | Short-term Average ('24~'26) | Mid-term Average ('27~'30) | Long-term Average ('31~'50) | Short-term Average ('24~'26) | Mid-term Average ('27~'30) | Long-term Average ('31~'50) |
| Park Roche             |                              |                            |                             |                              |                            |                             |                              |                            |                             |
| IPARK Condo            |                              |                            |                             |                              |                            |                             |                              |                            |                             |
| Oak Valley             |                              |                            |                             |                              |                            |                             |                              |                            |                             |
| Park Hyatt Busan       |                              |                            |                             |                              |                            |                             |                              |                            |                             |
| Park Hyatt Seoul       |                              |                            |                             |                              |                            |                             |                              |                            |                             |
| Incheon New Port       |                              |                            |                             |                              |                            |                             |                              |                            |                             |
| Hyundai PCE            |                              |                            |                             |                              |                            |                             |                              |                            |                             |
| Seoul One IPARK        |                              |                            |                             |                              |                            |                             |                              |                            |                             |
| Pohang IPARK           |                              |                            |                             |                              |                            |                             |                              |                            |                             |
| Gwangju Hwajeong IPARK |                              |                            |                             |                              |                            |                             |                              |                            |                             |
| Overall Damage Ratio   |                              |                            |                             |                              |                            |                             |                              |                            |                             |

<sup>1)</sup> The asset damage ratio is based on the intermediate scenario (SSP2-4.5). Represents the cumulative damage ratio calculated up to the year 2050.

> Average Annual Asset Loss Rate

|           |           |                |                     |                |
|-----------|-----------|----------------|---------------------|----------------|
| No impact | Low(0~1%) | Moderate(1~3%) | Somewhat High(3~5%) | High(Above 7%) |
|-----------|-----------|----------------|---------------------|----------------|

**STRATEGY**

**Physical Risk Analysis**

**Impact Assessment and Response**

[ P5 ] Chronic Risks (Changes in precipitation patterns, rising average temperatures, etc.)

**| Background and Impact on Business |**

Chronic risks arising from climate change, such as changes in precipitation patterns and rising average temperatures, can negatively affect construction site working conditions, reduce construction quality, and cause project delays. HDC Hyundai Development conducted a financial impact analysis (asset impairment ratio) of chronic risks across three ongoing construction sites. Using a combination of the company's existing downtime estimation method and climate scenario simulations, key climate variables, including precipitation, minimum and maximum temperatures, and maximum wind speeds, were used to estimate expected downtime and Modeled Average Annual Loss (MAAL).

**| Impact Analysis Results and Response Measures |**

The analysis of chronic risks due to climate change indicates that the overall Modeled Average Annual Loss (MAAL) remains below 1%, reflecting a generally low level of impact. Scenario analysis conducted on two sites, Seoul One I'Park and Gwangju Hwajeong I'Park, showed the highest average impairment ratio under the SSP2-4.5 (medium emission) scenario, with Seoul One I'Park showing the highest impairment ratio in this scenario. Meanwhile, under the SSP5-8.5 (high emission) scenario, the company's existing downtime estimation method, which conservatively factors in the effects of climate change, resulted in relatively higher impairment ratios. To address changing weather conditions, HDC Hyundai Development is enhancing its downtime estimation system during project planning. By incorporating climate scenario-based forecast data, such as precipitation, temperature, and wind speed, weather-related risks are accounted for in schedule estimations. Through predictive work planning, the company aims to improve long-term schedule stability and reduce construction risks.

Financial Impact of Chronic Risk

| Site Name  | SSP1-2.6                     |                            |                             | SSP2-4.5                     |                            |                             | SSP5-8.5                     |                            |                             |
|--|------------------------------|----------------------------|-----------------------------|------------------------------|----------------------------|-----------------------------|------------------------------|----------------------------|-----------------------------|
|  | Short-Term Average ('24~'26) | Mid-Term Average ('27~'30) | Long-Term Average ('31~'50) | Short-Term Average ('24~'26) | Mid-Term Average ('27~'30) | Long-Term Average ('31~'50) | Short-Term Average ('24~'26) | Mid-Term Average ('27~'30) | Long-Term Average ('31~'50) |
| Seoul One IPARK<br>(Scheduled completion: 2028)        |                              |                            |                             |                              |                            |                             |                              |                            |                             |
| Gwangju Hwajeong IPARK<br>(Scheduled completion: 2027) |                              |                            |                             |                              |                            |                             |                              |                            |                             |

**> Average Annual Asset Loss Rate**

|           |           |                |                     |                |
|-----------|-----------|----------------|---------------------|----------------|
| No impact | Low(0~1%) | Moderate(1~3%) | Somewhat High(3~5%) | High(Above 7%) |
|-----------|-----------|----------------|---------------------|----------------|

**Transition Risk and Opportunity Analysis**

**Analysis Overview**

HDC Hyundai Development. Company is analyzing transition risks arising from policy, market, and technological changes during the shift to a low-carbon society. Key transition risks include increased costs due to inclusion in the greenhouse gas target management system and stricter emission reduction obligations; the burden of meeting energy self-sufficiency requirements under mandatory Zero Energy Building certification; and rising costs driven by raw material price increases and supply chain instability. On the other hand, expanding demand for energy transition projects such as renewable energy and Small Modular Reactors (SMRs), as well as increased demand for eco-friendly buildings like Zero Energy Buildings, have been identified as medium- to long-term opportunity factors.

**Scenario Selection**

To systematically analyze transition risks and opportunities associated with climate change, HDC Hyundai Development Company conducted its analysis using key climate scenarios developed by the International Energy Agency (IEA) and the Network for Greening the Financial System (NGFS).

| IEA Climate Scenarios  |   | NGFS Climate Scenarios   |  |
|--|---|--|--|
| Climate scenario presented by the IEA's consideration of each country's climate policies and the feasibility of developing and applying low-carbon technologies. |   | Climate scenario presented by the NGFS, a global consortium of central banks and financial supervisors, in consideration of changes in climate policies, technological advancements, and other relevant factors. |  |
| <b>NZE</b>   | Assumes the global energy sector achieves Net Zero emissions by 2050.           | <b>Net Zero 2050</b>   | Assumption of Achieving Net Zero in the Global Energy Sector by 2050 |
| <b>STEPS</b>   | Assumes current levels of climate-related policies and measures are maintained. |  |  |

- Climate-Change Response  
(TCFD)

- Safety and Health Management

- Construction Quality  
Management

- Sustainable Supply Chain

- Management Based on  
Principles of Integrity

## STRATEGY

# Transition Risk and Opportunity Analysis

## Impact Assessment and Response

### ① [ T1 ] Strengthening Obligations to Reduce Greenhouse Gas Emissions

**| Background and Impact on Business** | In 2024, HDC Hyundai Development Company was designated under the Greenhouse Gas management System. To prepare for strengthened Emissions Trading Scheme (ETS) and TMS regulations in 2025, the company is actively adopting emission reduction technologies and high efficiency equipment, which are key to its mid- to long-term strategy in reducing greenhouse gas emissions and enhancing energy efficiency.

**| Impact Analysis Results and Response Measures** | HDC Hyundai Development Company has set a roadmap to achieve carbon neutrality by 2050. In the short term, it aims to deliver early emission reductions using readily available technologies, while advancing its strategies over the medium to long term as new technologies emerge.

[Carbon Neutrality Roadmap](#)

### ② [ T2 ] Mandatory Zero-Energy Building (ZEB) Standards

**| Background and Impact on Business** | A mandatory roadmap now requires all buildings, including private ones from 2025, to meet top-tier Zero-Energy Building (ZEB) standards by 2050. Compliance involves passive features like high-performance insulation and airtight construction, plus high-efficiency systems, BEMS, and renewable energy such as solar panels, raising initial design and construction costs.

**| Impact Analysis Results and Response Measures** | HDC Hyundai Development Company analyzed the financial impact of mandatory ZEB requirements, using solar installation and passive/active construction costs tied to energy self-sufficiency and certification plans. The company uses energy monitoring and reduction technologies via the cloud-based IPARK Smart Managing System and has implemented automatic ventilation and solar louver windows to meet ZEB standards and boost energy efficiency.

### ③ [ T11 ] Rising raw material prices due to greenflation

**| Background and Impact on Business** | Strengthened low-carbon policies have added high-emission sectors like steel, cement, and lime to the emissions trading system, increasing their production costs. This also raises energy procurement and logistics expenses, putting pressure on construction project costs. As building materials decarbonize, carbon-neutrality efforts drive greenflation, pushing up key construction material prices.

**| Impact Analysis Results and Response Measures** | HDC Hyundai Development Company analyzed indirect cost impacts from rising raw material prices using studies like Breakthrough Energy and The Green Premium. Cement prices are expected to rise 8% by 2030 and 26% by 2050; rebar prices by 3% and 10%, respectively. Assuming upstream cost increases are passed on, material costs may rise 23% mid-term and 31% long-term, causing annual indirect cost rises of at least 1.05 billion KRW by 2030. To address this, the company prioritizes purchasing eco-friendly certified materials, monitors green material trends, and implements supply chain strategies to maintain cost competitiveness.

### ④ [ O3 ] Increasing demand for energy transition projects such as renewable energy and Small Modular Reactors (SMRs)

**| Background and Impact on Business** | Carbon-free energy technologies like offshore wind, SMRs (Small Modular Reactors), and hydrogen-ammonia co-firing are classified as green economic activities under Korea's K-Taxonomy. These technologies drive sustainability and attract investment incentives. Responding to rising energy transition demand, HDC Hyundai Development Company is expanding its business across the renewable energy value chain in construction and infrastructure, actively pursuing new revenue opportunities.

**| Impact Analysis Results and Response Measures** | HDC Hyundai Development Company is conducting feasibility studies for renewable energy projects, considering site usability and location limits. The company adapts to changing demand by exploring new business models aligned with tech and policy trends, expanding partnerships, and pursuing next-gen carbon-free energy like hydrogen-ammonia co-firing.

### ⑤ [ O5 ] Rising demand for eco-friendly buildings

**| Background and Impact on Business** | According to the World Economic Forum, buildings account for about 40% of global greenhouse gas emissions and are key to decarbonization. If renovation rates remain unchanged, low-carbon building supply will fall over 70% short of demand by 2030. Growing carbon neutrality efforts are boosting demand for energy-efficient, renewable-powered buildings, driving market growth and new opportunities across the green building value chain, from design and materials to construction and maintenance.

**| Impact Analysis Results and Response Measures** | HDC Hyundai Development Company has a year-by-year strategy to advance green building projects based on eco-friendly building demand analysis. It is expanding zero-energy buildings, high-efficiency HVAC systems, and renewable energy like solar power. The company also adopts eco-friendly materials to reduce greenhouse gases and uses energy simulations early in design to cut energy use. Additionally, it is enhancing low-carbon urban infrastructure design and growing its green building business, including eco-friendly data center development.

1) Source: The world is facing a 70% supply shortfall in low-carbon buildings, 2024.04

- Climate-Change Response (TCFD)

- Safety and Health Management

- Construction Quality Management

- Sustainable Supply Chain

- Management Based on Principles of Integrity

## RISK MANAGEMENT

### Risk Management Framework

#### Climate Risk Management

In response to strengthened greenhouse gas (GHG) target management standards in the construction industry and increasing demands for corporate climate resilience disclosures, HDC Hyundai Development Company quantitatively evaluates the impact of key climate-related risks and opportunities on its business using climate scenarios from international organizations. By integrating industry reports, market forecasts, stakeholder feedback, and consultations with climate experts, the company develops an issue pool. Through evaluations by internal and external experts, core issues are selected by considering their likelihood and potential impact. The identified issues are categorized by timeframe: short-term risks (up to 2026) such as project delays, carbon regulations, and green inflation; medium-term factors (up to 2030) including mandatory zero-energy building requirements and expanding demand for renewable energy; and long-term issues (up to 2050) involving technological advancements and market structural changes related to climate. For each selected issue, HDC Hyundai Development Company establishes response strategies at the organizational level to effectively operate its climate risk management system. The Environmental Department leads ongoing risk monitoring and reporting based on key environmental indicators such as greenhouse gas emissions, energy consumption, and waste generation.

Climate Risk Management Process



#### Integration of Climate and Enterprise Risk Management

HDC Hyundai Development Company identifies risks that affect all business processes through climate scenario analysis and has established review procedures to incorporate these risks into project investment and execution stages. Identified climate risks are integrated into the company-wide risk management system, and related response processes are being progressively enhanced. Physical risks—such as heatwaves and heavy rainfall—are managed by the Safety and Environment Department through emergency response drills and safety measures. The status of these responses is reported quarterly to the Safety and Health Committee for review and oversight. Transition risks, including changes in energy regulations, carbon neutrality policies, and demand for low-carbon materials, are regularly reviewed by the working-level council and then submitted to the Sustainable Management Council. Through this process, HDC Hyundai Development Company prioritizes response actions and establishes its strategic direction.

Enterprise Risk Management System

**Our Priorities**

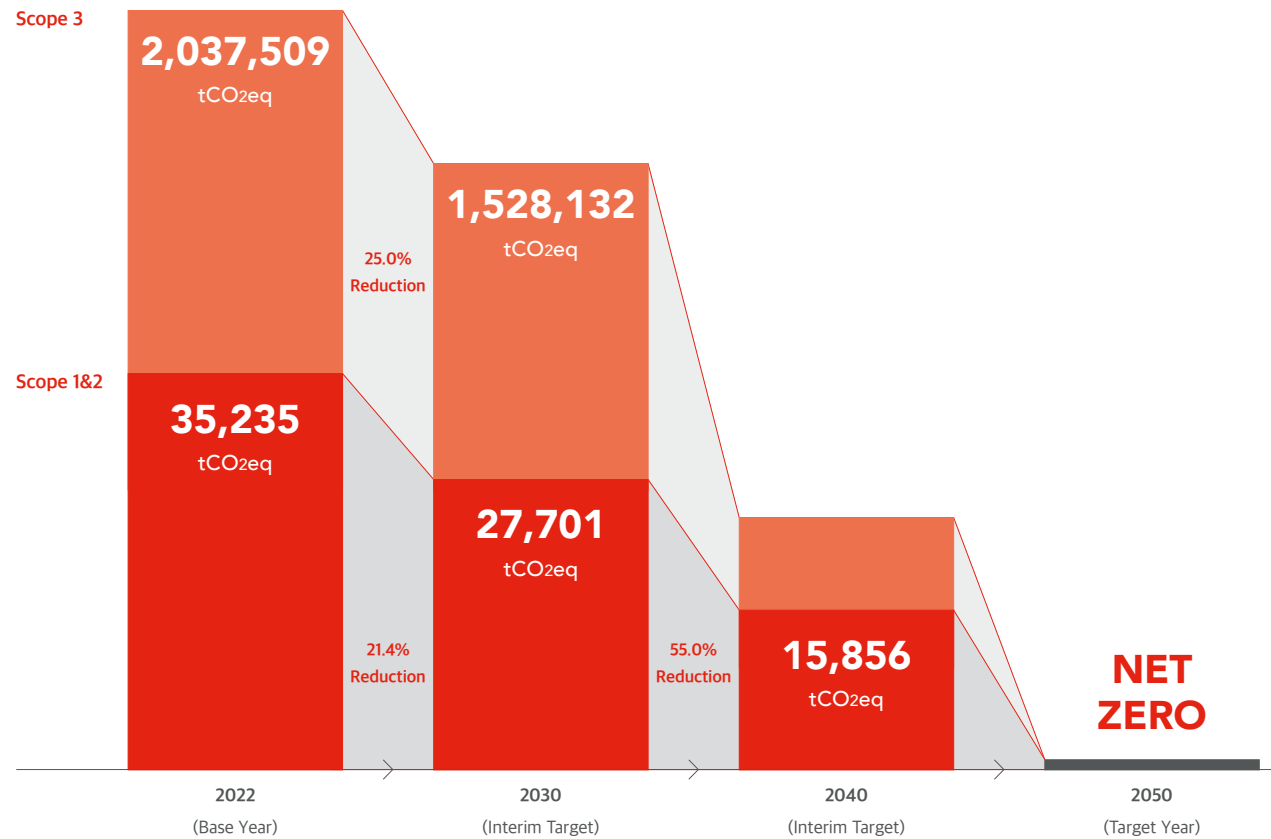
- Climate-Change Response (TCFD)
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**METRICS AND TARGETS**

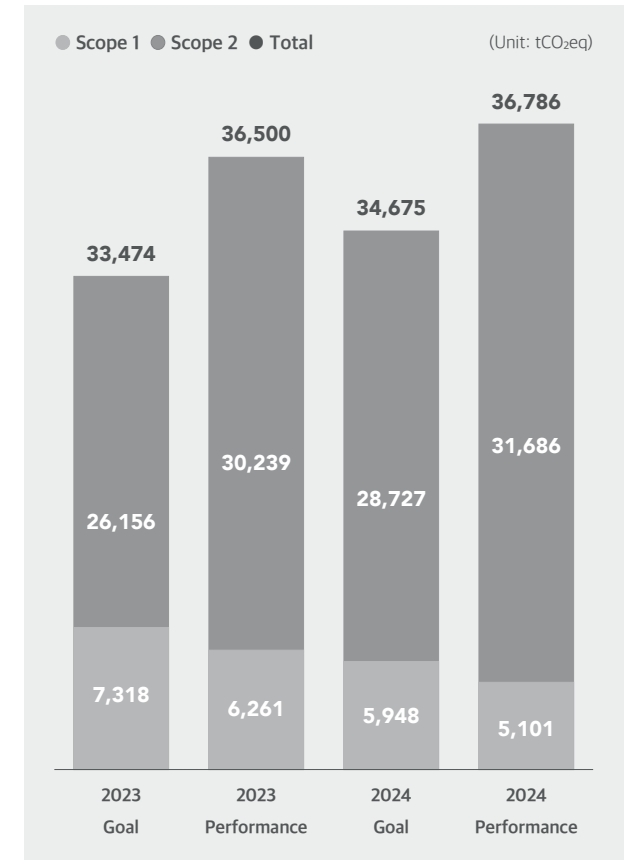
**Net Zero 2050 Pathway**

HDC Hyundai Development Company has established a phased reduction roadmap to achieve carbon neutrality by 2050 and is implementing a systematic reduction strategy in line with this plan. The company has set emission reduction targets of 21.4% by 2030 and 55.0% by 2040, compared to 2022 levels, proactively responding to increasingly stringent environmental regulations through phased emissions cuts. Carbon emissions projections were calculated based on construction sites and operational assets, taking into account future sales plans, medium- to long-term economic growth rates, and population forecasts. These projections also reflect domestic policy goals, global initiatives such as the Science Based Targets initiative (SBTi), and relevant industry standards. Using six comprehensive scenarios, HDC Hyundai Development Company derived realistic and data-driven reduction targets.

Pathway to Achieving Carbon Neutrality by 2050



Scope 1, 2 Performance Against Emission Target



**Our Priorities**

- Climate-Change Response (TCFD)

- Safety and Health Management

- Construction Quality Management

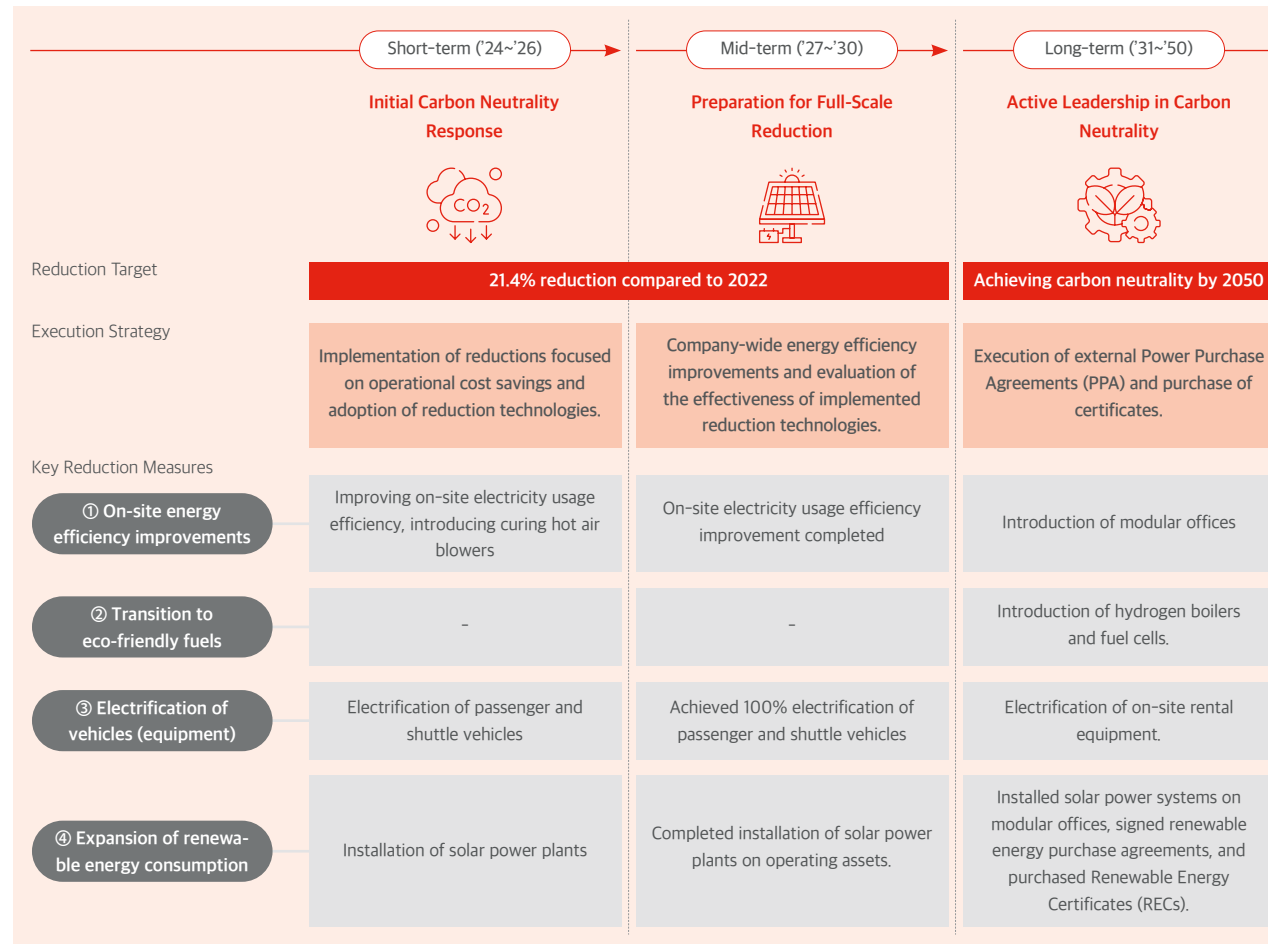
- Sustainable Supply Chain

- Management Based on Principles of Integrity

**METRICS AND TARGETS**

**Carbon Neutrality Implementation Strategy**

HDC Hyundai Development Company has developed a phased execution plan to achieve carbon neutrality by 2050, based on an analysis of the feasibility and maturity of greenhouse gas reduction technologies. In 2024, the company is advancing various reduction initiatives, including upgrading energy facilities and high-efficiency LED lighting at construction sites, introducing eco-friendly vehicles, and expanding the use of renewable energy. Looking ahead, HDC Hyundai Development Company plans to broaden the range of applicable technologies and continuously refine its reduction strategies.



**Supply Chain Emission Management**

**Scope 3 Management Strategy**

HDC Hyundai Development Company has established targeted strategies for each Scope 3 category to effectively manage greenhouse gas emissions across its entire value chain. To improve the accuracy of emissions calculations, key items such as materials, logistics, and subcontracted work are clearly defined. Additionally, a classification system based on gross floor area by zero-energy building grade and eco-friendly material procurement is being developed. At the supply chain level, the company secures emission data from suppliers and implements indirect emission reduction measures by promoting the use of low-carbon raw materials and applying high-efficiency designs. Furthermore, items with significant environmental impacts are designated as priority management targets, with progress regularly reviewed through working groups. HDC Hyundai Development Company is also expanding low-carbon demand-based businesses such as hydrogen infrastructure and data centers to enhance its contribution to Scope 3 emission reductions and accelerate the transition toward a sustainable value chain system.

Scope 3 Greenhouse Gas Emissions Status

(Unit : tCO<sub>2</sub>eq)

| Category               | Description                     | 2023      | 2024      |
|------------------------|---------------------------------|-----------|-----------|
| <b>Total Emissions</b> |                                 | 2,181,465 | 3,180,107 |
| Category 1             | Purchased Products and Services | 629,263   | 575,962   |
| Category 2             | Capital Goods                   | 80        | 46        |
| Category 3             | Fuel and Energy                 | 2,949     | 3,019     |
| Category 5             | Waste Generated from Operations | 9,457     | 9,527     |
| Category 6             | Employee Business Travel        | 165       | 157       |
| Category 7             | Employee Commuting              | 2,213     | 1,698     |
| Category 8             | Upstream Leased Assets          | 3,563     | 3,526     |
| Category 11            | Use of Sold Products            | 1,408,246 | 2,443,022 |
| Category 12            | Disposal of Sold Products       | 117,450   | 135,717   |
| Category 13            | Downstream Leased Assets        | 100       | 66        |
| Category 15            | Investment                      | 7,979     | 7,367     |

**Our Priorities**

- Climate-Change Response (TCFD)

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## Material Issue #2

# Safety and Health Management

**[SDG 3] Good Health and Well-Being**  
Target 3-9 Reduce illness and death from hazardous chemicals and pollution

**[SDG 8] Decent Work and Economic Growth**  
Target 8-8 Protect labor rights and promote safe working environments

### GOVERNANCE

HDC Hyundai Development Company has strengthened the independence and accountability of safety and health management by appointing a Chief Safety Officer (CSO) from among its co-CEOs and establishing a Safety and Health Committee under the Board of Directors to oversee the governance system. Reporting to the CSO, dedicated teams for safety, environment, and technology are organized, receiving quarterly reports on site safety inspections and workforce management to conduct strategic oversight. Additionally, the company employs an external expert Construction Innovation Group and utilizes a digital IT system to proactively identify high-risk factors, continuously enhancing a prevention-focused safety management system.

### STRATEGY

| Impact, Risk, and Opportunities   | Value Chain     | Response Period    | Stakeholders                             | Anticipated Financial Impact  | Our Response  |
|---|-----------------|--------------------|--|---|---|
| <b>[Risk]</b><br>• Increased labor cost burden due to the strengthening of labor-related regulations such as reduced working hours, minimum wage hikes, and stricter industrial safety standards. | Own corporation | Short- to mid-term | Employees, Partner Companies, Government | • Increased operating costs due to rising labor expenses<br>• Decreased productivity and higher overhead costs resulting from working hour limitations<br>• Potential additional costs such as fines or corrective orders for non-compliance with labor regulations | • Operation of an Occupational Safety and Health Management System (ISO 45001) and management of high-risk tasks<br>• Use of digital technologies such as smart safety platform (I-SAFETY 2.0) and BIM to enhance both safety and productivity<br>• Safety capability assessments and joint training programs conducted for partner companies |

### 2024 KEY PERFORMANCE

**274** Times  
On-site Safety Inspection Cases

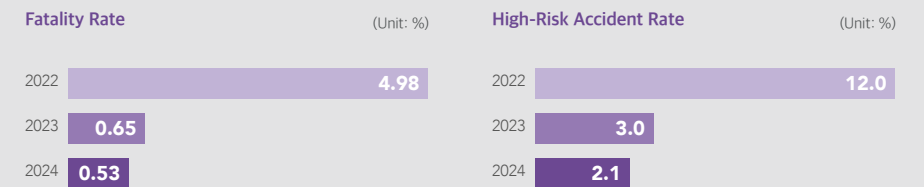
**364,528**  
Number of On-site Safety and Health Training Participants

**1,105**  
Number of Participants in SAFETY-I ACADEMY Training

### RISK MANAGEMENT

HDC Hyundai Development Company utilizes digital systems such as I-SAFETY 2.0, CCTV, and wearable devices, along with ongoing risk assessments, to proactively identify and manage high-risk work activities. The company operates preventive systems, including the right to stop work, a pre-work permit system, and performance evaluations for subcontractors. In the event of an incident, a company-wide process is in place to manage everything from investigation to recurrence prevention. Additionally, HDC promotes a field-oriented safety culture by incorporating worker feedback through the Safety and Health Subcommittee and incentivizing subcontractors via dedicated programs.

### METRICS AND TARGETS



- Climate-Change Response (TCFD)

- **Safety and Health Management**

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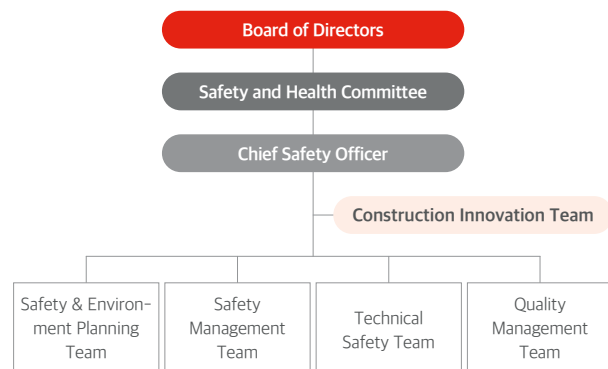
# Safety and Health Management

## GOVERNANCE

### Safety and Health Management System

To strengthen accountability and independence in decision-making regarding occupational Safety and Health, HDC Hyundai Development Company has appointed a Chief Safety Officer (CSO) from among its co-CEOs. Under the CSO, the company has specialized the functions of its dedicated Safety and Health team to establish an integrated governance system closely connected with on-site operations. Safety inspection results and workforce management status from the field are reported quarterly to the CSO, enabling systematic oversight of the company-wide Safety and Health standards and consistent strategic responses. Additionally, HDC Hyundai Development Company operates the Construction Innovation Group, an advisory body composed of external safety experts, which continuously drives practical on-site improvements. The company also enhances its prevention-focused safety management system through digital tools, utilizing IT systems to proactively identify risks and prevent accidents.

Safety and Health Organizational Chart

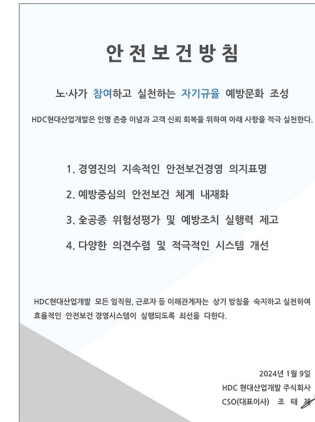


### Safety and Health Management Policy

HDC Hyundai Development Company fosters a prevention-focused safety culture where labor and management voluntarily collaborate to protect all stakeholders—including employees, partner company workers, and the public—from various risks at construction sites. Moving forward, the company plans to further embed this safety culture throughout the organization through continued cooperation between labor and management, while continuously striving to improve to create safer and more trustworthy working environments.

### Board Management and Oversight

HDC Hyundai Development Company has established a Safety and Health Committee under its Board of Directors, which regularly reviews key matters related to safety, health, and quality. Centered around the Chief Safety Officer (CSO), the commission comprehensively examines safety and health policies, goals, budgets, training, facility status, and incident reports. It ensures consistency and effectiveness in decision-making by providing policy implementation results and improvements to the Board. The Board reviews and approves the annual safety and health plan and receives quarterly reports on safety management performance, maintaining ongoing oversight of the company's safety and health system. Additionally, reporting protocols are clearly defined by incident type, specifying timing, recipients, and content. A multi-layered reporting system is in place: serious incidents are reported immediately to the Board, high-risk incidents are reported as needed to management, and general incidents are reported quarterly to the Safety and Health Committee. The CSO, empowered with independent decision-making authority, continuously monitors safety performance and shares key policies and issues across the company and its partners through a company-wide system, thereby strengthening on-site execution.



Safety and Health Policy

Key Agenda Items of the Safety and Health Committee

| Date       | Session Number | Key Agenda Items   |
|------------|----------------|--|
| 2024.01.24 | 1st            | <ul style="list-style-type: none"> <li>• Approval of Q4 2023 Safety, Health, and Quality Activity Results                             <ul style="list-style-type: none"> <li>- Safety, Health, and Quality Inspections and Outcomes</li> <li>- Incident Status and Recurrence Prevention Measures</li> </ul> </li> <li>• Approval of 2024 Safety, Health, and Quality Activity Plans                             <ul style="list-style-type: none"> <li>- Safety and Health Management Policies and Goals</li> <li>- Safety, Health, and Quality Policies, Organizational Structure, and Budget</li> </ul> </li> </ul> |
| 2024.04.26 | 2nd            | <ul style="list-style-type: none"> <li>• Approval of Q1 2024 Safety, Health, and Quality Activity Results                             <ul style="list-style-type: none"> <li>- Safety, Health, and Quality Inspections and Outcomes</li> <li>- Incident Status and Recurrence Prevention Measures</li> </ul> </li> </ul>   |
| 2024.07.25 | 3rd            | <ul style="list-style-type: none"> <li>• Approval of Q2 2024 Safety, Health, and Quality Activity Results                             <ul style="list-style-type: none"> <li>- Safety, Health, and Quality Inspections and Outcomes</li> <li>- Incident Status and Recurrence Prevention Measures</li> </ul> </li> </ul>   |
| 2024.10.25 | 4th            | <ul style="list-style-type: none"> <li>• Approval of Q3 2024 Safety, Health, and Quality Activity Results                             <ul style="list-style-type: none"> <li>- Safety, Health, and Quality Inspections and Outcomes</li> <li>- Incident Status and Recurrence Prevention Measures</li> </ul> </li> </ul>   |

**Our Priorities**

- Climate-Change Response (TCFD)
- **Safety and Health Management**
- Construction Quality Management
- Sustainable Supply Chain
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**STRATEGY**

**Safety and Health Management System**

**Safety and Health Management Strategy**

HDC Hyundai Development Company has established a culture of self-discipline and prevention, centered on joint labor-management participation and action as its core safety and health policy, implementing a systematic safety and health management strategy across the entire organization to realize this goal. Built on strong leadership commitment, the company internalizes a prevention-centered safety system, enhances the execution of risk assessments and preventive measures, and continuously strengthens autonomous safety management capabilities by actively incorporating field feedback to improve the system. For 2024, HDC Hyundai Development Company has set a target to keep the high-risk accident rate below 5% and is pursuing three main strategies to achieve this: institutionalizing management supervisors' checks on 'High'-risk level assessments to reinforce field-focused risk management; operating a One-Stop safety management system to ensure comprehensive hazard management; and strengthening equipment-focused management through a dedicated equipment manager system to proactively identify and control high-risk factors systematically.

Safety and Health Strategy Framework



**Safety and Health Management System**

HDC Hyundai Development Company prioritizes the safety and health of all its employees and is committed to establishing a systematic occupational health and safety management system. To this end, the company has adopted and fully operates in accordance with the international standard ISO 45001 (Occupational Health and Safety Management System). ISO 45001 is an internationally certified standard focused on the proactive identification of hazards and risk mitigation activities. Based on this, HDC Hyundai Development Company regularly inspects and improves harmful and hazardous factors within its workplaces. Additionally, the company strengthens company-wide safety and health training and internal audit systems to firmly establish a safety culture, going beyond mere legal compliance to implement a proactive, prevention-centered safety management approach. Moving forward, HDC Hyundai Development Company will continue to advance its ISO 45001-based safety management system to create a workplace environment where all stakeholders can feel secure.



ISO 45001 Certification

**Our Priorities**

- Climate-Change Response (TCFD)

- **Safety and Health Management**

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- Sustainable Supply Chain

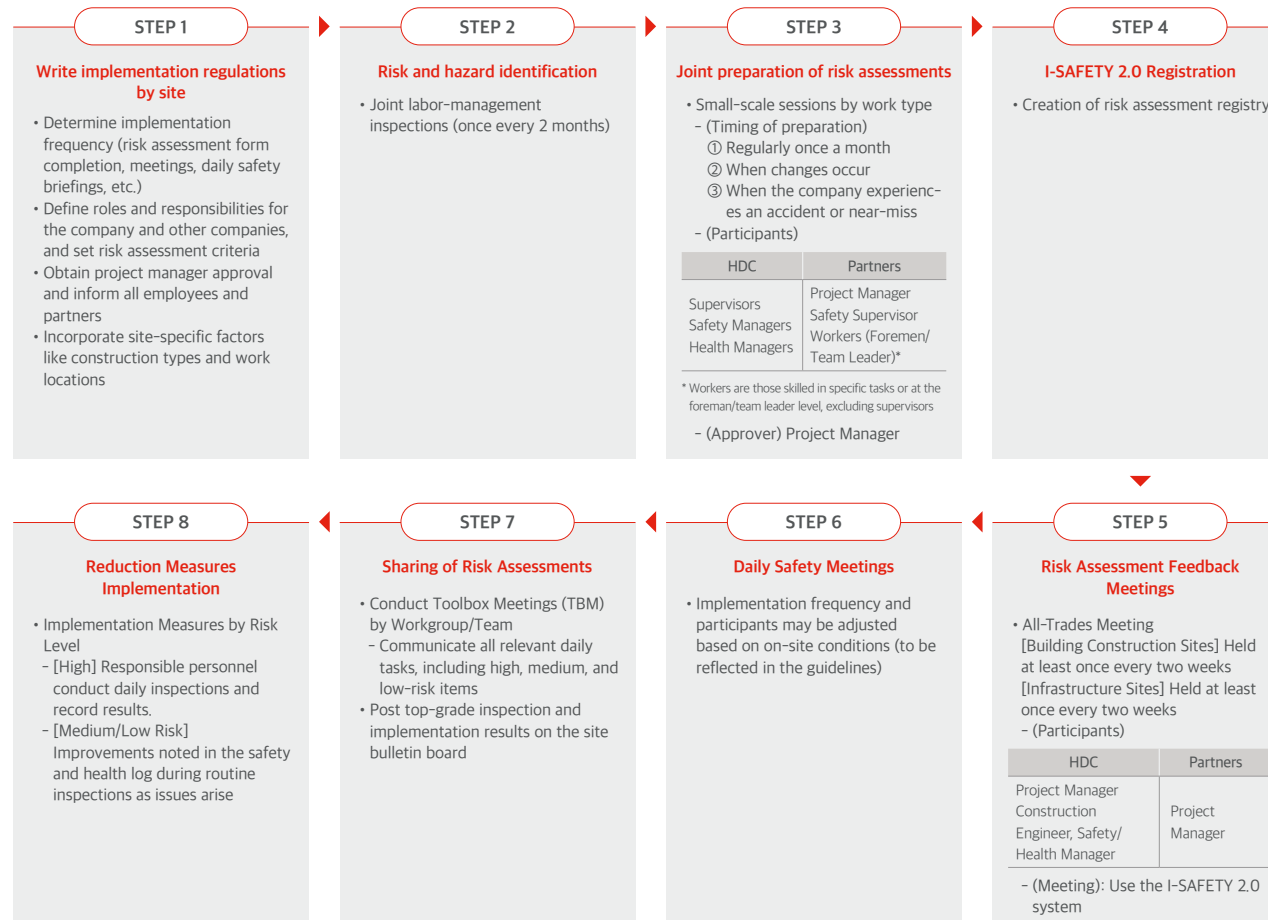
- Management Based on Principles of Integrity

**RISK MANAGEMENT**

**Safety and Health Risk Management**

HDC Hyundai Development Company manages on-site risks through a continuous Plan-Do-Check-Act (PDCA) based process. Before initiating new tasks, process changes, or high-risk operations, risk assessments are jointly prepared by partner companies (project managers, safety officers, workers) and HDC staff (supervisors, safety managers), approved by the project manager, and logged in I-SAFETY 2.0, the company-wide integrated system. The results and hazards are shared with workers in Toolbox Meetings, and mitigation measures are applied according to risk severity.

Risk Assessment System



HDC Hyundai Development Company identified a total of 85,327 “High” risk-grade tasks through ad-hoc risk assessments in 2024 and completed inspections on 83,100 of them, achieving a high compliance rate of 97.4% on average. The risk assessment plans and implementation results were shared company-wide and posted on internal bulletin boards, with compliance performance incorporated into internal evaluations to strengthen accountability. As a result, the compliance rate improved from 96.0% in the first half of the year to 98.8% in the second half, marking a 2.8-percentage-point. Additionally, the company expanded site supervisor participation in inspections and enhanced its technology-based response capabilities by integrating real-time monitoring systems such as mobile smart cameras and tower crane CCTV, enabling rapid identification and response to abnormal behaviors or hazardous situations during work. These combined managerial and technical efforts have continuously elevated execution capacity and safety management standards for high-risk tasks.

2024 Ad-hoc Risk Assessment Inspection Results

| Category                              | First Half | Second Half | Total  |
|---------------------------------------|------------|-------------|--------|
| 'High' Risk Work Identified (cases)   | 43,897     | 43,430      | 85,327 |
| 'High' Risk Work Inspected (cases)    | 42,155     | 40,945      | 83,100 |
| 'High' Risk Inspection Execution Rate | 96.0       | 98.8        | 97.4   |

**Our Priorities**

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**RISK MANAGEMENT**

**Safety and Health Activities**

**Strengthening Smart Safety Management**

**Smart Safety Management (I-SAFETY 2.0)**

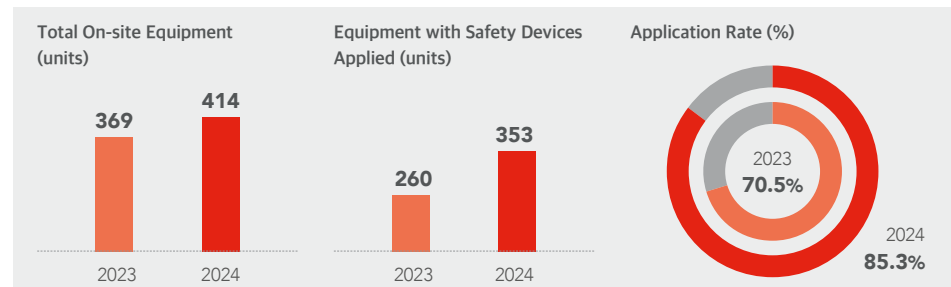
HDC Hyundai Development Company has established and is operating the I-SAFETY 2.0, a safety and health integrated platform to proactively manage high-risk tasks and enhance its safety management system. This mobile-based platform, jointly used by the head office, construction sites, and partner company workers, streamlines key safety workflows such as risk assessments, pre-work permits, and non-compliance reports, thereby improving operational efficiency and on-site responsiveness. To strengthen preventive, technology-driven safety management, HDC Hyundai Development Company operates a total of 382 smart safety devices across construction sites nationwide. These include mobile CCTV units for real-time monitoring of high-risk work areas, as well as wearable airbag systems, wireless broadcasting devices, and VR-based safety training tools, all of which contribute to continually raising the level of on-site safety management.

2024 Smart Safety Equipment Operation Overview (Based on 59 sites)

| Category               | Mobile CCTV | Wearable Airbags | Wireless Broadcasting Devices | VR Training Equipment | Total |
|------------------------|-------------|------------------|-------------------------------|-----------------------|-------|
| Total Installed Units  | 96          | 145              | 61                            | 79                    | 382   |
| Average Units per Site | 1.6         | 2.5              | 1.0                           | 1.3                   | 6.5   |

In addition, to prevent accidents involving construction equipment, HDC Hyundai Development Company has implemented smart safety devices such as 360-degree surround-view cameras and AI video recognition cameras on construction machinery. As a result of ongoing campaigns to eliminate equipment-related accidents, the application rate of safety devices on construction machinery reached 85.3% in 2024, marking a 14.8 percentage point increase from 70.5% the previous year.

Construction Equipment Safety Device Application Status (Daily Average Deployed Units)



**Tower Crane Wire Rope Inspection**

HDC Hyundai Development Company has introduced a precision diagnostic system for real-time monitoring to prevent serious accidents caused by tower crane wire rope breakage. Previously, inspections were conducted visually at set intervals, making it difficult to detect internal defects or wear in advance. To address these limitations, since December 2023, the company has been piloting advanced diagnostic equipment at three construction sites that uses magnetic fields to detect internal damage within wire ropes. HDC Hyundai Development Company plans to expand the use of this equipment by adding seven more units by 2025, prioritizing high-risk sites. This system helps prevent wire rope failures that can occur during frequent heavy material handling on construction sites and significantly enhances the real-time safety management of high-risk operations.



Real-time wire rope inspection



Smart wearable airbag usage



Application of smart safety devices on construction machinery



CCTV monitoring of high-risk operations

**Our Priorities**

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**RISK MANAGEMENT**

**Safety and Health Activities**

**Employee Welfare and Health Promotion**

**Improvement of Working Conditions**

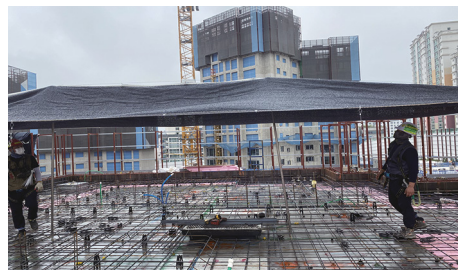
To protect the health and safety of its workers, HDC Hyundai Development Company has installed rest areas and hygiene infrastructure such as washrooms and shower facilities at all construction sites, and has assigned dedicated managers to oversee their continuous maintenance and management. At sites with limited space, mobile rest facilities are provided to ensure workers still have access to proper amenities. During the summer heatwave season, the company enhances its climate change response efforts through initiatives such as heatwave response training, adjusted working hours, and enhanced cooling systems. Additionally, various site-specific measures are in place to improve hot working environments and proactively manage health risks. These include appointing managers for designated heat illness prevention zones, operating cool-down shelters, and installing sunshades. All of these efforts are aimed at continuously improving the safety, health, and comfort of the work environment.



Icicle Campaign during Extreme Heatwave



Musculoskeletal Disorder (MSD) Prevention Training



Installation of Sunshades for Outdoor Workers



Strengthened Management for Vulnerable Workers

**Health Protection and Disease Prevention Activities**

HDC Hyundai Development Company has established and operates a multi-layered health management system to protect the well-being of its workers. This system includes the appointment of health managers, the expansion of health checkups, and the provision of personalized health management for high-risk groups. To prevent major illnesses such as cardiovascular diseases and to strengthen emergency response capabilities, the company is upgrading medical equipment and conducting hands-on training. In addition, field-focused health promotion activities such as heatwave response measures and musculoskeletal disorder prevention training are being continuously carried out to support worker health and safety.

Employee Health Promotion Program

| Category  | Details   |
|---|---|
| 01. Heatwave Response Measures  | <ul style="list-style-type: none"> <li>• Expanded Application of Heatwave Criteria (Previously: July-September → Updated: when perceived temperature exceeds 31°C)</li> <li>• Response Measures During Heatwave Alerts (Advisory or Warning issued)</li> <li>• Ensuring Rest Breaks for Workers</li> </ul>  |
| 02. Improvement of Worker Rest Facility Operations (Establishment of installation and operation standards for rest facilities by work type and scale) | <ul style="list-style-type: none"> <li>• Installation of heating, cooling, and temperature lighting equipment</li> <li>• Budget allocation for items not covered by industrial safety and health management expenses (such as costs for installing rest facilities and renting refrigeration and warming equipment)</li> </ul>  |
| 03. Conducting Worker Musculoskeletal Disorder Prevention Training  | <ul style="list-style-type: none"> <li>• Conduct external expert-led musculoskeletal disorder prevention training and practical sessions once every six months</li> <li>• Use taping techniques to relieve pain and improve work efficiency</li> <li>• Identify and share best practices for improving the work environment to prevent musculoskeletal disorders caused by excessive physical activity</li> </ul> |
| 04. Conducting Special Health Examinations for Supervisors  | <ul style="list-style-type: none"> <li>• To detect and prevent health impacts from exposure to hazardous substances, special health examinations are conducted for all employees prior to their assignment at company sites.</li> </ul>   |
| 05. Strengthening Management of Vulnerable Workers  | <ul style="list-style-type: none"> <li>• Classify risk groups based on factors such as blood pressure, age, and personal medical history, and assign suitable tasks while monitoring workers' health status</li> <li>• Use tools like blood pressure and vascular health tests, and facial recognition kiosks to screen workers' health conditions on the day of work</li> </ul>                                  |

**Our Priorities**

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**RISK MANAGEMENT**

**Safety Accident Prevention**

**Operation of Worker’s Right to Stop Work**

HDC Hyundai Development Company not only conducts regular inspections of high-risk tasks but has site managers and partner companies jointly review follow-up actions and promptly address any deficiencies. The company has also put in place a “right to stop work” system across all sites, empowering its workers to identify hazards themselves and either stop work or report risks immediately. This system not only covers urgent safety issues but also health and environmental concerns, like airborne dust, allowing for a wider range of responses. Supervisors can easily report hazards to the Risk Reporting Center by scanning QR codes on their safety helmets. An on-site system then ensures that corrective actions are taken without delay, making responses more effective. In 2024, a total of 1,149 stop-work reports were made, and all of these cases were 100% fully addressed. Through this proactive approach, HDC Hyundai Development Company has made the principle of “no work if unsafe” a core part of its workplace culture, continuously working to create a safer and healthier environment for everyone.

**Operation of the Permit to Work System**

HDC Hyundai Development Company applies the Permit to Work (PTW) system across all its sites to operate a safety management system focused on proactive prevention. The PTW system requires the inspection of potential hazards and verifying the implementation of safety measures before work begins, with approval procedures required prior to starting tasks. This system is mandatory, especially for high-risk tasks and work types with a high risk of serious accidents. During work, safety managers monitor hazards and the implementation of safety measures in real time using the I-SAFETY 2.0 system. If any risks arise, the system allows for an immediate work stoppage to ensure a prompt and effective safety response.



Operation of the Permit to Work System

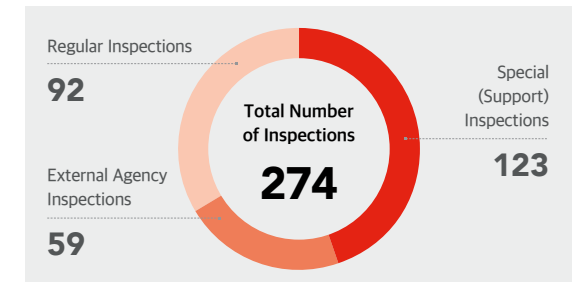


Safety Campaign for Commuting Workers

**On-Site Safety Inspections**

HDC Hyundai Development Company operates a comprehensive, company-wide safety inspection system to ensure effective site safety. In 2024, 274 inspections were conducted, identifying 2,459 non-compliance issues, 816 system-related and 1,643 site-related, all of which were promptly addressed. To reinforce leadership in safety, the 4th of each month is designated as Safety Inspection Day. On this day, senior executives including the CEO, CSO, and division heads conducted 29 site visits. Additionally, the Construction Innovation Team, which includes external safety experts, carries out objective assessments and collaborates with partner companies to develop improvement plans, creating a safety system that links issue detection with prevention. The Safety and Quality Management Committee, composed of 45 CEOs from partner companies, meets six times a year to run initiatives such as commuting safety campaigns, joint inspections, safety training, and recognition of outstanding workers. These activities help build a strong culture of shared responsibility and strengthen collaborative safety management with partners.

2024 On-Site Safety Inspection Status



**Site Safety Evaluation**

HDC Hyundai Development Company regularly evaluates on-site safety management to enhance safety performance. These evaluations comprehensively assess each site’s safety management level based on metrics such as injury rates and the execution of accident prevention activities. Outstanding sites and partner companies are rewarded with monetary prizes and institutional incentives. Notably, key safety metrics are incorporated into the KPIs of on-site employees and executives, linking safety performance directly to individual evaluations. In 2024, five exemplary sites and five partner companies were recognized with cash awards, reduced performance guarantees, and bonus points in safety assessments. Through fair evaluations and meaningful rewards, HDC promotes a culture of autonomous, site-led safety management and reinforces shared safety responsibility with its partners.

**Our Priorities**

- Climate-Change Response (TCFD)
- **Safety and Health Management**
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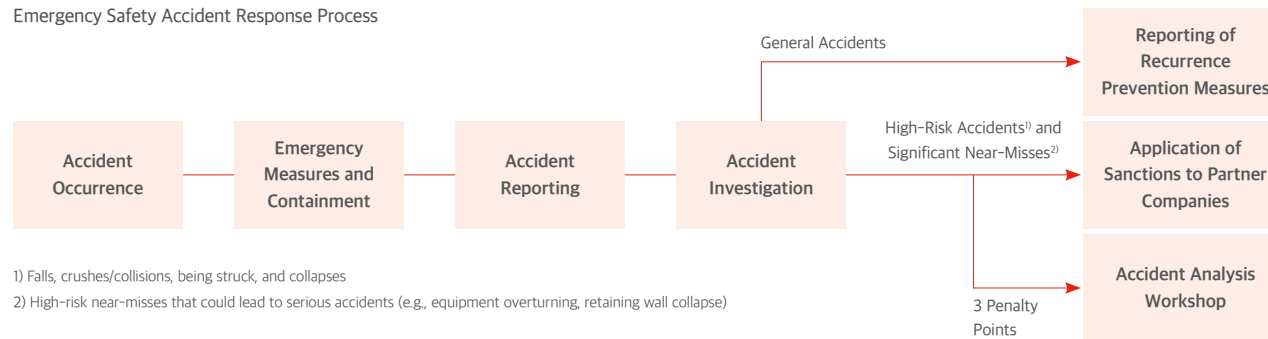
**RISK MANAGEMENT**

**Safety Accident Prevention**

**Safety Accident Response Process**

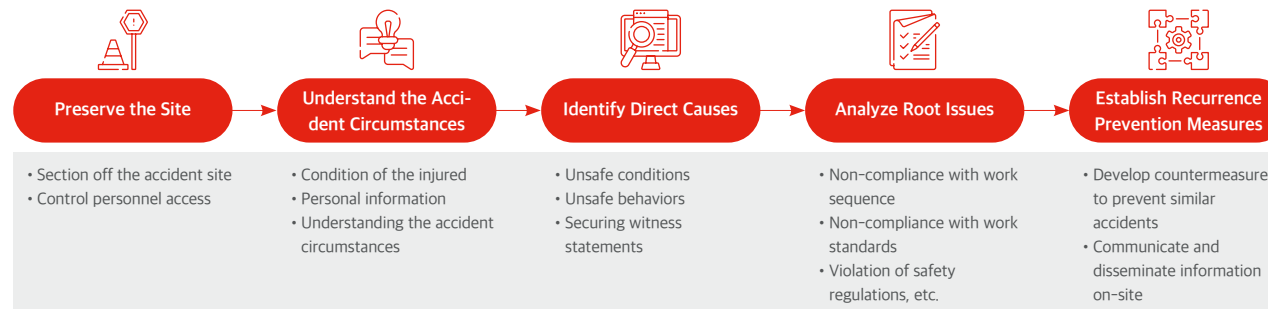
HDC Hyundai Development Company conducts thorough investigations for all injury accidents to prevent recurrences. The company systematically analyzes the causes of accidents to develop effective preventive measures. Accidents are categorized and managed by risk level into general accidents, high-risk accidents (such as falls, crushes or collisions, being struck, and collapses), and significant near-misses (including equipment overturns and retaining wall collapses). When an accident occurs, it is reported to management within 24 hours along with all related documents. A detailed investigation follows, examining the circumstances, direct causes, and root causes. Based on this, measures are developed to prevent recurrence. For high-risk accidents or significant near-misses, a special accident analysis workshop is held. This workshop includes the head of the Safety & Quality Division at headquarters, the safety management team leader, partner company CEOs, and Project Managers. Together, they analyze the causes and construct effective improvement plans. If the same type of accident happens three or more times at a site, that site is designated for a safety audit with enhanced follow-up actions. Partner companies with frequent accidents face sanctions such as bidding restrictions and penalties on their safety evaluations, reinforcing a safety culture focused on prevention.

Emergency Safety Accident Response Process



1) Falls, crushes/collisions, being struck, and collapses  
2) High-risk near-misses that could lead to serious accidents (e.g., equipment overturning, retaining wall collapse)

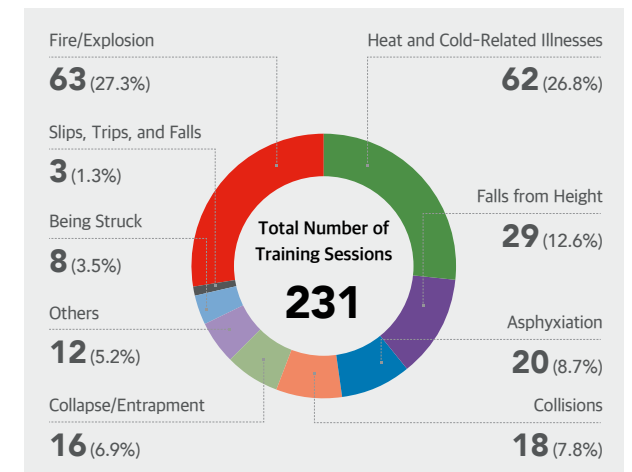
**Accident Investigation Process**



**Emergency Response Training**

HDC Hyundai Development Company places the highest priority on the health and safety of its workers. To proactively prevent major accidents and ensure swift response when accidents occur, the company has established a comprehensive safety system. At every worksite, major risk factors are identified and analyzed in advance, with site-specific response plans developed accordingly. Emergency response drills are conducted at least once every quarter. These drills focus on enhancing response skills for key accident types, including fires and explosions, heat and cold illnesses, falls, and collisions. They are scenario-based, simulating real-life situations to ensure practical readiness, such as immediate work stoppage and rapid evacuation. If an accident occurs, designated teams immediately take action to prevent further damage. A thorough investigation is carried out to identify the root cause, followed by the development of measures to prevent recurrence. Continuous follow-up ensures ongoing improvements in overall safety management.

Emergency Response Training Status



**Our Priorities**

- Climate-Change Response (TCFD)

- **Safety and Health Management**

- Construction Quality Management

- Sustainable Supply Chain

- Management Based on Principles of Integrity

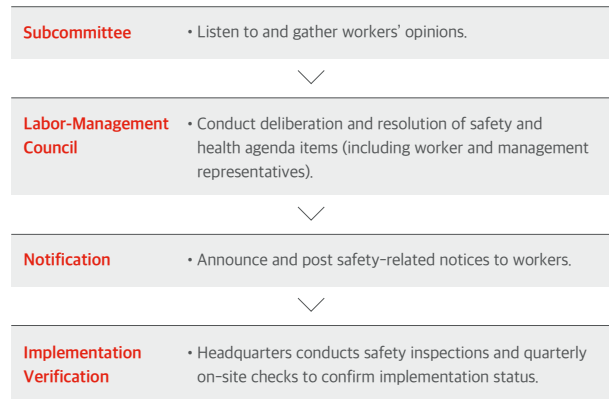
**RISK MANAGEMENT**

**Safety Accident Prevention**

**Operation of the Safety and Health Subcommittee for Partner Companies**

HDC Hyundai Development Company holds a Safety and Health Subcommittee every two months to address safety concerns raised by both its employees and partner company workers. Serving as a pre-meeting channel for the Labor-Management Council, the subcommittee ensures that on-site safety feedback leads to actionable outcomes. In 2024, the subcommittee held 319 sessions and the Labor-Management Council 329 sessions. Together, they handled 766 worker grievances, with a 100% resolution rate, leading to structural work environment improvements and accident prevention. By actively incorporating feedback from partner company workers, HDC has built an inclusive communication system that reflects the needs of all personnel. The company will continue to promote a cooperative safety culture through regular implementation checks and stronger labor-management-partner communication.

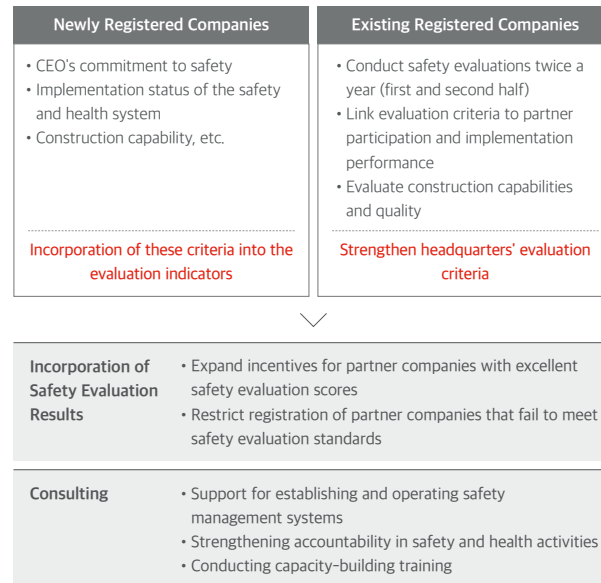
Safety and Health Subcommittee Operation Procedures



**Safety Evaluation of Partner Companies**

HDC Hyundai Development operates a structured safety evaluation system to manage the safety and health capabilities of both new and existing partner companies. New partners are assessed before registration, focusing on their safety systems and leadership commitment. Existing partners undergo evaluations twice a year to ensure continued compliance. To maintain objectivity, partners must also submit external safety rating results. As of 2024, all 425 subcontractors and 306 material suppliers met the required standards, while 28% (158 companies) of new applicants were rejected for not meeting criteria. To promote continuous improvement, top-performing partners receive incentives. HDC remains committed to strengthening partner safety capabilities through fair and transparent evaluation processes.

Partner Company Safety Evaluation Process



**BEST PRACTICE**

**Partner Company ESG Strengthening Workshop**



To strengthen the ESG management capabilities of specialized construction companies, HDC Hyundai Development Company held a two-day ESG Management Workshop from Wednesday, May 29 to Thursday, May 30, 2024. A total of 52 participants attended, including members of the 30th Safety & Quality Committee, the CSO, and chiefs from the Safety & Quality Management Department, Safety & Environment Planning Team, Safety Management Department, and Mutual Growth Team. The workshop featured training sessions on ESG policy fundamentals and the latest trends. It also addressed how specialized construction companies can respond to the enforcement of the Serious Accidents Punishment Act and offered strategies for establishing effective safety and health management systems. Partner companies that received safety diagnosis consulting shared their experiences and emphasized the necessity and value of the service. The workshop provided a valuable opportunity to reaffirm the importance of ESG practices and to promote a stronger culture of safety across the industry.

**Our Priorities**

- Climate-Change Response (TCFD)

- **Safety and Health Management**

- Construction Quality Management

- Sustainable Supply Chain

- Management Based on Principles of Integrity

**METRICS AND TARGETS**

**Safety and Health Management Indicators**

HDC Hyundai Development Company systematically manages core safety indicators by setting mid- to long-term goals to objectively assess and continuously improve safety management performance across the company. Key indicators, such as fatality rate, high-risk accident ratio, and percentage of sites achieving an A-grade in safety management, are regularly tracked at all sites. The headquarters comprehensively analyzes and manages these performance results.

**Mid-to-Long-Term Safety and Health Goals**

HDC Hyundai Development Company has established a safety and health management strategy with the goal of achieving zero fatal accidents caused by workplace incidents. Based on key strategic tasks, the management system is continually enhanced. The company has identified the ratio of high-risk accidents, such as falls, crushes/collisions, struck-by incidents, and collapses, that could lead to major accidents as a core safety performance indicator, and has set mid- to long-term targets accordingly. To achieve a target of reducing high-risk accidents to below 4% by 2025, work plans are developed for all types of construction work, and preliminary risk assessments are carried out. Additionally, a Permit to Work (PTW) system has been implemented for high-risk tasks. To prevent construction equipment accidents, dedicated personnel have been added, and equipment history and operation plans have been digitalized. Moreover, the company actively fosters a safety culture throughout the organization with the participation of both employees and partner companies. Ongoing improvements are driven by external expert consultations and structural safety reviews of temporary structures, aimed at identifying and mitigating latent on-site risks.

|  |   |  |  |                              |
|--|---|--|--|------------------------------|
| Goal   | <b>ZERO Accidents Resulting in Serious Injuries or Fatalities</b>   |  |  |                              |
| Implementation Strategy                                    | Establish a Step-by-Step Safety Management System Focused on High-Risk Work Types   |  | Expand Safety and Health Personnel and Strengthen Leadership Capabilities  |                              |
|  | Advance a Technology-Based Safety Management System   |  | Promote a Strong Safety Culture  |                              |
| Mid-to-Long Term Target (High-Risk Accident Rate)          | <b>2024</b><br>Under 5%   | <b>2025</b><br>Under 4%  | <b>2026</b><br>Under 3.5%  | <b>2027~2028</b><br>Under 3% |
| Achievement of Mid-to-Long Term Target Detailed Strategies | <ul style="list-style-type: none"> <li>Enhance the Execution of Safety and Health Activities</li> <li>Implement One-Stop Safety Management</li> <li>Strengthen Proactive Accident Prevention Efforts</li> </ul> | <ul style="list-style-type: none"> <li>Establish a Safety Management Cycle by Work Phase for High-Risk Tasks</li> <li>Standardize Safety and Health Management Systems and Strengthen Manager Competencies</li> <li>Expand and Institutionalize Dedicated Personnel for Construction Equipment Management</li> </ul> | <ul style="list-style-type: none"> <li>Establish a Preventive Action Process Based on Accident Case Studies and Inspection Analyses by High-Risk Work Type</li> <li>Standardize Job Competencies Across Safety and Health Team Members</li> <li>Develop a Process to Enhance the Safety Management Capabilities of Safety and Health Officers</li> </ul> |                              |

**Safety and Health Training**

HDC Hyundai Development Company operates the HDC SAFETY-1 ACADEMY to strengthen on-site safety management capabilities, offering customized training programs for supervisors and safety and health managers. In 2024, a total of 78,254 training sessions were held with 364,528 participants completing the courses. Training achievement scores improved by 59.8%, rising from 5.4 to 8.7, and participant satisfaction reached 94.6%. Moving forward, the training will be expanded to include partner companies, and the content will be continuously enhanced with a focus on practical, on-site application. This approach aims to significantly improve real-world safety competencies across worksites.

|   | Category                  | Key Support Details |
|---|---------------------------|---------------------|
| <b>Number of Employees (persons)</b>      | Executives                | 47                  |
|   | Project Managers          | 52                  |
|   | Supervisors               | 343                 |
|   | Safety and Health Manager | 276                 |
| <b>Partner Companies</b>                  | Representative Directors  | 187                 |
|   | Employees                 | 200                 |
| <b>Total Number of Trainees (persons)</b> |                           | 1,105               |

Effectiveness Analysis of Supervisor Training

| Category                                     | Before Training | After Training |
|--|-----------------|----------------|
| <b>Average Achievement Score (out of 10)</b> | 5.4             | 8.7            |
| <b>Average Training Satisfaction (%)</b>     | -               | 94.6           |

On-site Safety and Health Training Performance

| Category   | Performance |
|--|-------------|
| <b>Number of Training Sessions Conducted (times)</b> | 78,254      |
| <b>Number of Trainees (persons)</b>                  | 364,528     |

**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- **Construction Quality Management**
- Sustainable Supply Chain
- Management Based on Principles of Integrity



**Material Issue #3**

**2024 KEY PERFORMANCE**



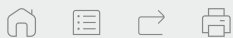
**351** Times  
Number of Quality Inspections Conducted



**562**  
Number of Personnel Trained for Quality Management Capability Enhancement



**93.3%**  
Customer Complaint Resolution Rate



# Construction Quality Management



**[SDG 9] Foster innovative industrialization and infrastructure**  
Target 9-4 Upgrade all industries and infrastructures for sustainability  
Target 9-5 Enhance research and upgrade industrial technologies



**[SDG 11] Sustainable Cities and Communities**  
Target 11-1 Safe and Affordable Housing  
Target 11-3 Inclusive and Sustainable Urbanization

**GOVERNANCE**

HDC Hyundai Development Company (HDC) has established a company-wide quality management system, led by a dedicated quality organization under the Chief Safety Officer (CSO). This system ensures systematic quality control across the entire project lifecycle. Major quality issues are escalated to the Board of Directors, and quality policies are formulated following executive review. Performance is reported quarterly. The headquarters regularly inspects the quality implementation status at project sites. Sites found lacking are subject to follow-up inspections. In addition, HDC conducts targeted inspections by trade—including architectural, mechanical, and electrical works—and performs scheduled annual inspections at infrastructure sites. These efforts strengthen quality control effectiveness and support proactive risk management.

**STRATEGY**

| Impact, Risk, and Opportunities  | Value Chain                 | Response Period   | Stakeholders  | Anticipated Financial Impact  | Our Response  |
|--|-----------------------------|-------------------|---|---|---|
| <p><b>[Risk]</b></p> <ul style="list-style-type: none"> <li>In the event of non-compliance with the Framework Act on the Construction Industry, Building Act, and other related regulations, poor construction and safety accidents may occur, leading to project delays, imposition of fines, additional costs for safety measures and remedial construction</li> </ul> | Own corporation, downstream | Short to Mid-term | Employees, Partner Companies, Customers, Government | <ul style="list-style-type: none"> <li>Increased costs due to project delays and extended construction periods</li> <li>Fines and legal response expenses</li> <li>Additional costs for repair works, materials, and labor</li> </ul>                         | <ul style="list-style-type: none"> <li>Advanced Quality Inspection System &amp; Strengthened Preventive Checks</li> <li>Targeted Inspections by Key Work Types &amp; Quarterly Quality Risk Reporting System</li> </ul>   |
| <p><b>[Positive Impact]</b></p> <ul style="list-style-type: none"> <li>Providing high-quality apartments that meet construction quality and safety standards to customers, leading to increased customer satisfaction, enhanced brand value</li> </ul>   | Own corporation, downstream | Short to Mid-term | Customers   | <ul style="list-style-type: none"> <li>Reduced A/S-related VOC (Voice of Customer) and C/S (Customer Service) costs</li> <li>Increased brand trust leading to repeat purchases</li> <li>Formation of a foundation for long-term revenue generation</li> </ul> | <ul style="list-style-type: none"> <li>Implementation of the Quality Accountability System (I-QMS) &amp; Structured Management for High-Quality Construction</li> <li>Improved Defect Response Rate During Initial Occupancy &amp; Customer Satisfaction Surveys</li> </ul> |

**RISK MANAGEMENT**

HDC Hyundai Development Company conducts targeted inspections by construction discipline and utilizes the Quality Performance Index (I-QPI) to proactively identify and evaluate key quality risks. Additionally, through real-time construction monitoring based on digital technology and focused inspections on disciplines with frequent defects, the company prevents quality risks. The inspection results are linked to the evaluation of partner companies and are comprehensively integrated into the company-wide quality risk management system.

**METRICS AND TARGETS**

**Customer Satisfaction Score (After-Sales Service Satisfaction Index)** (Unit: points)



**Consumer Complaint Resolution Rate** (Unit: %)



**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- **Construction Quality Management**
- Sustainable Supply Chain
- Management Based on Principles of Integrity

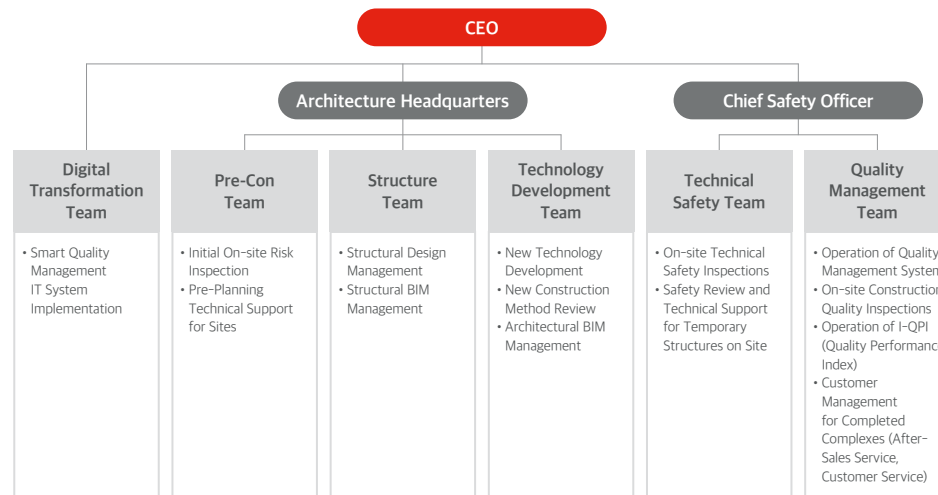
# Construction Quality Management

## GOVERNANCE

### Quality Management System

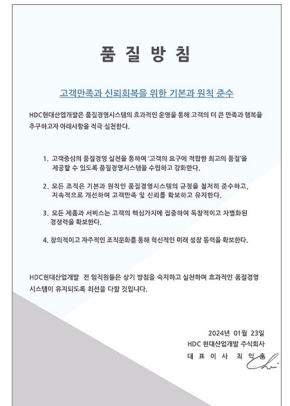
HDC Hyundai Development Company systematically manages quality across the entire project lifecycle, from groundbreaking to post-construction maintenance. In compliance with relevant laws and subordinate regulations, such as the Construction Technology Promotion Act and the Housing Act, internal guidelines have been established to reflect quality and defect liability standards, maintaining quality levels that exceed legal requirements. The quality organization within the business division reviews strategy implementation and ensures manuals are properly followed at each site. Sites with low ratings are scheduled for re-inspection by 2025. Since 2022, a Chief Safety Officer (CSO) has been appointed to strengthen the independence and expertise of the safety and quality organization. Major quality issues are reported to the Board, reinforcing a management-led response system. In 2024, the Board approved the quality activity policy, and performance is reviewed quarterly to ensure executive oversight. Targeted inspections are carried out for architectural, mechanical, and electrical work at all construction sites, with annual inspections for infrastructure projects. This structured approach helps HDC Hyundai Development Company protect customer rights and continuously improve construction quality.

Organizational Chart



### Quality Policy

HDC Hyundai Development Company operates a systematic and effective quality management system to deliver the highest quality that meets customer requirements. All employees strictly adhere to relevant standards and protocols, continuously enhancing quality reliability through key quality checks at each process stage and proactive technical and safety support. Based on this foundation, we aim to secure customer satisfaction and trust while building an innovation-driven framework to strengthen our competitiveness in quality and safety.



Quality Policy

### Customer Rights Protection Policy Establishment

HDC Hyundai Development is strengthening proactive, preventive measures based on a company-wide quality management system and customer-centric processes to protect customer rights and restore trust. By implementing VOC-based quality improvements, detailed inspections of frequently defective work areas, and customer satisfaction feedback before and after move-in, the company works to minimize potential customer impact. A Service Charter has been established to continuously enhance construction and operational standards from the customer's perspective. These initiatives are integrated into HDC Hyundai Development's Quality Accountability System and function as actionable policies that effectively guarantee customer rights throughout the entire process. HDC Hyundai Development has established and adheres to policies dedicated to protecting customer rights.



**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- **Construction Quality Management**
- Sustainable Supply Chain
- Management Based on Principles of Integrity

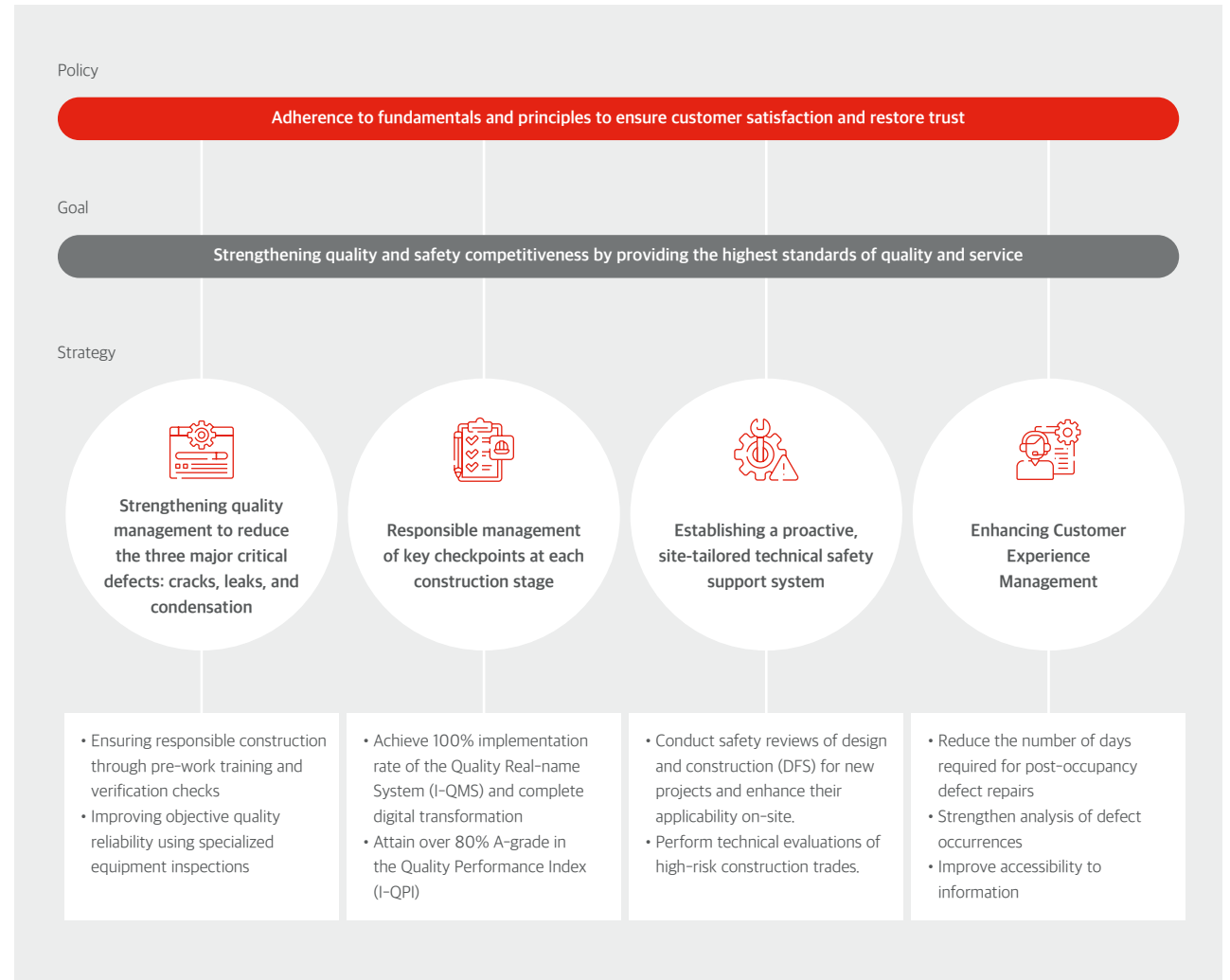
**STRATEGY**

**Quality Management Goals and Strategies**

**Quality Management Strategy**

HDC Hyundai Development has developed and operates its proprietary digital quality management system, I-QMS (IPARK Quality Management System), to ensure transparency and accountability in quality control based on its existing quality execution framework. This system standardizes key inspection items for each construction phase into checklists and applies a step-by-step approval process involving site personnel, supervisors, and project manager, reinforcing responsible quality management and regulatory compliance. Particularly at major construction milestones, such as structural lift concrete pouring and building exterior works, the system defines detailed inspection items to prevent defective construction at its root. Separate inspection protocols are applied to finishing processes such as waterproofing, tiling, and condensation control to minimize defect occurrence. Furthermore, essential pre-review items, such as blueprints, construction plans, and structural analyses, are systematically managed at each site to proactively mitigate quality risks arising from discrepancies between design and construction. The I-QMS system also digitizes routine site inspections, integrates quality document management, enables real-time information sharing, and supports video recording of construction processes. This enables comprehensive oversight of contractors' compliance and seamless coordination between project stages. Additionally, the system enhances both quality data accumulation and analysis, while also reinforcing information security measures.

Quality Management Strategy Framework





**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- **Construction Quality Management**
- Sustainable Supply Chain
- Management Based on Principles of Integrity

**RISK MANAGEMENT**

**Quality Management Activities**

**Quality Management Evaluation**

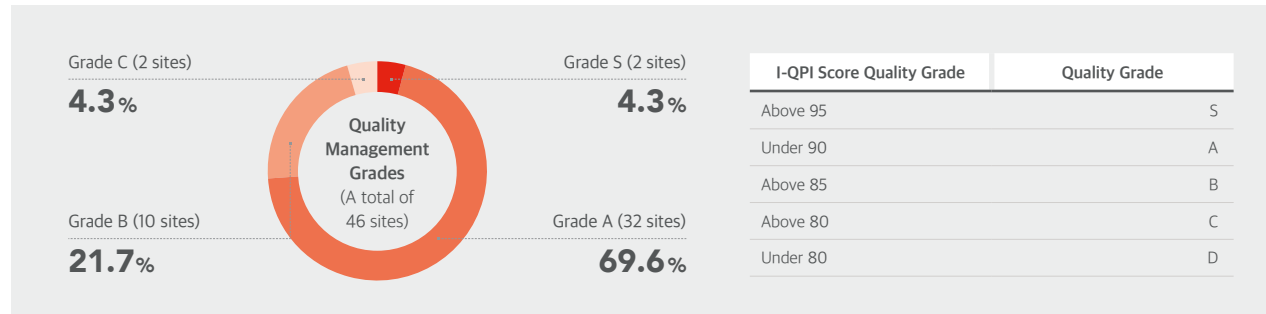
HDC Hyundai Development Company conducts inspections at each key quality management stage from groundbreaking to completion, systematically managing quality risks throughout the construction process. In 2024, a total of 183 quality inspections were carried out, and the results were analyzed to establish the direction for quality inspections in the following year. Based on the IPARK Quality Performance Index (I-QPI), a quantitative indicator of on-site quality management, defect cases, litigation, and major issues were analyzed. Targeted inspections were piloted focusing on critical factors that impact customer satisfaction. As a result, quality performance improved in the second half of the year compared to the first half, demonstrating the effectiveness and efficiency of the inspection activities. Accordingly, from 2025, the company plans to discontinue the previous stage-by-stage regular inspections and instead expand a targeted inspection system that focuses on high-defect-frequency construction processes from the early stages of construction. Additionally, the evaluation method for partner companies will be improved by linking it to targeted inspection results, thereby enhancing the objectivity and effectiveness of evaluations. In 2024, the quality performance index evaluation system was refined from four grades (EQ-DQ) to a more detailed five-grade scale (S to D) that incorporates compliance with construction guidelines and legal requirements. The percentage of sites achieving an A grade or higher was 74%. For 2025, the goal is to achieve over 80% of sites rated A or above, with ongoing efforts to enhance quality through continuous improvement and preventive management activities.

Quality Inspection Details

| Construction Quality Inspection |                              | Number of Inspections (times) | Key Points  |
|---------------------------------|------------------------------|-------------------------------|---|
| <b>Materials</b>                | Concrete Quality Inspections | Site: 17                      | Material Property Test, Structural Strength Test  |
|                                 |                              | Factory: 10                   | Ready-Mixed Concrete Plant Inspection             |
| <b>Construction</b>             | Regular Inspections          | 71                            | Initial, two intermediate stages, completion      |
|                                 | Targeted Inspections         | 53                            | Structural frame, waterproofing, tiling, painting |
|                                 | ISO Inspections              | 32                            | Quality control (testing) plan                    |

1) Includes 13 inspections at infrastructure sites (one regular annual inspection per site)

On-site Quality Management Results



**Operation of the Quality Management System (I-QMS)**

HDC Hyundai Development Company operates the I-QMS (Integrated Quality Management System) to ensure rigorous quality control throughout construction. Project Manager inspect and document each floor and section with photos and records during every phase, and must obtain step-by-step approvals before advancing to the next stage. Each site establishes a quality management plan in advance. Key structural tasks, such as concrete and rebar placement, require inspections by responsible personnel and approvals from the foreman and Project Manager before continuing. Thirteen critical processes are subject to real-time inspection and approval, while fourteen others follow a pre-review system. Monthly quality inspections are conducted for major activities, with joint participation from site staff and partners. To strengthen quality control, advanced technologies such as fixed CCTV monitoring, BIM-based process management, and drones for exterior wall inspections are being adopted. These tools help accurately record pre- and post-work conditions and enhance reliability.

I-QMS Operation Process

|                                | Site   | Headquarters  |
|--------------------------------|--|---|
| <b>Planning</b>                | I-QMS Planning (monthly, quarterly, annual)<br>Site Plan Report  | Feedback on Site Management Plans<br>Establishment of Inspection Plans  |
| <b>Quality Inspection</b>      | Major Structure<br>Person in Charge, Section Manager, Quality Manager  | Key Points<br>Project Manager<br>Monitoring of Site Inspection and Approval<br>Verification of I-QMS  |
| <b>Performance Measurement</b> | On-site Self-Inspection and Preparation and submission of inspection reports (including I-QAD, partner company project managers, etc.) | Measurement of I-QMS Implementation Fidelity → Reflected in MBO (Management by Objectives)<br>When conducting I-QPI evaluations, the I-QMS assessment score is also taken into account. |

**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- **Construction Quality Management**
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**RISK MANAGEMENT**

**Quality Management Activities**

**Ready-Mixed Concrete Quality Control**

Concrete is a key construction material crucial to quality management. However, since inspections usually occur after delivery, quality risks during production can be overlooked. Inspection results reveal quality variations across regions and factories despite KS certification. To address this, we developed factory inspection indicators for quantitative quality assessment and introduced pre-construction reviews of factory facilities, material storage, and quality management systems. This process helps identify and exclude non-compliant suppliers early. In 2024, we conducted 11 factory inspections at 8 new sites; among 112 factories, 28 were deemed non-compliant and barred from bidding, preventing potential quality issues. Additionally, we inspected supplying factories at 10 ongoing sites and performed material property management and non-destructive strength tests at 17 sites. These measures ensure comprehensive quality risk management.

Ready-Mixed Concrete Quality Control Implementation Status

| Category  | Number of Inspections | Key Inspection Items  |
|---|-----------------------|---|
| Ready-Mixed Concrete Quality Inspection                       | 17                    | Concrete Material Property Management & Structural Strength Verification                |
| Ready-Mixed Concrete Plant Inspection                         | 10                    | Facility management, aggregate management status, and organizational management status. |
| Pre-Construction Inspection of Ready-Mixed Concrete Suppliers | 11                    | Regional production quality management status.  |

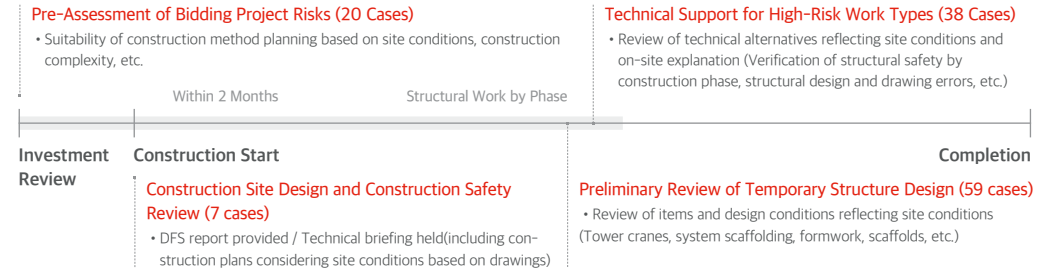


Non-destructive Testing of Concrete

**Technical Safety Risk Review**

HDC Hyundai Development Company has established a proactive technical safety support system aimed at creating a safe construction environment and minimizing risks. From the project investment review stage, dedicated technical managers are assigned to each site to review design drawings and site conditions. After construction begins, a consistent technical support framework is maintained throughout the entire construction process. For newly launched projects, a technical safety report is provided in advance, reviewing the adequacy of construction safety and temporary structure installation plans. This ensures that site managers are equipped with essential information and can identify potential risks before construction starts. During the construction phase, the structural safety of temporary structures for each process is pre-reviewed based on criteria such as load capacity, installation spacing, and support strength. For high-risk work types, customized technical support tailored to site conditions is provided to proactively address risks. Additionally, each month, high-risk work types (such as deck installation and transfer structures) are selected as thematic focus areas for intensive inspections. By verifying the installation status of pre-reviewed temporary structures and gathering feedback from site personnel, the company strengthens on-site, field-centered technical safety management.

Technical Safety Management Process



Inspection by External Experts

**BEST PRACTICE**

**Patent Application for Super-Tall Building Demolition Technology**

In June 2024, HDC Hyundai Development Company filed patents for core technologies related to the safe demolition of super-tall buildings, including exterior wall demolition systems and methods, elevator shaft protection systems, and elevator protection systems. These technologies protect workers and adjacent facilities from falling debris and impacts during demolition in urban high-rise environments, and prevent damage to internal structures caused by demolition waste. Notably, they ensure both worksite safety and surrounding area security, even in densely built urban areas, contributing to improved process efficiency and overall safety. Through this patent application, HDC Hyundai Development Company has significantly enhanced its safety standards and technological competitiveness in urban high-rise demolition projects.

**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
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**RISK MANAGEMENT**

## Quality Management Activities

### Enhancing Customer Accessibility

HDC Hyundai Development utilizes intelligent platforms, including generative AI-based voice recognition wall pads, the HDC Mobile Homepad, and the IPARK Home App at major project sites, integrating in-unit device control, common area management, and lifestyle convenience services to enhance both residential convenience and management efficiency simultaneously.

#### AI Voice Recognition Wall Pad

Smart wall pads powered by generative cloud AI understand context and recognize individual speakers, providing personalized home care services. These devices have been deployed at key project sites.

#### AI Facial Recognition One-Pass System

To enhance residents' convenience and security, HDC Hyundai Development has implemented a highly reliable AI facial recognition system with over 99% accuracy for its One-Pass system. It is applied at main entrance lobby phones and individual unit entrances, with phased expansion planned for newly sold complexes.

#### IPARK Home App

This smartphone-based home platform monitors and controls in-unit devices, manages common areas, and is set to expand with features such as automated underground parking management and resident-exclusive shopping mall services—all designed to maximize user convenience.

#### Safety Confirmation Service for Vulnerable Residents

Based on in-unit remote metering data, this service detects abnormal situations and automatically notifies registered guardians and management offices. Residents can opt in to the safety confirmation service by registering elderly or vulnerable family members for monitoring.

### Customer Experience Expansion

#### Donation Campaign with Residents

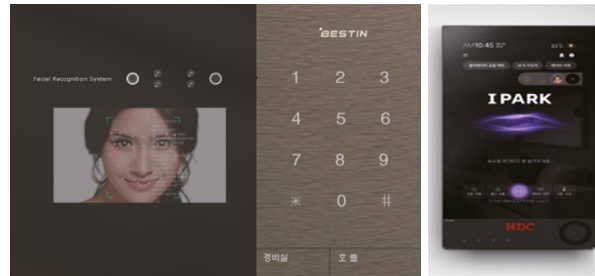
As part of its social contribution activities with residents, HDC Hyundai Development operates a donation campaign in collaboration with Beautiful Store, and has replaced welcome gift boxes with paper-based materials to promote eco-friendly resource conservation.

#### IPARK Gardening Class

The IPARK Gardening Class is a participatory program that allows residents cultivate gardens within the complex. It offers practical landscaping knowledge, including healthy plant care, planting techniques for autumn flowers and grasses, and propagation methods—providing residents with a special gardening experience.



IPARK Gardening Class



AI Facial Recognition Lobby Phone

IPARK Home Features

**BEST PRACTICE**

### Certification as an Excellent Service Quality Company in Korea



In August 2024, HDC Hyundai Development Company became the first construction company in Korea to receive the Korea Service Quality (SQ) Excellence Certification, awarded by the Korea Service Promotion Association. The SQ certification is a prestigious program that comprehensively evaluates service quality management systems and efforts to improve customer service. HDC Hyundai Development Company was recognized for its service operation capabilities, particularly through its independently developed customer management system, I-CLICK 4.0, which anticipates customer needs and enables prompt, effective responses. Looking ahead, the company will continue to strengthen its differentiated, customer-centric service management system to deliver even higher levels of satisfaction.

**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- **Construction Quality Management**
- Sustainable Supply Chain
- Management Based on Principles of Integrity

**METRICS AND TARGETS**

**Quality Management Indicators**

**Quality Management Goals**

HDC Hyundai Development Company comprehensively and systematically manages construction quality across multiple factors, including design, construction, materials, workforce, and the working environment, to achieve sustainable management. The company establishes company-wide quality policies and goals and operates an inspection system through close collaboration between headquarters and project sites to proactively manage quality risks. Additionally, it drives phased quality innovation through technology development, the implementation of quality management systems (I-QMS), the quality performance index (I-QPI), and advancements in digital-based quality management. In particular, the company has designated the consumer complaint resolution rate as a key quality management indicator, with a target of achieving 99.0% by 2027. To reach this goal, HDC Hyundai Development Company is continuously strengthening its ability to respond to customer complaints quickly and systematically.

Quality Management Roadmap

|   | 2022~2023  | 2024~2025   | 2026~2027  |
|---|--|---|--|
| <b>Construction Technology</b>            | <ul style="list-style-type: none"> <li>• Development and expanded application of key technologies (PC construction methods, SBR, unmanned demolition equipment, etc.)</li> </ul>   | <ul style="list-style-type: none"> <li>• Securing demolition technology for high-rise buildings</li> <li>• Expanding application of dry construction methods</li> </ul>           | <ul style="list-style-type: none"> <li>• Improving productivity and reducing defects</li> <li>• Establishing application of core technologies to reduce wet finishing processes</li> </ul> |
| <b>Construction Management</b>            | <ul style="list-style-type: none"> <li>• Introduction of Quality Management System (I-QMS)</li> <li>• Refinement of I-QMS performance measurement indicators</li> <li>• Implementation of Quality Performance Index (I-QPI) and management grades</li> </ul> | <ul style="list-style-type: none"> <li>• Achieve 100% I-QMS compliance rate</li> <li>• Digital transformation of I-QMS</li> <li>• Achieve over 80% of I-QPI at Grade A</li> </ul> | <ul style="list-style-type: none"> <li>• Secure top-tier quality competitiveness</li> <li>• Eliminate all C and D grades in I-QPI across all sites</li> </ul>                              |
| <b>Consumer Complaint Resolution Rate</b> | <b>95.9%</b>   | <b>97.0%</b>  | <b>99.0%</b>   |

**Quality Training**

HDC Hyundai Development continuously strengthens quality risk response capabilities through practical training for site managers and supervisors. Training topics include concrete strength management, defect prevention in finishing works, updates on regulatory changes and construction guidelines, and surprise inspections (such as tile tapping, thermal imaging, and non-destructive testing). In 2025, customized quality competency training was delivered to all technical staff in the Architecture Division during the winter season. Training on the I-QMS (Quality Management System) improved field personnel's ability to utilize the system effectively. Based on 2024 quality inspection results, feedback, and shared cases of repeated defects, defect prevention education was conducted to prevent recurrence. Concrete quality management training covered strength management methods and updates to standard specifications, including changes in laws and internal construction standards. This training enhanced quality managers' ability to develop and manage quality control (testing) plans effectively.

2024 Quality Management Capacity Building Training Status

| Category  | Number of Sessions | Number of Participants | Details   |
|---|--------------------|------------------------|---|
| <b>Project Manager</b>  | 1                  | 27                     | I-QMS Management Training and Sharing of 2024 Quality Inspection Results Feedback   |
| <b>Architecture (Administration, Construction, Structure, Design)</b> | 3                  | 320                    | I-QMS Management Training and Prevention of Recurrence through Sharing of Repeated Defect Cases   |
| <b>Quality</b>  | 2                  | 65                     | Establishment and Management of Quality Control Plans, Sharing of '24 Quality Inspection Results Feedback and Repeated Defect Cases<br>Concrete Quality Management, I-QMS Management Training |
| <b>Mechanical</b>   | 1                  | 54                     | Mechanical Construction Quality Management Standards, Sharing of Defect Cases and Recurrence Prevention Training  |
| <b>Electrical</b>   | 1                  | 50                     | Electrical Construction Quality Management Standards, Sharing of Defect Cases and Recurrence Prevention Training  |
| <b>Civil Engineering</b>  | 1                  | 29                     | Prevention of Recurring Defects through Sharing Quality Inspection Cases of Architectural and Civil Engineering Works   |
| <b>Landscaping</b>  | 1                  | 17                     | Sharing Quality Management Standards and Defect Litigation Cases for Landscaping Works  |
| <b>Total</b>  | 10                 | 562                    |   |

**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- **Construction Quality Management**
- Sustainable Supply Chain
- Management Based on Principles of Integrity

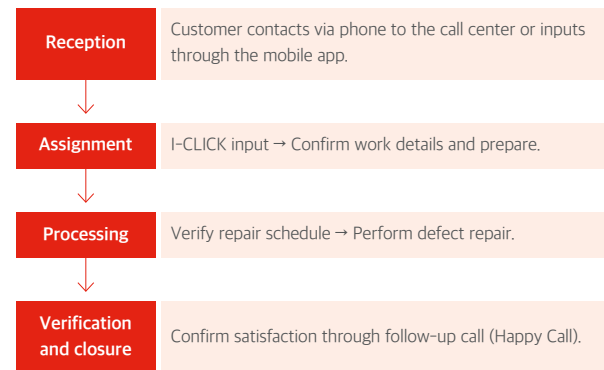
**METRICS AND TARGETS**

**Quality Management Indicators**

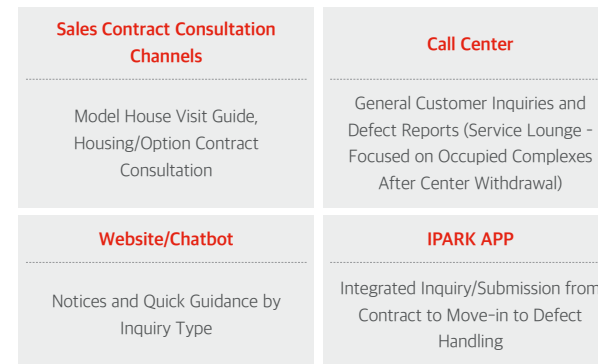
**Customer Communication Enhancement**

HDC Hyundai Development Company handles customer inquiries through multiple communication channels. Defect reports and their processing status can be monitored in real-time via the mobile app. Defects reported through the app are automatically linked to the customer management system, I-CLICK 4.0, where work details and schedules are reviewed and prepared. A dedicated initial response team, consisting of skilled finishers from finishing trades and CS engineers, swiftly manages defect resolution. Customer feedback is then collected through VOC and happy calls to foster continuous service improvement. In 2024, 93.3% of customer complaints were resolved. The analysis of these complaints is used to establish prevention measures and develop on-site training materials, thereby continuously enhancing customer satisfaction.

Defect Reporting and Resolution Procedure



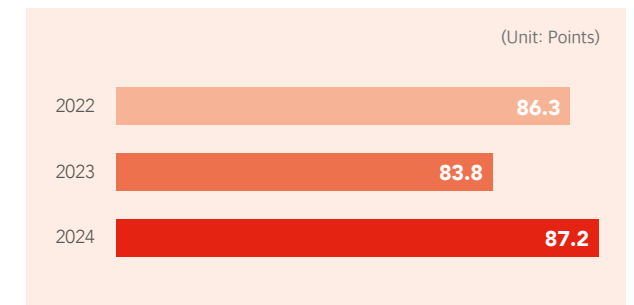
Customer Defect Reporting Channels



**Strengthening Customer Experience Management System**

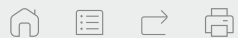
HDC Hyundai Development Company goes beyond simply delivering completed residential units by continuously providing customized services that enhance residents' quality of life after move-in. At the initial move-in stage, personalized welcome services create differentiated customer experiences. To foster community life within the complex, cultural participation programs co-planned with residents are offered, expanding experience value through active customer engagement. Since 2023, the service scope has expanded from the first year to complexes up to four years post-completion, with programs designed through pre-meetings that reflect resident needs, further advancing the customer experience management system. As a result of this ongoing, communication-driven approach, AS customer satisfaction scores have steadily increased, from 86.3 in 2022 to 83.8 in 2023, and then to 87.2 in 2024, contributing to strengthened customer trust.

AS Customer Satisfaction Score



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SPECIAL INTERVIEW

Digital Transformation Team Manager Tae-hoon Kim



**HDC Hyundai Development Company's Quality Management Story**

Q1

Please introduce the background and key features of the newly launched I-QMS (Quality Management System).

**A.** I-QMS was introduced by HDC Hyundai Development Company following the Gwangju accident to implement stricter quality control and practical, accountable quality management system. It operates on a system where the site manager inspects and records key items of each major construction process using a checklist, and work proceeds only after approval from the project manager. The goal is to minimize omissions in quality management and achieve more systematic construction oversight. Previously, a similar system was operated through groupware, but it had limitations, it was difficult to use as a dedicated system, and the recorded data could not be effectively accumulated or utilized as company assets. To address this, a new web- and mobile-based system, capable of real-time operation and data storage was developed and has been officially applied to all sites starting in January 2025. I-QMS goes beyond a simple inspection system; it focuses on systematically collecting and analyzing the company's quality data and will serve as a key tool for future quality enhancement and risk prevention.

Q2

In comparison to the existing quality management methods, what do you see as the biggest difference or distinguishing feature of I-QMS?

**A.** I-QMS is not merely a replacement or partial supplement to existing quality management methods; it focuses on systematically managing the essential inspection items. A key objective is to record and accumulate the inspection results as data for each item. Furthermore, I-QMS goes beyond being a simple inspection tool and strives to serve as a practical guide

for field staff, encompassing all processes across the entire construction workflow. It distinctly offers comprehensive inspection items and key control points without omission.

Q3

Since the launch of the I-QMS system, I understand you have personally visited sites to conduct training. How have the field staff responded?

**A.** In the early stages of implementing I-QMS, some staff felt burdened by having to manage the new system alongside their existing tasks. In particular, the process of re-entering inspection items and navigating approval procedures felt cumbersome due to its unfamiliarity. However, most field employees have gradually come to understand and appreciate the purpose and importance of I-QMS and are adapting accordingly. I-QMS is designated to ensure thorough, no-miss quality management, with registered items representing key points that must be verified during actual construction. This is not merely a procedural formality but a vital safeguard to prevent mistakes or omissions on-site. While initial resistance to change is natural, I believe that in the long run, I-QMS will establish a foundation for more systematic and higher-quality construction. By actively participating in this additional verification step, all field members contribute to elevating the company's overall quality standards.

Q4

What are the benefits of digitalizing quality data on-site?

**A.** In the past, quality data generated on-site was often stored on individual PCs or maintained only as printed documents, with most of it discarded after project completion. As a result, no matter how important the experiences or cases were, they were difficult to review unless they had been separately documented.

Until now, we relied on the memories of experienced employees, but we are now making efforts to systematically record and preserve this on-site knowledge and these cases. Through digitalization, meaningful data-driven references are possible despite varying conditions at each site. Although the numbers may differ, solutions can be derived from similar cases, and when issues arise, the recorded data enables root cause analysis and helps prevent recurrence, providing a significant advantage.

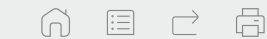
Q5

How do you expect the quality management methods at the site to change or improve through I-QMS?

**A.** The ultimate goal of I-QMS is to serve as a foundational guidebook for site workers. While its current focus is on inspecting designated quality items and recording them in the system, it will evolve into a practical manual that integrates the company's accumulated knowledge and experience. The ultimate aim is to establish a quality management system that is easy for anyone to understand and use. Clearly organized site processes and checklists are especially valuable in unexpected situations. I-QMS systematically presents these standards, acting as a milestone that enables workers to self-check and address commonly overlooked areas. Beyond simply registering inspections, the system is expected to significantly raise on-site quality levels and proactively prevent risks. Moreover, it will foster the development of a company-wide culture centered on quality management.

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## Material Issue #4



### 2024 KEY PERFORMANCE

**96.0 %**  
Proportion of Mutual Growth Partnership Agreements

**94.8 %**  
Proportion of Partner Companies Evaluated for Sustainability<sup>1)</sup>

1) Based on subcontracted (outsourced) construction work

# Sustainable Supply Chain

## GOVERNANCE

HDC Hyundai Development Company operates a dedicated supply chain management team under the Head of Corporate Management Division. The company recognizes ESG risks of its partners as a strategic issue directly impacting corporate sustainability, and manages these risks systematically from a mid- to long-term perspective. The Mutual Growth Team continuously monitors compliance with subcontracting regulations, while the Subcontract Procurement Team uses a real-time risk monitoring system to identify potential risks across the entire supply chain at an early stage and respond proactively. Based on this integrated management system, HDC Hyundai Development Company is strengthening its oversight capabilities throughout the supply chain and building a sustainable value chain at the enterprise level.

## STRATEGY

| Impact, Risk, and Opportunities  | Value Chain               | Response Period    | Stakeholders                             | Anticipated Financial Impact   | Our Response   |
|--|---------------------------|--------------------|--|--|--|
| <p>[Risk]</p> <ul style="list-style-type: none"> <li>With the strengthening of the Serious Accidents Punishment Act, the responsibility for ensuring safety with partner companies has expanded.</li> <li>In case of safety accidents involving internal or external partner companies, costs such as worker income loss, compensation expenses, and settlement fees may be incurred.</li> </ul> | Upstream, own corporation | Short- to mid-term | Employees, partner companies, government | <ul style="list-style-type: none"> <li>Increased financial risks due to legal liabilities arising from accidents</li> <li>Project delays and decline in corporate trust caused by accidents</li> <li>Maintaining productivity through the enhancement of partner companies' safety capabilities</li> </ul> | <ul style="list-style-type: none"> <li>Conduct regular evaluations of partner companies' safety and health capabilities, along with ongoing training</li> <li>Assess safety management levels of partner companies and support improvement activities</li> <li>Enhance the risk assessment system for preventing major accidents and operate the workers' right to stop work system</li> </ul> |

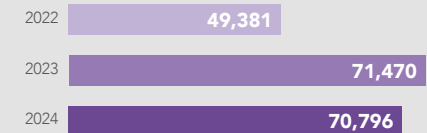
## RISK MANAGEMENT

HDC Hyundai Development Company proactively manages ethical, human rights, and environmental risks within its supply chain through the Partner Code of Conduct, ESG evaluations, and the Fair Trade Compliance Program (CP). The company operates a Sanctions Review Committee to address serious violations and provides practical support, such as incentives, training, and consulting, based on ESG assessment results to promote a culture of responsible management among partners. Through these efforts, HDC Hyundai Development Company actively mitigates ESG risks inherent in the supply chain and strengthens sustainable partnerships with its collaborators.

## METRICS AND TARGETS

### Total Financial Support Amount for Partner Companies

(Unit: million KRW)



### Mutual Growth Rate

(Unit: Evaluation Level)



### Fair Trade Compliance Program

(Unit: Grade)



- [SDG 8] Decent Work and Economic Growth**  
Target 8-8 Protect labour rights and promote safe working environments
- [SDG 12] Responsible Consumption and Production**  
Target 12-7 Promote sustainable public procurement practices
- [SDG 17] Encourage effective partnerships**  
Target 17-17 Encourage effective civil society partnerships

**Our Priorities**

- Climate-Change Response (TCFD)
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# Sustainable Supply Chain

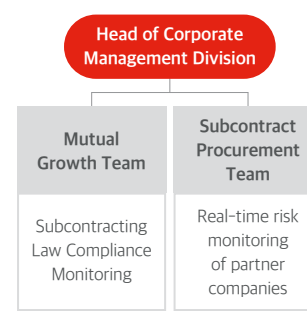
## GOVERNANCE

### Supply Chain Management Framework

#### Supply Chain Management Organization

HDC Hyundai Development Company strategically manages ESG issues related to partner companies and the supply chain at the corporate level. A dedicated team under the Head of Corporate Management Division oversees this system with defined roles. The Fair Cooperation Team ensures compliance with subcontracting laws and fair trade principles, while the Subcontract Procurement Team uses a real-time risk monitoring system to identify and address partner risks early. These efforts strengthen trust with partners and support a sustainable value chain.

Organizational Chart



#### Composition of the Fair Trade Review Committee

To enhance supply chain sustainability and subcontracting stability, the Appropriate Trade Review Committee was established. Meeting quarterly, the committee reviews high-risk transactions by assessing partner selection processes, financial health, safety management, and quality. Chaired by the Head of the Management Division, the committee includes leaders from Subcontract Procurement, Mutual Growth, Safety & Environment Planning, and Quality Management teams. Members share inspection results and collaborate on improvement plans, supporting a sustainable supply chain system.

Operation Results of the Appropriate Trade Review Committee (Detection and Resolution of Sustainability Risks)

| Category                     | Risk Factor                                  | Detailed Risk Factor   | Number of Cases Detected | Actions Taken  |
|------------------------------|--|--|--------------------------|--|
| Potential risk of insolvency | Deterioration of financial indicators        | Below cash flow/RM rating standards  | 7                        | Bid restrictions, financial status enhanced monitoring     |
|                              | Excessive orders at 300% compared to sales   | Order backlog exceeding 300% compared to the average sales over the past 3 years | 6                        |  |
| Insufficient safety/quality  | Low safety evaluation                        | Reflected in the safety evaluation results of the first half of 2024             | 2                        | Reflected in registration renewal evaluation (20%)         |
|                              | Insufficient safety management               | Industrial accident occurrence   | 1                        | Safety consulting conducted                                |
|                              | Quality issues pointed out at multiple sites | Reflected in on-site quality inspection results                                  | 1                        | Submitted as agenda item to the Sanctions Review Committee |

## STRATEGY

### Sustainable Supply Chain Goals and Strategies

HDC Hyundai Development Company manages its supply chain based on three core principles to enhance competitiveness and productivity: shared environmental and social responsibility, the establishment of a fair subcontracting culture, and the pursuit of mutual growth and cooperation. Accordingly, ESG factors are integrated into partner registration and evaluation processes, and annual ESG consulting support is provided to selected partners. The company also identifies and monitors potential ESG-related risks in advance through supply chain consulting. To promote the value of win-win management throughout the supply chain, the overall management system is being strengthened. Various support programs, covering management, finance, recruitment, and training, are provided to partner companies, and the outcomes are regularly reviewed. Based on this support framework, HDC Hyundai Development Company collaborates across departments to drive win-win management initiatives and actively promotes the importance of these values to all employees.

Sustainable Supply Chain Strategy



**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- Construction Quality Management
- Sustainable Supply Chain
- Management Based on Principles of Integrity

**RISK MANAGEMENT**

**Supply Chain Risk Management**

**Compliance with Partner Code of Conduct**

HDC Hyundai Development Company operates a Partner Code of Conduct to ensure that its partner companies uphold social responsibility and ethical business practices. Established in November 2023, the code aims to strengthen sustainability across its supply chain. It consists of 36 provisions across six key areas: management systems, labor and human rights, ethics and compliance, safety, health, and environment. As part of subcontract agreements, partners are required to submit a digitally signed agreement pledging adherence to the code, along with a Fair Trade Compliance Pledge. Based on fair competition laws, the code strictly prohibits unfair business practices such as collusion, monopolies, and restraints on competition. It serves as a foundational framework that all partner companies must follow. Through this initiative, HDC seeks to promote responsible business practices and foster sustainable operations among its partners. Additionally, to support effective implementation, HDC Hyundai Development Company provides training on the code and distributes ethical guidelines to help partner companies strengthen their commitment to responsible management.

Partner Code of Conduct Categories

| Category                                | Details   |
|---|---|
| <b>Management System</b>                | <ul style="list-style-type: none"> <li>Establish measures for identifying, managing, and improving potential risks</li> <li>Provide code of conduct training for partner company employees and manage subcontractors</li> </ul> |
| <b>Labor &amp; Human Rights</b>         | <ul style="list-style-type: none"> <li>Prohibition of forced labor, child labor, discrimination, and harassment</li> <li>Management of workers' working hours and respect for human rights</li> </ul>                           |
| <b>Ethics &amp; Compliance</b>          | <ul style="list-style-type: none"> <li>Compliance with fair trade and fair competition laws, and transparent information disclosure</li> <li>Commitment to lawful and ethical management practices</li> </ul>                   |
| <b>Safety, Health &amp; Environment</b> | <ul style="list-style-type: none"> <li>Compliance with safety and health regulations and management of accident prevention</li> <li>Compliance with environmental regulations and management of hazardous substances</li> </ul> |

**Promotion of Fair Trade Culture**

HDC Hyundai Development Company conducts annual fair trade training for both its employees and partner companies to foster a culture of fair and transparent business practices. The Fair Trade Compliance Handbook, which includes updates to relevant laws, behavioral guidelines, checklists, examples of violations, and sanction criteria, is published as an e-book and made available on the company's website. Additionally, at the end of each year, outstanding project sites and employees who demonstrate excellence in fair trade activities are recognized and rewarded. The company also evaluates the effectiveness of its compliance program through interviews, quiz events, and surveys.



Fair Trade Training for Partner Companies



Fair Trade Training for Management

**Diversifying Communication Channels with Partners**

HDC Hyundai Development Company strengthens practical collaboration with its partners by providing key information, such as bidding details, order updates, technical proposal contests, and financial support, through its dedicated partner platform, 'HDC Partners'. Additionally, a bi-monthly newsletter shares educational materials and important announcements. The company also operates an integrated complaints system, both internal and external, which continuously receives and addresses partners' grievances. When disagreements or issues arise during project execution, they are promptly discussed and resolved through the Dispute Mediation Committee. Furthermore, partners evaluate the company's site operations three times a year. Any shortcomings identified during these assessments are communicated and collaboratively addressed with partners to drive improvement.



Mutual Growth Letter



2024 Compliance Handbook



Fair Trade Posters

Introduction

Company Overview

ESG Management

Our Priorities

- Climate-Change Response (TCFD)
- Safety and Health Management
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- Management Based on Principles of Integrity

Sustainability Performance

Appendix

RISK MANAGEMENT

Supply Chain Risk Management

Partner Company Support Programs

Management Support

HDC Hyundai Development Company operates a comprehensive supply chain due diligence program to enhance its partners' ESG capabilities and ensure the fulfillment of their social responsibilities. This program includes self-assessments, consulting, training, on-site inspections, and post-monitoring activities. In 2024, through the Win-Win Growth Committee's ESG consulting support project, the company granted ESG excellence certifications and financial incentives to outstanding partners. Partners under the Safety and Quality Management Committee also received practical benefits, such as reductions in contract performance guarantees. To support partners with talent acquisition, HDC Hyundai Development Company operates an online recruitment portal and hosts job fairs, connecting them with potential candidates. Looking ahead, the company plans to continually expand ESG education and implementation through the HDC Win-Win Campus and Safety and Quality Management Committee workshops.

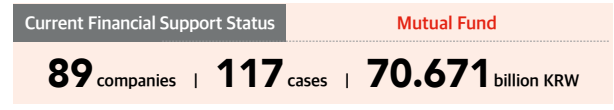
| Category               |                             | Key Support Details   |
|------------------------|-----------------------------|---|
| ESG Management Support | Consulting                  | Management Indicators, Self-Assessment, On-site Inspection, Identification of Improvement Tasks |
|                        | Training                    | Post-Self-Assessment Training on Improvement Tasks  |
| Recruitment Support    | Online Recruitment Platform | Establishment and Operation of Online Recruitment Platform                                      |
|                        | Job Fairs                   | Hosting Partner Company Job Fairs and Supporting Booth Setup Costs                              |

Financial Support

HDC Hyundai Development company supports partner companies' cash flow with low-interest and short-term interest-free loans. In 2023, it expanded partner banks and doubled deposits for the mutual growth fund, leading to a 1.93% average interest rate reduction for all registered partners in 2024. For partners struggling with material procurement who can't receive legal advance payments, the company provides advance payments. The company also covers all stamp duties for electronic contract signing.

Key Financial Support Programs

| Mutual Growth Fund | Interest-Free Loans                                    | Advance Payment Support                 | Stamp Tax Support                |
|--------------------|--|---|----------------------------------|
| Low-interest loans | emergency fund support<br>short-term financial support | securing funds for material procurement | subcontract electronic contracts |



Cooperative Company ESG Support Project Agreement

Technical Support

Through the Technology Proposal Contest, HDC Hyundai Development supports and fosters the growth of competitive small and medium-sized enterprises (SMEs). For adopted technologies, the company provides incentives such as technology development support funds, unit price contracts, and long-term supply rights. Ongoing support is also offered through negotiated contracts and performance-sharing systems. Additionally, for partner companies holding patents, specialized construction projects are awarded through negotiated contracts. As of 2024, 15 new patent-related construction contracts have been signed, totaling 20.5 billion KRW.

Education Support

Since 2021, HDC Hyundai Development has operated the HDC Synergy Campus to foster talent and strengthen the capabilities of partner companies. The program offers a wide range of courses, covering not only construction skills but also management and leadership, and is open to all employees of partner companies. In 2024, a total of 713 training sessions were held, benefiting 720 participants and supporting the sustainable growth of partner companies.

HDC Mutual Campus Education Information

**Our Priorities**

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**RISK MANAGEMENT**

**Supply Chain Risk Management**

**Partner Company Selection and Evaluation**

HDC Hyundai Development operates a partner company registration system and, as of 2024, has registered a total of 731 partner companies, focusing major transactions primarily on these registered partners. Through an ESG-based regular evaluation and monitoring system, 94.8% (403 out of 425) of subcontracted partners have undergone sustainability assessments (including SH/SA evaluations). Partners identified as needing improvement based on evaluation results receive consulting and re-assessment support. Starting in 2025, subcontractors with ESG ratings below level 6 in high-risk trades will be excluded from bidding, and purchase partners will earn incentive points based on their ESG ratings. Additionally, the weight of non-financial factors in registration evaluations will increase up to 70%, and subcontracted partners will be required to submit ESG or SH/SA (safety and health management) evaluation reports at the registration stage to proactively manage ESG risks. Based on evaluation outcomes, partners are categorized into five grades—Best, Excellent, General, Local, New, with top-performing partners receiving various forms of support and incentives. In 2024, 51 partners designated as Best or Excellent benefited from substantial financial support, including 150% bid allocation, a 50% reduction in contract performance bonds, mutual awards, interest-free loans, and participation in the Mutual Fund. To strengthen ESG capabilities, HDC Hyundai Development Company provided ESG consulting to 47 partners, offering customized consulting to 10 companies and self-diagnosis feedback to 37. In 2025, the company plans to expand ESG support and enhance training programs to further boost the sustainable growth of its partner companies.

Partner Company Status

| Category  | Number of Trading Companies | Registered Companies           |             |                  |  |                                       |
|---|-----------------------------|--------------------------------|-------------|------------------|--|---------------------------------------|
|   |                             | Number of Registered Companies | Ratio(%)    | Trading Ratio(%) | Number of Companies Evaluated for Sustainability | Number of Excellent Partner Companies |
| Outsourcing (Subcontracted Construction Work)           | 587                         | 425                            | 29.4        | 43.6             | 403  | 42                                    |
| Purchased Construction Materials <sup>1)</sup> Delivery | 859                         | 306                            | 21.2        | 27.8             | 201  | 9                                     |
| <b>Total</b>  | <b>1,446</b>                | <b>731</b>                     | <b>50.6</b> | <b>71.4</b>      | <b>604</b>                                       | <b>51</b>                             |

1) Includes general construction materials such as rebar, ready-mix concrete, and other raw materials, as well as various equipment involving installation and special fabrication.

Partner Company Evaluation Criteria

| Evaluation items             | Weight (%) | Evaluation Details   |
|------------------------------|------------|--|
| Financial Soundness          | 30         | Price competitiveness, construction/production capacity, financial condition, etc. |
| Overall Performance          | 35         | Construction performance, contract fulfillment, construction quality level, etc.   |
| Safety & Quality             | 35         | Disaster/quality management level, defect handling satisfaction, etc.              |
| ESG Evaluation               | 10         | Differential scoring based on ESG/SH evaluation grades                             |
| <b>Total (Overall Score)</b> | <b>110</b> |  |

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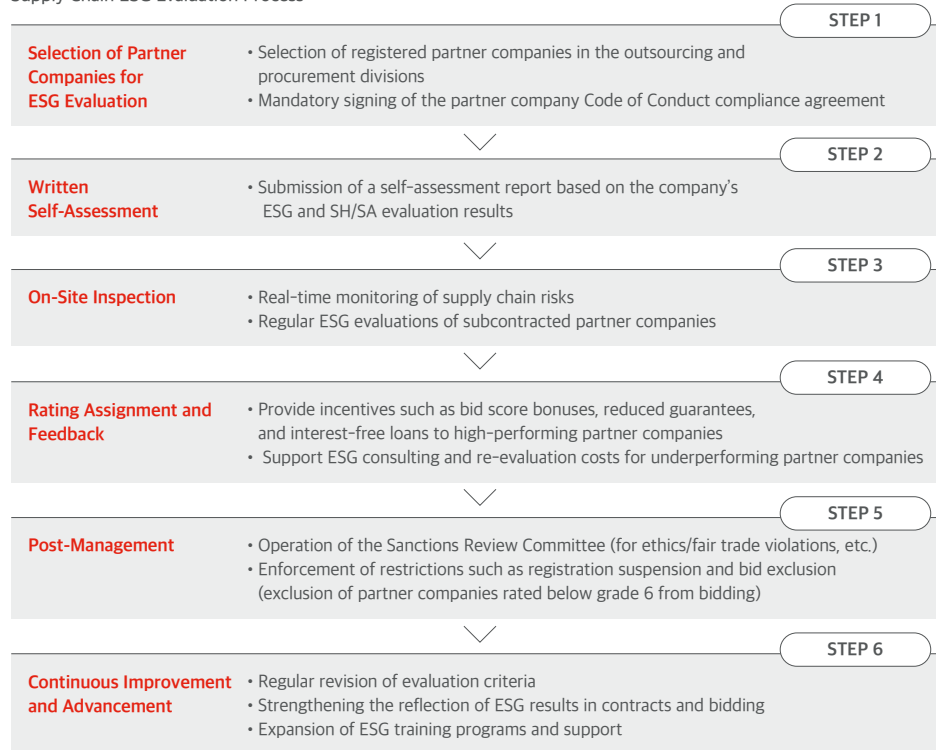
**RISK MANAGEMENT**

Supply Chain Risk Management

**Partner Company Risk Management**

HDC Hyundai Development operates a Sanctions Review Committee dedicated to managing unfair trade practices and unfair competition, independently from partner sustainability evaluations. Chaired by the Head of Management Headquarters, the committee includes leaders from the Internal Audit Team, Subcontract Procurement Team, and Mutual Growth Team. They review audit findings and determine appropriate actions. In 2024, the committee decided to cancel registration and impose bidding restrictions on three partner companies found to have violated ethical regulations. Through this committee, HDC Hyundai Development strengthens its oversight of unfair trade and ethical violations, continuously enhancing its partner company management system to foster a responsible supply chain.

Supply Chain ESG Evaluation Process



**Fair Trade Compliance Program (CP)**

Since 2017, HDC Hyundai Development has implemented the Fair Trade Compliance Program (CP) to establish a fair and transparent trading environment with partner companies through a robust internal control system. The program is strengthened by three key strategies: efficiency, collaboration, and quantification. Efficiency is achieved through strategic analysis of 66 detailed indicators to maximize program effectiveness. Collaboration enhances external credibility by aligning the CP with ESG and ISO evaluation criteria. Quantification ensures transparent and systematic management by tracking metrics such as training completion rates, budget execution, and monitoring outcomes. Additionally, procedures and agreements related to the four major fair trade practices, partner company selection and management, internal committee operations, contract execution, and document issuance and retention, are publicly disclosed on the company website to promote win-win management.

Four Major Fair Trade Practices

**BEST PRACTICE**

**Achievement of AA Grade in Fair Trade Compliance Program**

HDC Hyundai Development Company has been recognized for its robust compliance system, which encompasses organizational management, contract procedures, monitoring, and dispute resolution. As a result, it has earned an AA (Excellent) rating in the Fair Trade Compliance Program (CP) from the Korea Fair Trade Commission for two consecutive years. More than just ensuring procedural compliance, the system plays a key role in fostering a sustainable supply chain and advancing ESG management through a foundation of win-win cooperation.



**Our Priorities**

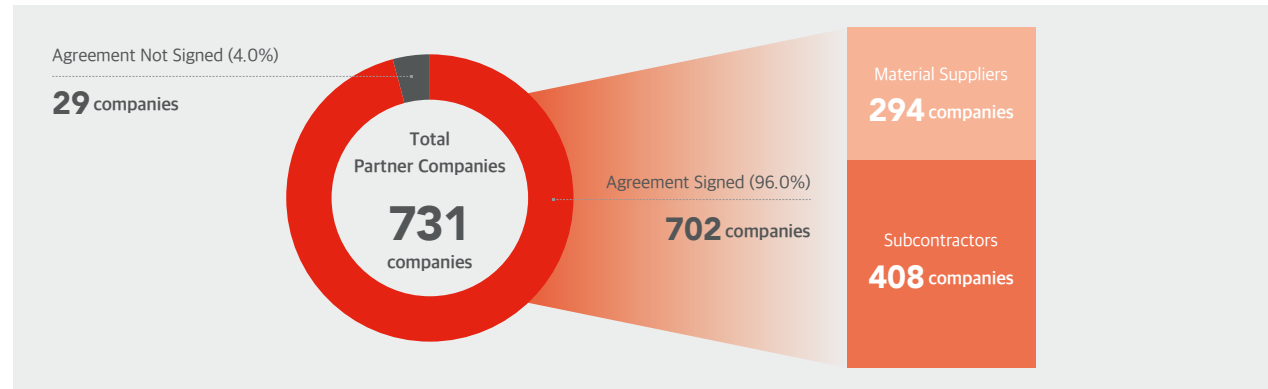
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**METRICS AND TARGETS**

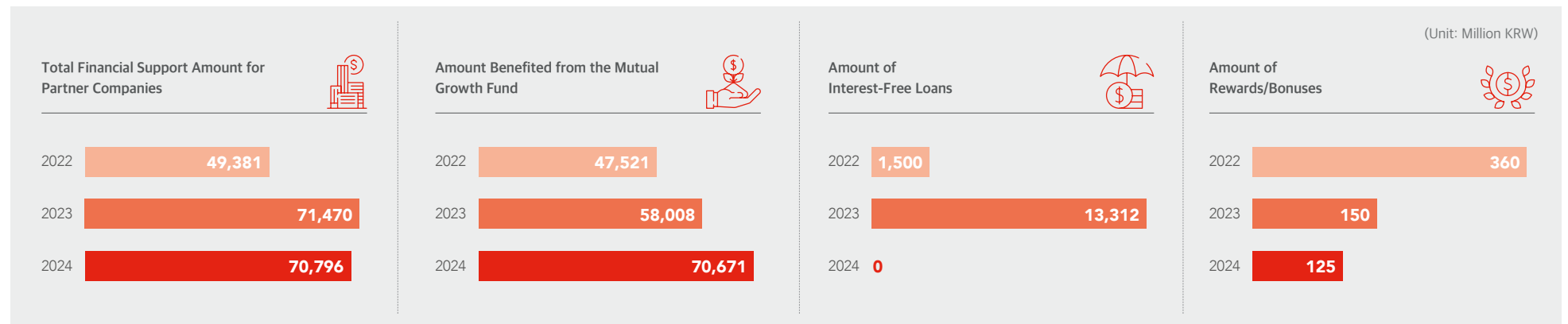
**Supply Chain Management Indicators**

In 2024, HDC Hyundai Development signed win-win growth agreements with 702 partner companies, representing 96.0% of all suppliers, solidifying cooperative relationships built on mutual trust and reinforcing a sustainable supply chain system. To further support the stability and growth of its partners, HDC Hyundai Development provided a total of KRW 70.8 billion in financial assistance, including a win-win growth fund, interest-free loans, and reward payments.

2024 Mutual Growth Agreement Status



Scale of Support for Partner Companies



**Fair Trade Education**

HDC Hyundai Development conducts regular fair trade training tailored to specific job roles, with a focus on new employees, high-risk departments, and specific positions to cultivate a culture of fair trade. In 2024, a total of 3,561 individuals participated in the training (3,183 from within the company and 378 from partner companies).

| Category   | Target            | Number of Individuals (persons) |
|--|-------------------|---------------------------------|
| Basic Training (New Employee Training, Regular Training by Division, etc.) | Employees         | 2,767                           |
|  | Partner Companies | 378                             |
| Focused Training (High-Risk Departments, By Job Position)                  | Employees         | 416                             |
| <b>Total (Overall Score)</b>   |                   | <b>3,561</b>                    |

Introduction

Company Overview

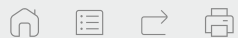
ESG Management

**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- Construction Quality Management
- Sustainable Supply Chain
- Management Based on Principles of Integrity

Sustainability Performance

Appendix



SPECIAL INTERVIEW

Mutual Growth Team Manager Yoon-ho Oh | Mutual Growth Team Manager Jung-woo Han



The Story of HDC Hyundai Development Company's Mutual Growth and Fair Trade Culture Establishment

Q1

What are the main objectives of our company's mutual growth and mutual cooperation programs?

**A.** HDC Hyundai Development Company's win-win growth and mutual cooperation program aims to build a foundation for sustainable growth based on mutual trust with our partner companies. To achieve this, we operate a variety of support programs focused on creating an environment in which our partners can prepare for the future together. We are also committed to continuously expanding our win-win initiatives and customized support policies to strengthen our partners' competitiveness and generate a positive impact across the industry. Ultimately, our foremost goal is to grow alongside our partners and establish a sustainable industrial ecosystem.

Q2

What kind of support programs does our company operate to promote mutual growth with our partner companies?

**A.** HDC Hyundai Development Company operates a wide range of support programs to promote mutual growth and foster strong partnerships with its partner companies, continuously expanding these efforts since 2013. In terms of financial support, the company offers a variety of benefits, including co-prosperity funds, interest-free loans, advance payments, and contract stamp tax coverage, to help ensure the stable operations of its partners. For educational support, HDC provides capacity-building opportunities through the HDC Win-Win Campus online education platform, job-specific safety and health training (Safety-I Academy), and collaborative vocational training programs. In terms of recruitment support, the company assists its partners in securing talent by operating an online job portal, hosting job fairs, and running programs such as "Symphony: The

Q3

What kind of activities is our company engaged in to promote a fair trade culture?

**A.** Since 2017, HDC Hyundai Development Company has operated a Compliance Program (CP) to firmly establish a culture of fair trade. An independent compliance officer has been appointed to lead systematic education and monitoring efforts for both employees and partner companies. This officer is responsible for overseeing fair trade law adherence, conducts practical management and supervision. Regular training sessions are provided for employees, including new hires, as well as for members of partner companies, covering key topics such as cartel prevention and unfair trade practices. To further strengthen its compliance framework, HDC operates a self-inspection system to identify potential legal violations in advance, along with an anonymous internal reporting system that reinforces a prevention-focused monitoring approach. The company continuously evaluates compliance performance and rewards exemplary practices through incentive programs, thereby enhancing the overall effectiveness of its CP. As a result, HDC has earned an AA rating for two consecutive years in the Fair Trade Commission's CP evaluation. Furthermore, the company received the Fair Trade Commissioner's Award at the 24th Fair Trade Day ceremony in 2025, earning external recognition for the program's success and credibility.

Q4

What are the key components of the Fair Trade Compliance Program, and what goals does our company aim to achieve through it?

**A.** HDC Hyundai Development Company's Fair Trade Compliance Program (CP) is an internal management system designed to help employees and partner companies voluntarily comply with fair trade laws. The program goes beyond mere legal compliance, it focuses on embedding ethical management and transparent business practices into daily operations to establish a fair corporate culture. Its goals include preventing unfair practices throughout the entire transaction process and strengthening trust-based partnerships with partner companies. Additionally, by proactively blocking potential violations, the program minimizes legal risks and serves as a foundation for internalizing fairness values within the company's broader ESG management framework.

Q5

In practical terms, which aspects do you focus on most to create a fair trade culture?

**A.** While operating the Fair Trade Compliance Program, many of our company's systems have been reorganized and refined. However, above all, we believe that continuous education and raising awareness about fair trade are paramount. Even if employees are unaware of certain fair trade laws or unintentionally violate them, such actions still constitute legal violations. Therefore, regular, practical training and employees' voluntary commitment to compliance are essential.

**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- Construction Quality Management
- Sustainable Supply Chain
- **Management Based on Principles of Integrity**



**Material Issue #5**

# Management Based on Principles of Integrity



[SDG 16] Peace, Justice and Strong Institutions  
Target 16-5 Reduce corruption and bribery in all their forms  
Target 16-6 Develop effective, accountable and transparent institutions at all levels

**GOVERNANCE**

HDC Hyundai Development Company has established an ethics and compliance management system centered around the Board of Directors' Audit Committee and the Compliance Officer, strengthening transparency and responsible management across the entire organization. The Internal Audit, Legal Affairs, and Finance teams oversee key areas such as internal controls and contract risks. Significant issues are regularly reported to the Board, ensuring executive oversight and appropriate actions. Additionally, the company operates a prevention-focused management system through maintaining internal controls, providing ethics and compliance training, and strengthening contract review procedures. Based on this framework, HDC Hyundai Development Company fosters a decision-making culture grounded in ethical standards and achieves sustainable, responsible management.

**STRATEGY**

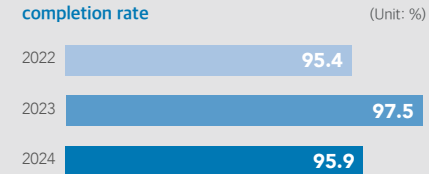
| Impact, Risk, and Opportunities  | Value Chain     | Response Period    | Stakeholders                             | Expected Financial Impact  | Our Response   |
|--|-----------------|--------------------|--|--|--|
| <p>[Risk]</p> <ul style="list-style-type: none"> <li>• Costs related to inspections and improvements in the event of anti-corruption, ethical management, or fair trade violations</li> <li>• Imposition of fines and penalties</li> </ul> | Own corporation | Short- to mid-term | Employees, partner companies, government | <ul style="list-style-type: none"> <li>• Direct financial losses such as fines, penalties, and litigation costs in case of violations</li> <li>• Risk of declining investor trust and reduced corporate value</li> <li>• Revenue loss due to bid restrictions or contract cancellations</li> </ul> | <ul style="list-style-type: none"> <li>• ISO 37001 and ISO 37301 system certifications</li> <li>• Regular internal controls and legal compliance training led by the Compliance Officer</li> <li>• Operation of an anonymous reporting center and voluntary reporting system to prevent violation risks</li> <li>• Management of ethics consultation channels and strengthened ethical risk assessments by department</li> </ul> |

**RISK MANAGEMENT**

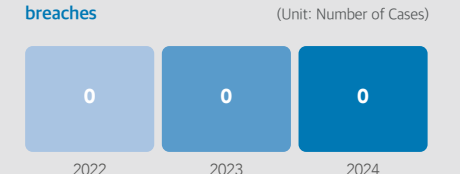
HDC Hyundai Development Company continuously monitors ethical and compliance risks through a dedicated ethics team and the Help Line anonymous reporting center. Based on a compliance system, the company operates real-time inquiries and consultations, internal reporting, and audit procedures, with strict protection for whistleblowers. To encourage reporting, a reward system is also in place. The Compliance Officer regularly conducts inspections, training, and advisory activities to ensure adherence to laws and regulations. Significant issues are reported to management to strengthen internal control functions.

**METRICS AND TARGETS**

**Ethics management training completion rate**



**Number of personal information breaches**



**2024 KEY PERFORMANCE**



**100%**  
Anonymous report processing rate



**79**  
Number of partner companies completing ethics training

**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- Construction Quality Management
- Sustainable Supply Chain
- **Management Based on Principles of Integrity**

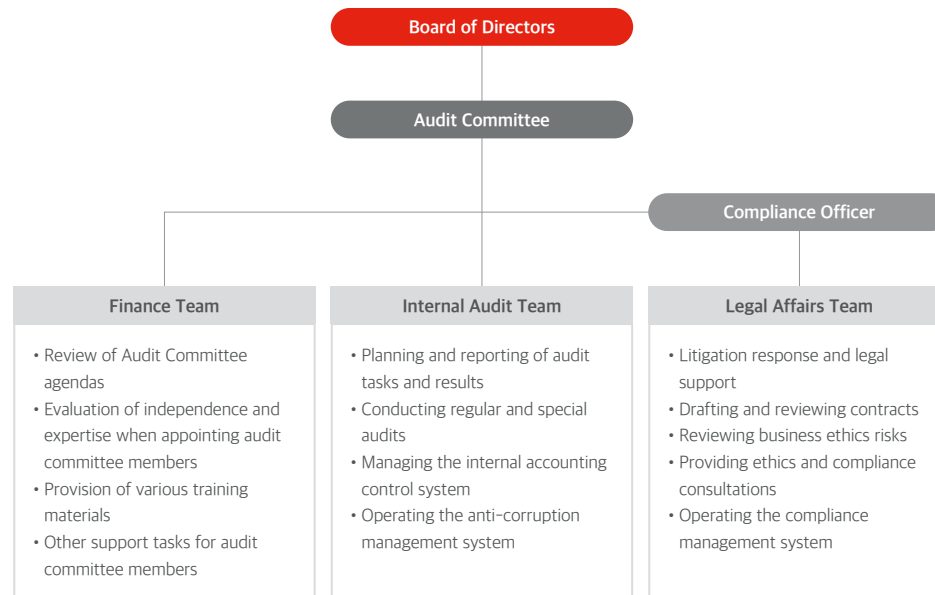
# Management Based on Principles of Integrity

## GOVERNANCE

### Governance and Ethics Management System

HDC Hyundai Development Company operates its ethics management system centered around the Board of Directors and the Audit Committee, focusing on corruption prevention and compliance management. Practical teams within key departments such as Internal Audit, Legal Affairs, and Finance Teams are in place, while a Compliance Officer appointed by the CEO oversees company-wide compliance and fair trade activities. The Compliance Officer conducts ethics training and internal control activities, with significant matters regularly reported to the Board and Audit Committee. Through this system, HDC Hyundai Development Company continuously enhances corporate transparency and responsible management.

### Implementing Organization



### Code of Ethics and Practice Guidelines

HDC Hyundai Development Company places integrity management at the core of its values, fostering an ethical culture grounded in lawful and principled thinking and behavior. Since declaring its commitment to ethical management in 2003, the company has established and maintained comprehensive internal regulations, including a Code of Ethics, Practice Guidelines, Ethical Standards, and Codes of Conduct. Regular training is provided to all employees to reinforce ethical awareness. Moreover, in conducting domestic and international business, the company strictly complies with the laws and regulations of each country and region. It continuously strengthens its compliance management system by establishing internal policies and procedures designed to minimize legal risks.

#### Code of Ethics

|  |   |   |
|--|---|---|
| <b>Attitude toward Customers</b>               | <b>Attitude toward Shareholders</b>   | <b>Fair Competition and Mutual Growth Management</b>  |
| Protection and respect for customers           | Protection of shareholders' rights and proactive information disclosure                       | Protection and respect for customers  |
| <b>Valuing Talent and Respecting Employees</b> | <b>Responsibility to the Nation and Society</b>   | <b>Fundamental Ethics for Employees</b>   |
| Talent development and respect for employees   | Contribution to social development, eco-friendly management, and creation of new social value | Building a healthy organizational culture, performing duties fairly, protecting company assets and information, and adhering to ethical standards |

### Audit Committee

HDC Hyundai Development Company's Audit Committee, composed entirely of non-executive directors, oversees the effective operation of the anti-corruption management system and monitors the compliance supervision framework. The committee further transparency and prevents conflicts of interest by objectively reviewing non-audit services provided by external auditors and conducting pre-approval of internal transactions among affiliates. Through these activities, the Audit Committee regularly supervises key ethics and compliance issues, playing a vital role in promoting responsible management and laying the foundation for sustainable corporate growth.

**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- Construction Quality Management
- Sustainable Supply Chain
- **Management Based on Principles of Integrity**

**STRATEGY**

**Ethics and Compliance Management Goals and Strategies**

HDC Hyundai Development Company embeds ethical standards aligned with market and customer expectations into daily management to foster trust and sustainable growth. The company regularly provides ethics and compliance training for all employees and promotes a culture of integrity. It operates a global compliance system certified to ISO 37001 (Anti-Bribery) and ISO 37301 (Compliance Management) standards. Moving forward, HDC Hyundai Development will continue to manage ethical risks transparently and responsibly, strengthening its ethics system to enhance long-term corporate value and sustainability.

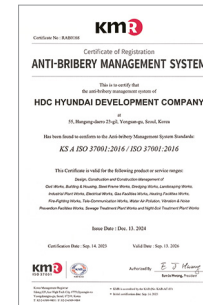
**Ethics and Compliance Management System Operation**

**Anti-Corruption Management System**

HDC Hyundai Development Company earned ISO 37001 certification in 2023 to proactively prevent and manage corruption. Leveraging this certification, the company identifies corruption risks across the organization and applies effective controls and preventive measures. It conducts ongoing activities such as risk assessments, internal control standards development, ethics training, and anonymous reporting systems. These efforts enhance anti-corruption governance, promote a culture of integrity and transparency, and reinforce the company's social responsibility.

**Compliance Management System**

HDC Hyundai Development Company holds ISO 37301 certification and manages its compliance system mainly through the Legal Affairs Team. It systematically conducts ethics management and compliance monitoring, assesses compliance risks by team, and secures written commitments from employees and partners to uphold ethics policies. Regular training further enhances employees' compliance awareness and practical application.



ISO37001 Certification

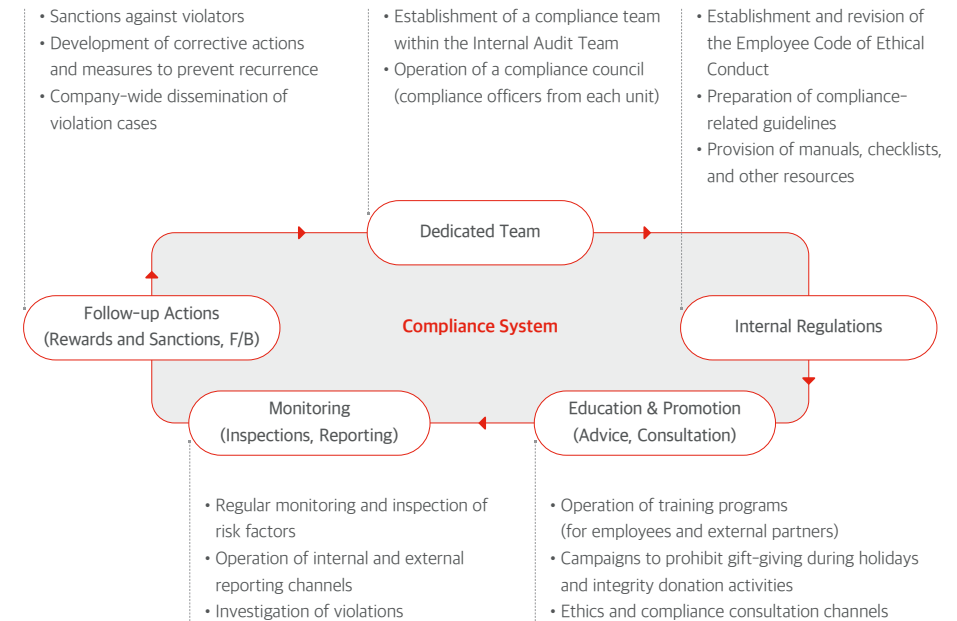


ISO37301 Certification

**Compliance System**

HDC Hyundai Development Company proactively responds to strengthened legal regulations on violations of fair trade laws and corruption by internalizing ethical management. Across all business activities, the company complies with relevant laws, regulations, internal policies, as well as social ethical standards and stakeholder expectations, continuously advancing its systems to ensure effective implementation. To prevent violations and enable early identification and response to potential risks, the company has established an enterprise-wide compliance system. Through an internal audit framework, it continuously monitors adherence to key regulations and procedures. Additionally, regular education and training on laws and internal policies are provided to employees to raise awareness of legal compliance and strengthen their compliance mindset.

Operation Process



**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- Construction Quality Management
- Sustainable Supply Chain
- Management Based on Principles of Integrity

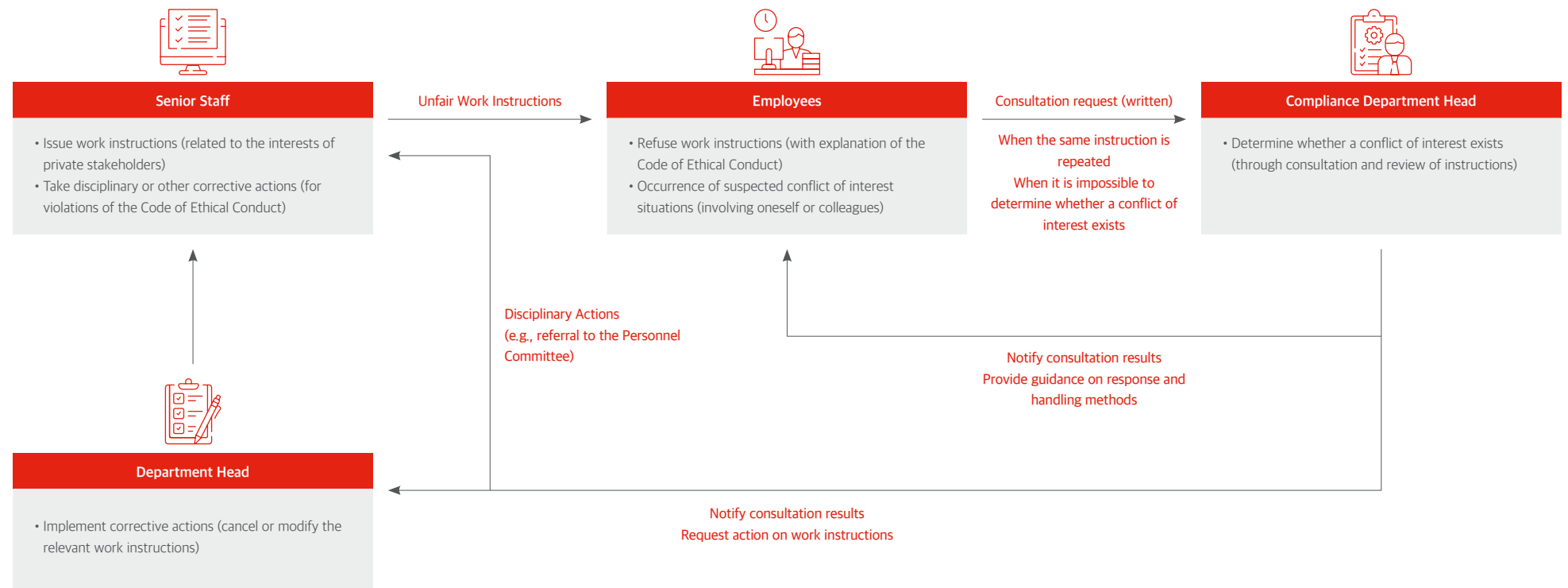
**RISK MANAGEMENT**

**Ethics and Compliance Consultation & Reporting Channels**

**Ethics Consultation Channel**

HDC Hyundai Development Company operates a multi-channel consultation system and compliance framework centered on a dedicated ethics management department to prevent unethical behavior and proactively address ethical risks among employees. When employees encounter situations requiring ethical judgment, such as improper work instructions or conflicts of interest—procedures are in place to provide advice and consultation. A real-time Q&A function supports swift and consistent decision-making. Additionally, through internal reporting, regular and special audits, and other follow-up controls, the company identifies and analyzes regulatory violations and systematically implements corrective actions. Furthermore, by employing a cyclical compliance process, from risk identification to response, monitoring, and reassessment—HDC Hyundai Development Company continuously enhances its ethical risk monitoring and internal control functions.

Ethics Consultation Process



**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- Construction Quality Management
- Sustainable Supply Chain
- **Management Based on Principles of Integrity**

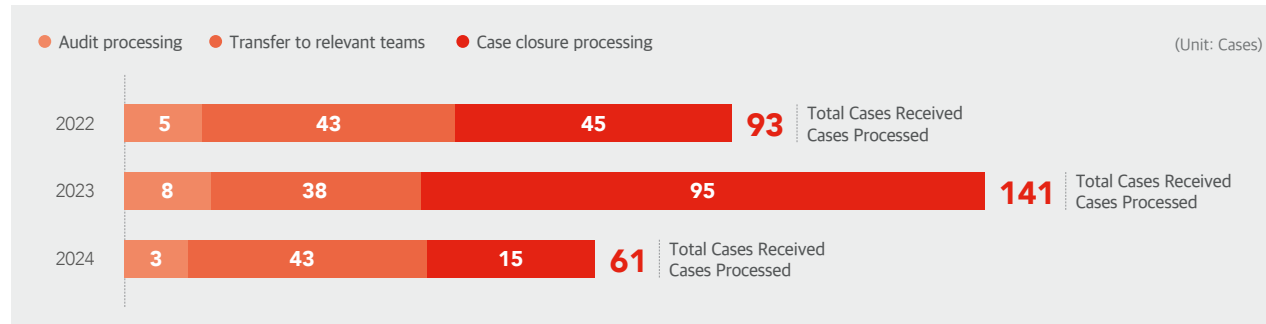
**RISK MANAGEMENT**

**Ethics and Compliance Consultation & Reporting Channels**

**Anonymous Reporting Center**

HDC Hyundai Development Company operates an anonymous reporting center called the Help Line, managed by a third-party professional organization to ensure strict protection of whistleblowers' anonymity and minimize risks related to information exposure. The Help Line provides a secure and reliable channel not only for employees but also for partners, suppliers, and other stakeholders to safely report unethical behavior. Protecting the identity of reporters is our top priority; the company strictly enforces confidentiality and prohibits any retaliatory actions against whistleblowers. All reports are thoroughly investigated and handled according to established procedures. Reportable issues include any form of unethical, fraudulent, or illegal behavior, such as bribery, unfair business practices, sexual harassment, and improper budget expenditures. In 2024, a total of 61 reports were received, and all cases were appropriately addressed. HDC Hyundai Development Company is committed to continuously ensuring that all employees and stakeholders are protected from wrongful acts and can work in a safe environment. By practicing trustworthy ethical management, the company aims to enhance customer value and pursue sustainable corporate growth.

Status of Reports and Case Handling within the Anonymous Reporting System



**Protection and Rewards for Whistleblowers**

HDC Hyundai Development Company operates multiple reporting channels to raise awareness about ethics and compliance violations and to foster a culture of voluntary reporting. To encourage active participation, the company has introduced a whistleblower reward program and a penalty reduction system for voluntary self-reporting. All reports are investigated through fair and objective procedures. When a violation is voluntarily reported, reasonable measures such as reduced disciplinary actions are applied. Whistleblower rewards are determined by a personnel committee composed of external experts, based on the significance of the case and the whistleblower's contribution. Rewards can be granted up to a maximum of 100 million KRW. The company prioritizes protecting the identity and anonymity of whistleblowers and is committed to creating a safe reporting environment, continuously strengthening the foundation for ethical management.

**Internal Control and Compliance Monitoring Led by the Compliance Officer**

HDC Hyundai Development Company regularly conducts legal compliance inspections and training under the leadership of the Compliance Officer, appointed in accordance with Article 542-13 of the Commercial Act. In 2024, the Compliance Officer monitored key regulations, including the Fair Trade Act, the Subcontracting Act, and the Occupational Safety and Health Act, while also providing legal advice on contract reviews and investment deliberations. Additionally, nine sessions on ethical management and role-specific training were conducted for employees and partner companies. Based on these activities, the Compliance Officer evaluates the company's overall compliance status and reports key findings to management, thereby supporting the company's internal control function.



Anonymous Reporting Center Partner Company Portal

**Our Priorities**

- Climate-Change Response (TCFD)
- Safety and Health Management
- Construction Quality Management
- Sustainable Supply Chain
- Management Based on Principles of Integrity

**METRICS AND TARGETS**

**Ethics and Compliance Management Indicators**

**Status of Ethics and Compliance Violations and Handling Results**

Under its ethics management system, HDC Hyundai Development Company applies strict standards to address employee misconduct and regulatory violations. All cases are thoroughly investigated without exception, and appropriate disciplinary actions are taken. In 2024, a total of 9 cases of internal ethics violations were confirmed, resulting in disciplinary actions against 25 employees. Going forward, the company will continue to enforce a zero-tolerance policy toward ethics and compliance breaches, striving to foster a responsible corporate culture and achieve sustainable management built on trust.

Ethics and Compliance Violations Status

| Category   | Number of Cases (count) |
|--|-------------------------|
| Number of Legal Actions Taken for Unfair Trade Practices | 0                       |
| Number of Internal Ethics Regulation Violations          | 9                       |

Outcomes of Ethics and Compliance Violations by Employees



**Ethics and Compliance Training**

HDC Hyundai Development Company operates various training programs to enhance ethics and compliance awareness among employees and external stakeholders. Mandatory regular ethics and compliance training is provided to all employees both online and offline. Specialized training on compliance violations and response strategies is offered to high-risk job groups, such as new employees and those involved in contracting, sales, bidding, estimating, and field operations, to strengthen ethics-related competencies tailored to specific job roles. Additionally, regular training sessions on HDC Hyundai Development Company's ethics management policies and the anonymous reporting system are conducted for partner companies and suppliers, contributing to the spread of an ethical culture throughout the supply chain. Furthermore, all employees and representatives of partner companies submit an annual ethics management pledge, clearly expressing their commitment to corporate ethical compliance.

Ethical Management Training Program

| Category        | Regular Training  | Special Training  | External Training  |
|-----------------|---|---|--|
| Target Audience | All Employees   | New Employees, Employees in Contracting, Sales, Bidding, Estimating, and Field Operations | Partner Companies and Vendors involved in outsourcing, services, procurement, etc. |
| Content         | Ethical Management and Code of Ethics Compliance System | Ethical Management, Compliance System, Violation Cases and Response Measures              | HDC Ethical Management and Reporting System  |

Ethics Management Training Status

| Category              | Number of Trainees (persons) | Number of Completed Participants (persons) | Completion Rate (%) |
|-----------------------|------------------------------|--|---------------------|
| Employees             | 1,944                        | 1,865                                      | 95.9                |
| New Partner Companies | 103                          | 79   | 76.7                |

Introduction

Company Overview

ESG Management

Our Priorities

**Sustainability Performance**

- Environmental

- Social

- Governance

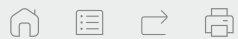
Appendix

# SUSTAINABILITY PERFORMANCE

**069** Environmental

**083** Social

**107** Governance



Introduction

Company Overview

ESG Management

Our Priorities

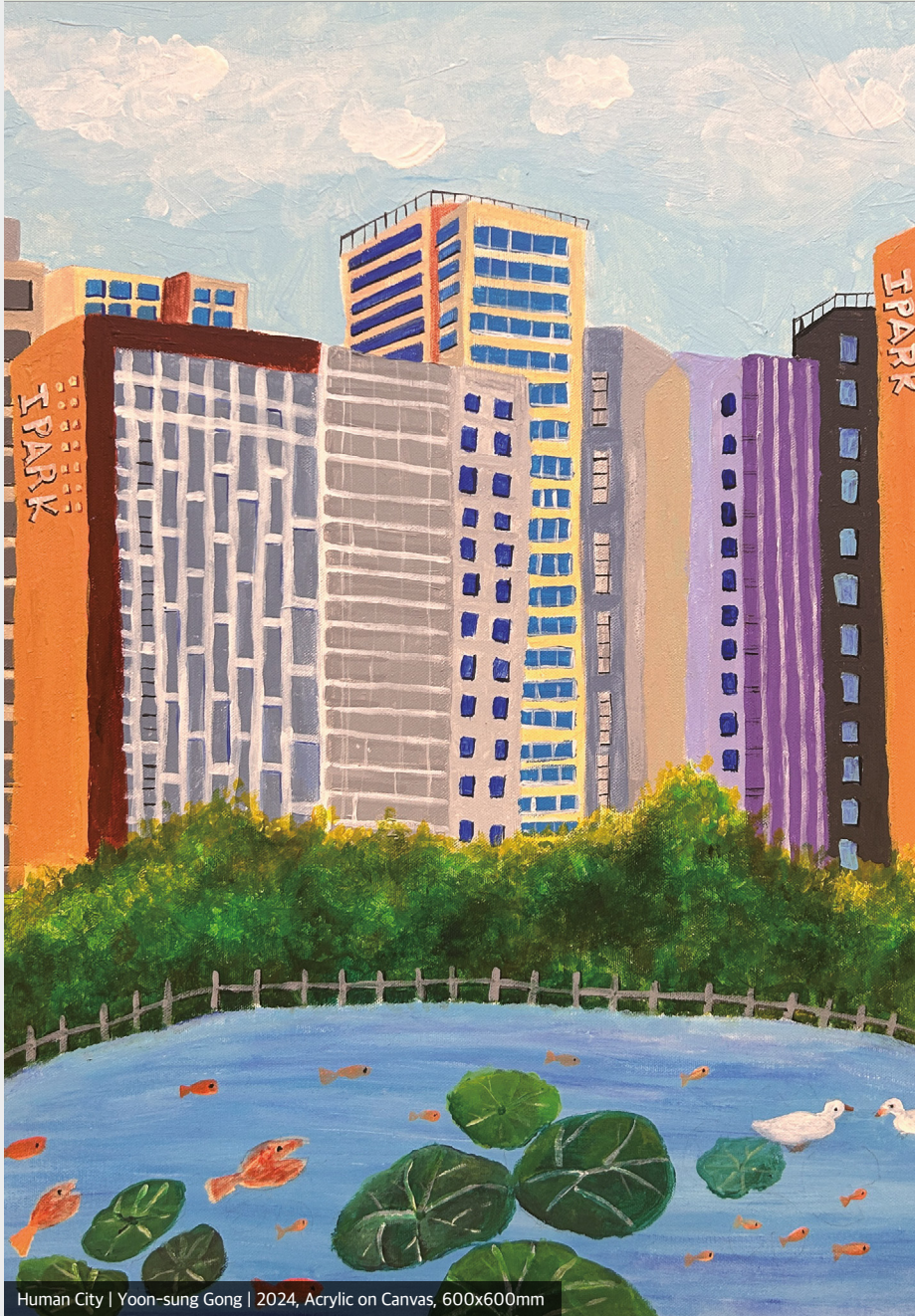
**Sustainability Performance**

- Environmental

- Social

- Governance

Appendix



Human City | Yoon-sung Gong | 2024, Acrylic on Canvas, 600x600mm

# Environmental

070 Environmental Management

# Environmental Management

## GOVERNANCE

### Environmental Management Framework

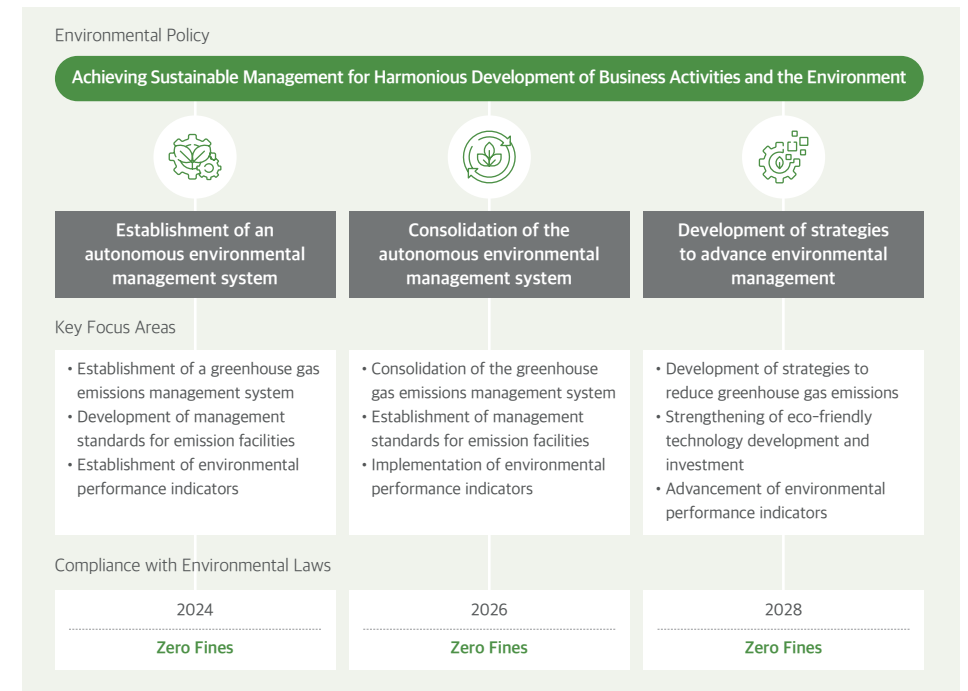
HDC Hyundai Development Company proactively responds to tightening environmental regulations both domestically and internationally by operating a comprehensive environmental risk management system aimed at achieving globally aligned sustainable management. The Safety and Environment Planning Team assigns environmental managers to high-risk sites to identify and address potential environmental issues at every stage from groundbreaking to project completion. This preventive management system is designed to minimize impacts on local communities and surrounding environments. Environmental management status at each site is continuously monitored, with inspection results linked to incentives and penalties to strengthen enforcement. Furthermore, regular training is provided to employees and site environmental managers to reinforce the importance of environmental protection, encouraging all members to actively participate in sustainable development.

### Implementing Organization



### Environmental Management System

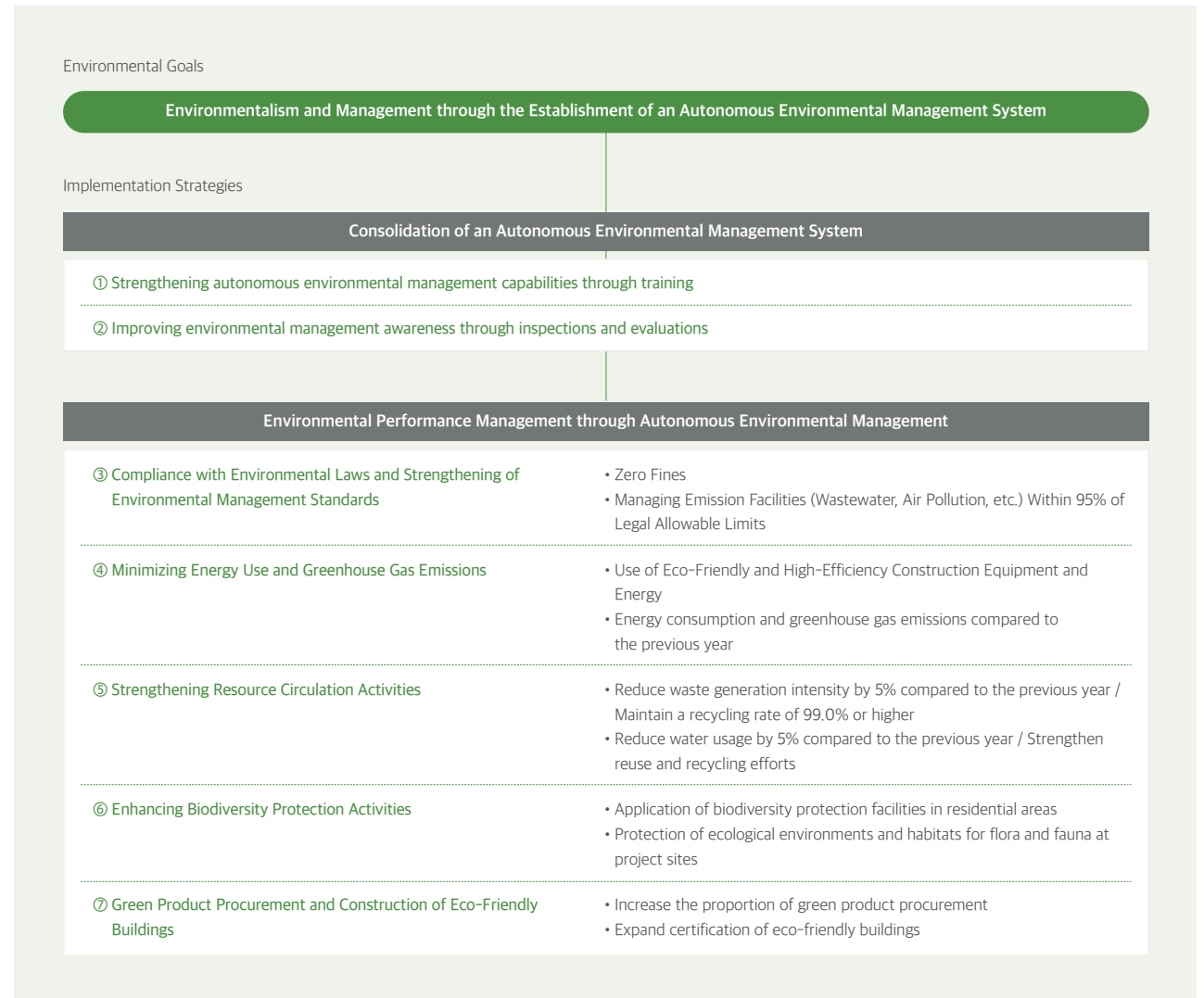
HDC Hyundai Development Company has established an autonomous environmental management system and operates its environmental policy based on sustainable management through voluntary environmental stewardship, aiming to achieve harmonious coexistence between business activities and the environment. Key environmental values such as environmental protection, resource conservation, pollution reduction, and biodiversity preservation are prioritized in management. By raising employees' environmental awareness and strictly complying with environmental laws and regulations, the company fosters sustainable practices at construction sites. Going forward, HDC Hyundai Development Company plans to continuously strengthen environmental management activities based on autonomy and responsibility, faithfully fulfilling its corporate social responsibility.



**STRATEGY**

## Environmental Management Goals and Strategies

HDC Hyundai Development Company has established seven key focus areas to realize sustainable management that harmonizes business activities with environmental preservation. The main initiatives include compliance with environmental laws and enhancing management standards, reducing energy consumption and greenhouse gas emissions, strengthening resource circulation efforts, establishing systems for biodiversity protection, expanding green product procurement and the application of eco-friendly building practices, consolidating an autonomous environmental management system, and raising awareness through environmental education and inspections. Through these efforts, the company is committed to achieving meaningful environmental performance. Moving forward, HDC Hyundai Development Company will continue to lead in creating environmentally friendly construction sites that exceed legal requirements by fostering environmental management based on autonomy and responsibility, ensuring pollution reduction and ecological protection work hand in hand.








STRATEGY

## Environmental Risk Management

### Environmental Risk Analysis and Response Strategies

HDC Hyundai Development Company has established five key strategic areas to systematically address environmental issues arising from its business activities, forming the foundation of its environmental management system. The core strategic areas include compliance with environmental regulations, stakeholder engagement, operation of environmental managers, environmental information management, and mitigation of community environmental impact. For each area, the company analyzes risks and opportunities and develops response plans that reflect both financial and non-financial impacts. To proactively manage environmental risks such as noise, vibration, and dust generated at construction sites, HDC Hyundai Development Company has signed a voluntary agreement with the Ministry of Environment and 14 other construction firms to reduce dust emissions, which is implemented at eco-friendly construction sites in Seoul. Additionally, on-site environmental evaluation results account for 5% of the project manager's performance indicators, strengthening company-wide environmental responsibility and execution. Furthermore, the company operates a citizen monitoring group that resides at construction sites to oversee the construction process, building mutual trust with external stakeholders. Based on this integrated environmental management system, HDC Hyundai Development Company effectively responds to various environmental risks and continuously enhances its practical management capabilities to foster a sustainable construction environment.

| Category  | Risk Analysis  |   | Impact Analysis   |   | Response Strategy   |
|---|--|---|---|---|---|
|   | Risk Factors   | Opportunity Factors   | Financial   | Non-financial   |   |
| <b>Compliance with Environmental Regulations</b><br> | <ul style="list-style-type: none"> <li>Fines, administrative penalties, and construction stoppage orders in case of regulatory violations.</li> </ul>  | <ul style="list-style-type: none"> <li>Implementation of eco-friendly construction sites by minimizing environmental impact</li> </ul>  | <ul style="list-style-type: none"> <li>Payment of fines and penalties for legal violations (approximately 1.4 million KRW per case)</li> </ul>  | <ul style="list-style-type: none"> <li>Deduction of points in PQ (Pre-Qualification for bidding)</li> <li>Environmental score reduction in ESG evaluations</li> </ul> | <ul style="list-style-type: none"> <li>Strengthening environmental assessments and support</li> <li>Dissemination of the latest laws and guidelines</li> <li>Raising awareness of legal compliance through employee training</li> <li>Enhanced monitoring of environmental management status of partner companies</li> </ul>                                |
| <b>Stakeholder Engagement</b><br>                    | <ul style="list-style-type: none"> <li>Negative media coverage and increased complaints from the area surrounding the site.</li> </ul>   | <ul style="list-style-type: none"> <li>Positive media coverage through proactive environmental management</li> <li>Mutually prosperous cooperation with the local community</li> </ul>  | -   | <ul style="list-style-type: none"> <li>Decline in external credibility</li> <li>Deterioration of corporate image</li> </ul>   | <ul style="list-style-type: none"> <li>Compliance with regulations to prevent environmental accidents</li> <li>Prior consultation with local residents regarding construction activities</li> </ul>   |
| <b>Operation of Environmental Managers</b><br>     | <ul style="list-style-type: none"> <li>Shortage of environmental personnel and inadequate environmental inspections.</li> </ul>  | <ul style="list-style-type: none"> <li>Hiring of new personnel</li> <li>Strengthening the environmental organization and improving the management system</li> </ul>   | <ul style="list-style-type: none"> <li>Increased construction costs due to work stoppages</li> </ul>  | <ul style="list-style-type: none"> <li>Inadequate on-site environmental management</li> <li>Difficulty in gathering environmental information</li> </ul>              | <ul style="list-style-type: none"> <li>Strengthening the environmental team by hiring new staff</li> <li>Conducting competency enhancement training for environmental managers</li> </ul>   |
| <b>Environmental Information Management</b><br>    | <ul style="list-style-type: none"> <li>Omission or errors in environmental information</li> <li>False disclosures.</li> </ul>  | <ul style="list-style-type: none"> <li>Development of IT systems with ensured data reliability</li> <li>Compliance with mandatory disclosure requirements</li> </ul>  | -   | <ul style="list-style-type: none"> <li>Decreased reliability of environmental data</li> </ul>   | <ul style="list-style-type: none"> <li>Establishment of environmental management IT system</li> <li>Ensuring consistency of environmental information</li> </ul>  |
| <b>Local Community Environmental Impact</b><br>    | <ul style="list-style-type: none"> <li>Costs incurred from construction delays due to insufficient prior consultation with the local community</li> <li>Increased economic burden caused by excessive waste generation.</li> </ul> | <ul style="list-style-type: none"> <li>Strengthening legal risk management through proactive response to environmental regulations</li> <li>Enhancing social reputation by building trust and receiving positive feedback from the local community</li> </ul> | <ul style="list-style-type: none"> <li>Loss of bidding opportunities due to evaluation deductions</li> <li>Increase in budget for sound barriers, wastewater blocking facilities, etc. to resolve complaints</li> </ul> | <ul style="list-style-type: none"> <li>Insufficient effectiveness of the system due to decreased responsiveness on site</li> </ul>                                    | <ul style="list-style-type: none"> <li>Mandatory completion of environmental training for all site environmental managers</li> <li>Implementation of measures to minimize complaints related to noise, vibration, and fugitive dust</li> <li>Operation of a compensation system in cooperation with the Ministry of Environment at partner sites</li> </ul> |

**STRATEGY**

**Environmental Risk Management**

**Environmental Regulations Response**

HDC Hyundai Development Company regards compliance with environmental regulations not just as a legal obligation, but as a fundamental element of sustainable development. Accordingly, the company proactively identifies all relevant environmental laws and regulations applicable throughout its entire business process and establishes management guidelines that reflect these requirements, ensuring systematic application across all sites. In addition, every construction site is staffed with an environmental manager. These managers receive thorough training to ensure they fully understand the relevant regulations and are capable of properly operating and managing environmental facilities. Site monitoring is also strengthened to ensure ongoing compliance and effective environmental management.

Response Measures for Major Environmental Regulations

| Major Environmental Regulation   | Response Measures  |
|--|--|
| Climate Change Response<br>(Carbon Neutrality, Green Growth Framework Act) | <ul style="list-style-type: none"> <li>Calculation of greenhouse gas emissions and establishment of reduction measures in accordance with inclusion in the Greenhouse Gas Target Management System</li> <li>Establishment of zero-energy building design guidelines</li> </ul>   |
| Clean Air Conservation Act   | <ul style="list-style-type: none"> <li>Application of fugitive dust suppression construction methods</li> <li>Operation of wheel-washing facilities at site entrances and assignment of dedicated management personnel</li> <li>Prevention of soil runoff and regular external cleaning of the site</li> </ul>                           |
| Noise and Vibration Control Act  | <ul style="list-style-type: none"> <li>Adjustment of work hours for noise-generating activities</li> <li>Introduction of low-noise construction equipment</li> <li>Operation of real-time noise monitoring systems</li> </ul>  |
| Waste Management Act   | <ul style="list-style-type: none"> <li>Strengthening of waste separation and sorting to increase the recycling rate</li> <li>Reduction of mixed waste generation</li> </ul>  |
| Soil Environment Conservation Act  | <ul style="list-style-type: none"> <li>In the event of contaminated soil discovery, report soil contamination, conduct detailed soil investigation, carry out soil remediation, and perform verification in accordance with legal procedures</li> <li>Apply legally compliant remediation methods during soil decontamination</li> </ul> |
| Water Environment Conservation Act   | <ul style="list-style-type: none"> <li>Measurement of effluent quality from wastewater discharge facilities and compliance with discharge standards</li> <li>Operation of sedimentation basins to prevent muddy water from being discharged off-site</li> </ul>  |

**Environmental Management System**

HDC Hyundai Development Company has established and operates a systematic Environmental Management System (ISO 14001) as a foundation for environmental protection and sustainable growth. Through this system, the company continuously strengthens its company-wide environmental management capabilities. All sites systematically identify and assess environmental impacts in accordance with ISO 14001 standards, and develop action plans that reflect these assessments to drive tangible environmental improvements. In particular, environmental factors such as pollutants, waste, noise, and vibration that may arise at each stage of construction are proactively managed in advance. The company also regularly monitors progress toward environmental goals to realize eco-friendly construction sites. Going forward, HDC Hyundai Development Company will further enhance its certification-based environmental management system and reinforce its execution capabilities to improve environmental performance, thereby contributing to the sustainable development of the construction industry.



ISO 14001 Certification

**RISK MANAGEMENT**

**Environmental Impact Reduction Activities**

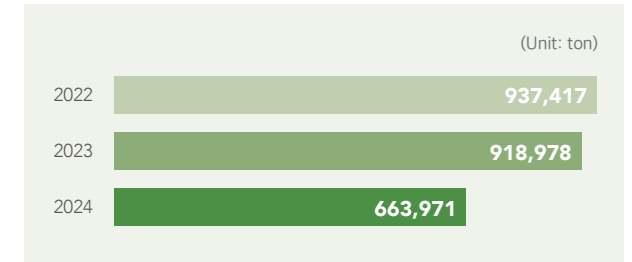
**Waste Management**

HDC Hyundai Development Company has established an integrated management system to prevent improper disposal of construction waste and to create a resource-circulating construction environment. Site environmental managers oversee every stage, from selecting waste disposal companies to handover and receipt, in real time through the Olbaro System, enabling prevention of illegal disposal and traceability of waste history. To reduce waste generation, the company has strengthened waste separation and sorting standards, prioritized contracts with recycling companies, and implemented standards for pallet recovery and reuse. In addition, waste separation and sorting campaigns are conducted for site workers and employees to enhance practical execution. As a result of these efforts, in 2024, the company set a waste generation target of 872,885 tons and achieved an actual discharge of 663,971 tons, successfully reducing waste to about 76% of the target. The majority of this was construction waste, totaling 548,356 tons (about 83% of the total), with 115,566 tons of general business waste and 49 tons of designated waste also generated. Notably, waste intensity (waste generated per 1 billion KRW in revenue) improved from 28.5 tons in 2022 to 15.8 tons in 2024, representing a reduction of over 45% in two years. The company has also maintained excellent recycling rates, achieving over 99% waste recycling for three consecutive years since 2022. In 2024, 99.9% of construction waste and 98.0% of general business waste were recycled, while landfill and incineration rates have consistently remained below 1%.

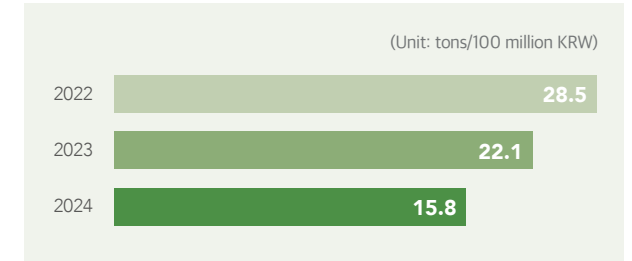
Waste Generation Status

| Major environmental regulation                   | Generation(ton) |         |
|--|-----------------|---------|
| Construction Waste                               | Total generated | 548,356 |
|  | Total recycled  | 548,350 |
|  | Incinerated     | 6       |
|  | Landfilled      | 0       |
| Business Site General Waste                      | Total generated | 115,566 |
|  | Total recycled  | 114,386 |
|  | Incinerated     | 0       |
|  | Landfilled      | 1,180   |
| Designated Waste                                 | Total generated | 49      |
|  | Total recycled  | 0       |
|  | Incinerated     | 12      |
|  | Landfilled      | 37      |
| Total waste generation                           | 663,971         |         |
| Waste generation intensity (ton/100 million KRW) | 15.8            |         |

Total Waste Generation by Year



Total Waste Generation Intensity by Year



Waste Separation and Sorting Campaign

**RISK MANAGEMENT**

**Environmental Impact Reduction Activities**

**Water Resource Management**

HDC Hyundai Development Company is implementing efficient water use and recycling systems and adopting eco-friendly construction methods to minimize the impact of construction sites on water resources. Groundwater generated during underground excavation is reused for cleaning and landscaping purposes, and separate measures are also in place to utilize rainwater as well. Wastewater generated at construction sites is treated through wastewater treatment facilities, and the company complies with discharge standards to prevent water pollution. Sewage from temporary offices is entrusted to specialized companies for treatment via septic tanks or sewage treatment facilities. Through these efforts, HDC Hyundai Development Company is striving to conserve water resources and establish a sustainable water resource circulation system.

On-site Water Resource Recycling System



Water Resource Usage

| Site             | Supply source              | Consumption(ton) |
|------------------|----------------------------|------------------|
| The headquarters | Tap water                  | 5,028            |
|                  | Groundwater                | 0                |
|                  | Surface water              | 0                |
|                  | Rainwater                  | 0                |
|                  | Subtotal                   | 5,028            |
| On-site          | Tap water                  | 194,639          |
|                  | Groundwater                | 136,611          |
|                  | Surface water              | 22,150           |
|                  | Rainwater                  | 0                |
|                  | Reused Water <sup>1)</sup> | 3,872            |
|                  | Subtotal                   | 357,272          |
| <b>Total</b>     |                            | <b>362,300</b>   |

1) Reuse of treated sewage and wastewater

Water pollutant emissions status

| Category | Unit | 2022  | 2023  | 2024  |
|----------|------|-------|-------|-------|
| TOC      | ton  | 0.138 | 0.583 | 0.098 |
| BOD      | ton  | -     | 0.150 | 0.025 |
| SS       | ton  | 0.386 | 0.853 | 0.182 |

| Category          | Discharge Allowable Standard(mg/L) <sup>1)</sup> |        |        | On-site Discharge Status |                       |
|-------------------|--|--------|--------|--------------------------|-----------------------|
|                   | Clean Area                                       | Area A | Area B | Concentration(mg/L)      | Discharge Amount(ton) |
| TOC <sup>2)</sup> | 25   | 40     | 50     | 2.392                    | 0.098                 |
| BOD <sup>3)</sup> | 30   | 60     | 80     | 0.609                    | 0.025                 |
| SS <sup>4)</sup>  | 30   | 60     | 80     | 4.459                    | 0.182                 |

1) Annex 13 of the Enforcement Rules of the Water Environment Conservation Act

2) TOC (Total Organic Carbon)

3) BOD (Biochemical Oxygen Demand)

4) SS (Suspended Solids)

**RISK MANAGEMENT**

**Environmental Impact Reduction Activities**

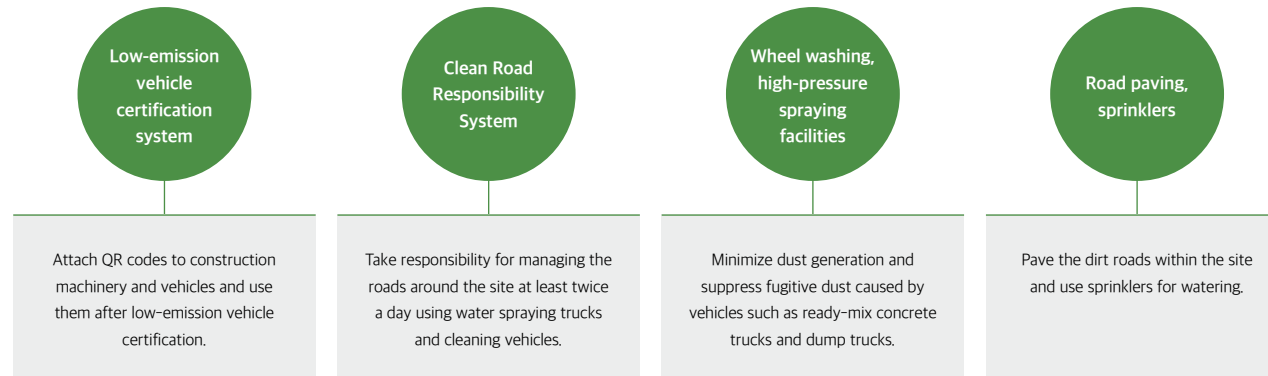
**Fugitive Dust Management**

HDC Hyundai Development Company strictly complies with environmental regulations related to construction projects and is strengthening systematic on-site management activities to prevent the release of pollutants. In particular, recognizing the hazards of fugitive dust, which directly affects the respiratory system, the company has comprehensively revised construction site permitting and management guidelines and distributed them to all sites. Dust-proof fences are installed along the boundaries of all sites to preemptively block the spread of fugitive dust generated during operations. To minimize inconvenience to local residents, the surroundings of each site are regularly cleaned. In addition, wheel washing facilities and dedicated personnel are stationed at site entrances to prevent soil and debris from being carried out by construction vehicles. After signing a voluntary agreement with the Ministry of Environment in 2019 to reduce high concentrations of seasonal fine dust, the company entered into an agreement with the Seoul Metropolitan Government in 2023 to operate eco-friendly construction sites. This includes expanding site-specific fugitive dust reduction activities, such as using low-emission construction machinery, introducing a construction vehicle identification system, and operating a clean road responsibility system. Furthermore, when emergency reduction measures<sup>1)</sup> are issued by the Ministry of Environment, the company implements actions such as shortening construction hours, strengthening road cleaning, and enforcing alternate-day vehicle operation. IoT-based simplified measuring devices and electronic displays have been installed to monitor fine dust in real time, and a management system has been established to enable immediate response in the event of high concentrations.

1) Criteria for Implementing Emergency Reduction Measures

- ① When the average concentration from 00:00 to 16:00 on the day exceeds 50  $\mu\text{g}/\text{m}^3$  and the concentration is expected to exceed 50  $\mu\text{g}/\text{m}^3$  the next day
- ② When a fine dust advisory or warning is issued in the relevant city/province area from 00:00 to 16:00 on the day and the concentration is expected to exceed 50  $\mu\text{g}/\text{m}^3$  the next day
- ③ When the concentration is expected to exceed 75  $\mu\text{g}/\text{m}^3$  the next day

**Fugitive Dust Management Activities**



**BEST PRACTICE**

**Seoul-type Eco-friendly Construction Site Implementation Evaluation Excellent Construction Site Award**



The DMC Gajaeul IPARK site actively participated in the “Voluntary Agreement for Eco-friendly Construction Site Operation to Reduce Fine Dust Generated from Construction Sites,” which was signed as part of Seoul’s air quality improvement policy. By applying and operating reduction standards that are stricter than the legal requirements, the site was recognized for its achievements and selected as an excellent construction site in the Seoul-type Eco-friendly Construction Site Implementation Evaluation.

## RISK MANAGEMENT

### Environmental Impact Reduction Activities

#### Noise and Vibration Management

HDC Hyundai Development Company takes proactive measures to minimize the environmental impact of noise and vibration on local residents during construction. Prior to breaking ground, the company completes the required pre-construction notifications for designated work and establishes noise and vibration management guidelines, which are applied across all project sites. To reduce noise generation, HDC implements various measures, including the installation of soundproof fences and mobile noise barriers, the use of low-noise and low-vibration construction methods and equipment, adjustments to work schedules for noise-intensive tasks, and restrictions on the use of outdated construction machinery. The company also conducts thorough assessments of areas likely to be impacted before construction begins. Real-time noise monitoring and the public disclosure of noise levels enable swift and proactive responses. Through these efforts, HDC aims to prevent construction-related disturbances in local communities and strengthen eco-friendly construction practices that consider community acceptance.

#### Soil Contamination Prevention

HDC Hyundai Development Company recognizes that maintaining soil cleanliness and stability is essential for protecting ecosystems and human health. In compliance with the Soil Environment Conservation Act, the company operates a systematic response framework to address potential soil contamination. If contamination is suspected during construction, a third-party professional agency is engaged to assess the presence of pollutants. If levels exceed regulatory standards, the incident is reported to the relevant authorities, and a detailed investigation is subsequently conducted. Based on the findings, appropriate remediation methods are applied in accordance with legal requirements, and thorough purification and verification procedures are carried out. Through these measures, HDC Hyundai Development Company ensures the highest level of protection for the soil environment.

#### Eco-friendly Material Procurement

HDC Hyundai Development Company is dedicated to minimizing environmental impact throughout all stages of its projects and expanding the use of eco-friendly materials. To support this commitment, the company incorporates standards for purchasing environmentally certified materials into its procurement procedures and operates a structured green purchasing policy. The green purchasing guidelines include criteria that enable the timely supply of materials designed to enhance resource and energy efficiency, reduce greenhouse gas emissions, and minimize environmental pollution. Materials certified with Environmental Labels (Eco-Labels), Low-Carbon Product Certifications, High-Efficiency Energy Equipment Certifications, and Eco-Friendly Building Material Certifications are prioritized in procurement. HDC Hyundai Development Company regularly monitors its purchasing performance to ensure continued progress. In 2024, HDC Hyundai Development Company's green material purchases amounted to KRW 301.7 billion, accounting for 23.1% of its total material procurement, representing a 1.0 percentage point increase from the previous year. By 2025, HDC Hyundai Development Company plans to establish a comprehensive roadmap for eco-friendly procurement. As part of this initiative, the company will factor in the possession of environmental certifications when registering and evaluating partner companies, providing incentives based on these criteria. To avoid duplicate reporting, materials with overlapping certifications are classified under the Environmental Label (Eco-Label) standard. Additionally, products with Grade 1 Energy Efficiency and High-Efficiency Energy Equipment Certifications are recorded separately to ensure accurate and non-redundant data aggregation.

##### Green Product Procurement Status

| Category                                   | Procurement Amount<br>(KRW 100 million) |
|--|---|
| Environmental Label Certification          | 1,026                                   |
| Low-Carbon Product Certification           | 1,149                                   |
| High-Efficiency Energy Equipment           | 140                                     |
| Energy Efficiency Managed Equipment        | 554                                     |
| Eco-Friendly Building Materials (HB Mark)  | 148                                     |
| <b>Total Green Product Procurement</b>     | <b>3,017</b>                            |
| <b>Total Material Procurement</b>          | <b>13,081</b>                           |
| <b>Green Product Procurement Ratio (%)</b> | <b>23.1</b>                             |

## RISK MANAGEMENT

# Environmental Impact Reduction Activities

## Biodiversity Conservation

HDC Hyundai Development Company conducts comprehensive analyses and assessments of site conditions and environmental impacts prior to project initiation, establishing measures to minimize negative effects on ecosystems. To prevent habitat fragmentation for wildlife, the company constructs ecological corridors. During construction, low-noise and low-vibration methods are employed to minimize ecosystem disturbance and protect natural habitats. To safeguard 18 legally protected species, including birds, mammals, and amphibians, HDC Hyundai Development Company implements specific measures such as installing temporary bridges and detour roads during bridge construction, suppressing riverbed alterations, avoiding nighttime construction, and using low-noise equipment. Since 2023, the company has introduced a protection guideline for endangered wildlife and established processes for transplanting and managing native tree species. These efforts aim to minimize environmental damage and promote ongoing activities in ecological restoration and conservation.

### Protection Activities for Legally Protected Species

| Site Name   | Status of Legally Protected Species   | Ecological and Environmental Protection Activities   |
|---|---|--|
| Indukwon-Dongtan Section 12 Trackbed Construction   | Eurasian Otter <sup>2)</sup> , Leopard Cat <sup>3)</sup> , Common Kestrel <sup>1)</sup> , Asian Toad <sup>3)</sup>  | <ul style="list-style-type: none"> <li>Most of the route is planned underground, so no significant impact is expected. For sections above ground, night work is avoided, and low-noise, low-vibration construction methods are applied to minimize impact.</li> </ul>  |
| Gwangju Metro Line 2 Phase 2 Section 9  | Flying Squirrel <sup>1)</sup> , Eurasian Otter <sup>2)</sup> , Leopard Cat <sup>3)</sup>  | <ul style="list-style-type: none"> <li>Low-noise and low-vibration methods are used to minimize ecosystem disturbance, and workers receive wildlife protection training.</li> </ul>  |
| Gwangju Metro Line 2 Phase 2 Section 12   | Flying Squirrel <sup>1)</sup> , Eurasian Otter <sup>2)</sup> , Leopard Cat <sup>3)</sup>  | <ul style="list-style-type: none"> <li>Low-noise and low-vibration methods are applied, along with worker education on wildlife protection to reduce ecological interference.</li> </ul>   |
| Chungnam Region Power Supply Tunnel Construction (Dangjin Thermal Plant - Shinsonsan 1st Phase) | Eurasian Otter <sup>2)</sup> , Leopard Cat <sup>3)</sup> , Greater White-fronted Goose <sup>3)</sup> , Whooper Swan <sup>1)</sup> , Black-faced Spoonbill <sup>1)</sup> , Oriental Stork <sup>3)</sup> , Common Kestrel <sup>1)</sup> , White-tailed Eagle <sup>1)</sup> , Bald Eagle <sup>1)</sup> , White-naped Crane <sup>3)</sup> , Black-headed Gull <sup>1)</sup> | <ul style="list-style-type: none"> <li>Large-scale civil works are carried out in phases to allow for avoidance and migration of protected species. During the winter migratory season (Dec-Feb), low-noise, low-vibration construction methods are applied around reclamation areas to minimize disturbance.</li> </ul> |
| Expressway No. 65 Pohang-Yeongdeok Construction Section 5                                       | Common Kestrel <sup>1)</sup> , Leopard Cat <sup>3)</sup>  | <ul style="list-style-type: none"> <li>Use minimal workspace to reduce small rodent populations, which are prey for carnivorous mammals, and limit disturbances by optimizing equipment deployment.</li> </ul>   |
| Chungju Dream Park Industrial Complex   | Flying Squirrel <sup>1)</sup> , Common Kestrel <sup>1)</sup> , Peregrine Falcon <sup>1)</sup> , Leopard Cat <sup>3)</sup>   | <ul style="list-style-type: none"> <li>Sequential cultural heritage surveys are conducted to facilitate habitat relocation, and access is restricted to prevent capture and overhunting of key prey species. Night work is avoided to minimize disturbance.</li> </ul>   |
| Dodam-Yeongcheon Double Track Railroad Section 4 Trackbed Construction                          | Mandarin Duck <sup>1)</sup> , Common Kestrel <sup>1)</sup> , Oriental Stork <sup>3)</sup> , White-winged Black Tern <sup>3)</sup> , Eurasian Otter <sup>2)</sup> , Leopard Cat <sup>3)</sup> , Flying Squirrel <sup>1)</sup>  | <ul style="list-style-type: none"> <li>Night work is avoided, and low-noise equipment and construction methods are used to minimize ecological damage and disturbance.</li> </ul>  |
| Expressway No. 32 Asan-Cheongju Section Inju-Yeomchi Construction (Section 1)                   | Greater White-fronted Goose <sup>3)</sup> , Mandarin Duck <sup>1)</sup> , Bald Eagle <sup>1)</sup> , White-tailed Eagle <sup>1)</sup> , Common Kestrel <sup>1)</sup> , Eurasian Otter <sup>2)</sup> , Leopard Cat <sup>3)</sup>   | <ul style="list-style-type: none"> <li>Low-vibration and low-noise construction methods are used, and night work is avoided to reduce environmental disturbance.</li> </ul>  |
| Yonghyeon Hakik Block 1 Site Preparation  | Black-headed Gull <sup>1)</sup> , Asian Toad <sup>3)</sup>  | <ul style="list-style-type: none"> <li>Equipment operators are trained on habitat protection, Asian Toad habitats are relocated, and protective fencing is installed.</li> </ul>   |

1) Natural Monument

2) Endangered Species Grade I

3) Endangered Species Grade II

4) Endangered Species Grade III

**RISK MANAGEMENT**

**Environmental Impact Reduction Activities**

**Biodiversity Conservation**

**Biotope**

HDC Hyundai Development Company has established 145,476 square meters of green space within the IPARK complex to preserve ecological areas and maintain biodiversity. This area is about twice the size of the legal average requirement. In the complexes completed in 2024, an average of 66 species of trees and plants, including evergreen and deciduous trees, shrubs, and herbaceous plants, were planted to ensure species diversity. Additionally, various biotope features such as ponds, birdhouses, rock piles, and wood piles have been created to enhance habitats for local flora and fauna.

Status of Species Protection Within the Complex

| Category                                  | Green Space Ratio within Complex (%) |       | Number of Plants Planted<br>Species (Number of Species) | Biotope Status |         |
|---|--------------------------------------|-------|---|----------------|---------|
|   | Legal Standard                       | IPARK |   | Terrestrial    | Aquatic |
| Gunsan Hosu Park IPARK                    | 15                                   | 45.41 | 92  | ●              |         |
| Gyeongsan IPARK                           | 15                                   | 36.19 | 43  | ●              | ●       |
| Gwangju Administrative Town IPARK         | 15                                   | 47.78 | 69  | ●              |         |
| Pohang IPARK                              | 15                                   | 40.21 | 96  | ●              |         |
| Beomeo IPARK                              | 15                                   | 28.05 | 48  | ●              |         |
| Olympic IPARK Foreon                      | 15                                   | 42.33 | 83  | ●              | ●       |
| City OCELE Phase 3                        | 15                                   | 27.57 | 48  | ●              |         |
| Seoul Forest IPARK Riverforet 1st Complex | 15                                   | 32.09 | 49  | ●              | ●       |
| Average                                   | 15                                   | 37.45 | 66  |                |         |



Terrestrial Biotope



Aquatic Biotope

**BEST PRACTICE**

**Asian Toad Habitat Relocation**



HDC Hyundai Development Company implemented protective measures for the Asian toad during the urban development project in Honggol 2 District, Gagyong-dong (Cheongju Gagyong IPARK Phase 6), to preserve local biodiversity. Prior to construction, a habitat suitability survey was conducted, evaluating seven potential sites. Moonam Ecological Park was selected as the relocation site. A total of 58 toads were safely captured and relocated, including 49 adults and 9 subadults. The first-year monitoring results in 2024 confirmed 61 toads within Moonam Ecological Park, comprising 18 adults and 43 subadults. This represents an increase of 3 individuals (approximately 5.2%) compared to the original population, indicating successful natural reproduction within just one year after relocation. Considering that endangered species often experience high initial mortality rates and difficulty adapting immediately after relocation, the confirmation of not only population maintenance but also population growth through natural reproduction is a notable achievement in terms of biodiversity restoration. Building on this success, HDC Hyundai Development Company plans to continue long-term monitoring through 2026, sustaining biodiversity conservation and fulfilling its ecological responsibilities within the project area.

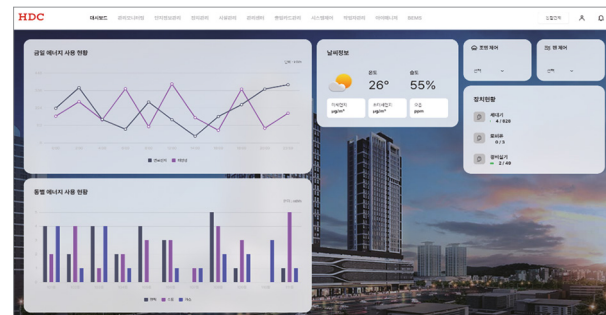
**RISK MANAGEMENT**

**Development of Eco-friendly Technologies and Awareness Enhancement**

**Eco-friendly Technology Development**

**Operation of IPARK Energy Management System**

HDC Hyundai Development Company is implementing a cloud-based IPARK Smart Managing System in its apartment complexes to enhance energy efficiency and digitally transform operational management. The system consists of an Energy Management System (BEMS) and a Facility Management System (FMS), which together provide integrated monitoring of major energy consumption sources and optimize the operational efficiency of facilities within the complexes. Moving forward, HDC Hyundai Development Company will continue to advance smart residential environments and strengthen the sustainable operational capabilities of its complexes based on eco-friendly technologies.



IPARK Energy Management System (BEMS)

**Energy-Saving Technologies**

HDC Hyundai Development Company applies energy and environment-related systems in IPARK complexes to enhance residents' convenience and maximize management cost savings, while also securing related intellectual property rights.

**| Bathroom Ventilation Fan Switch System |**

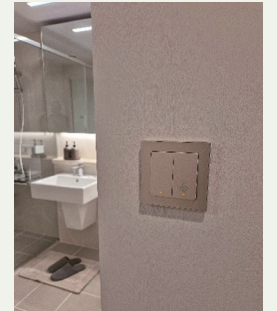
A user-friendly technology uniquely developed for IPARK products that adds a timed press function to the bathroom ventilation fan switch, enabling automatic scheduled shutdown.

**| Automatic Solar Louver Window System for Outdoor Unit Rooms |**

This technology automatically adjusts louver windows based on the temperature inside the outdoor unit room and external solar radiation to maximize solar power generation efficiency. Product development is underway aiming to obtain green technology certification. The system is expected to improve performance by more than 10% compared to current commercial technologies when applied.

**| Data-Driven Energy Usage Reduction System |**

An algorithm developed to optimize the electricity tariff contract type with the Korea Electric Power Corporation (KEPCO) based on power consumption data within the complex, thereby increasing management cost savings.



Bathroom Ventilation Fan Switch System in Application



Bathroom Ventilation Fan Switch System Patent



Outdoor Unit Room Solar Louver Window System Patent



Electricity Bill Forecasting and Reduction System Patent

**RISK MANAGEMENT**

Development of Eco-friendly Technologies and Awareness Enhancement

**Raising Environmental Awareness**

**Community Environmental Cleanup Activities**

HDC Hyundai Development Company conducts regular environmental cleanup activities to reduce the environmental impact around construction sites and to foster a pleasant living environment within local communities. In 2024, employees participated in a total of 182 cleanup sessions, collecting trash around site fences, commercial areas, nearby roads, and residential neighborhoods. Moving forward, the company will continue these efforts to preserve the ecological environment and ensure that local residents can enjoy clean and safe public facilities.



Community Environmental Cleanup Activities

**Workwear Made from Recycled PET Bottles**

To promote plastic resource recycling, HDC Hyundai Development Company has introduced eco-friendly workwear made from recycled polyester derived from discarded PET bottles. Approximately 8,000 garments are produced annually, including spring/fall wear, winter wear, fleece, winter parkas, and summer vests, utilizing a total of 125,480 discarded PET bottles. This initiative has reduced carbon emissions by about 7.5 tons, equivalent to the amount of carbon dioxide absorbed annually by 1,136 mature pine trees aged 30 years.

**Production of Eco-Friendly Promotional Materials**

HDC Hyundai Development Company produces promotional items for model home sales using eco-friendly materials. Shopping bags are made from biodegradable sugarcane pulp paper that can be naturally dyed. Wet wipes are manufactured from biodegradable, plastic-free fabric. Additionally, fans are made entirely from pulp paper, and contract binders are crafted from FSC-certified eco-friendly pulp leather fabric and non-woven fabric. The reusable shopping bags included in welcome kits are made from waterproof fabric recycled from pure waste plastic. Through these varied production efforts, the company continuously consistently upholds its commitment to environmental protection.

**Bye Bye Plastic Campaign**

HDC Hyundai Development Company has joined the Bye Bye Plastic Challenge, a nationwide campaign led by the Ministry of Environment that encourages reducing unnecessary plastic use in daily life. Participants record a video of a hand-waving motion symbolizing "Bye" and share it on social media, tagging the next participants. In 2024, then-CEO Ik-hoon Choi took part in the campaign upon the recommendation of Young-joon Yoon, CEO of Hyundai Engineering & Construction. The next participants nominated were Yoong-soon Kum, President of Citibank Korea, and Won-geun Shin, CEO of Kakao Pay.



Bye Bye Plastic Campaign

**METRICS AND TARGETS**

**Environmental Management Mid- to Long-Term Roadmap**

HDC Hyundai Development Company has set a clear and actionable direction for progress based on its environmental policy, establishing mid- to long-term environmental goals accordingly. The year 2024 is designated as the foundation stage for establishing an autonomous environmental management system, with goals to develop management standards and environmental performance indicators related to greenhouse gases and emission facilities. By 2026, the company plans to stabilize this system, and by 2028, to further advance it by establishing greenhouse gas reduction strategies, expanding development and investment in eco-friendly technologies, and enhancing environmental performance indicators. Quantitative targets include maintaining zero fines through compliance with environmental regulations, reducing annual energy consumption, greenhouse gas emissions, waste generation intensity, and water usage by 5% each year, and sustaining a waste recycling rate of 99% or higher annually.

**Environmental Management Mid- to Long-Term Goals**

|                                    | 2024                        | 2026                        | 2028                        |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Compliance with Environmental Laws | Zero Fines                  | Zero Fines                  | Zero Fines                  |
| Energy Consumption                 | 751 TJ                      | 677 TJ                      | 611 TJ                      |
| Greenhouse Gas Emissions           | 36,786 tCO <sub>2</sub> -eq | 33,200 tCO <sub>2</sub> -eq | 29,963 tCO <sub>2</sub> -eq |
| Waste Generation Intensity         | 20.96 tons/100 million KRW  | 18.92 tons/100 million KRW  | 17.07 tons/100 million KRW  |
| Waste Recycling Rate               | Above 99%                   | Above 99%                   | Above 99%                   |
| Water Usage                        | 358,189 ton                 | 323,265 ton                 | 291,747 ton                 |

**Environmental Education**

HDC Hyundai Development Company fully acknowledges the environmental impacts of the construction industry and operates various training programs to strengthen the environmental awareness and practical skills of its employees and on-site workers. In particular, to raise awareness of key environmental issues such as dust, noise, waste, energy, and biodiversity, regular specialized training is provided to on-site environmental managers. In 2024, training was conducted for personnel responsible for on-site environmental management and practical construction environment management (hosted by the Korea Construction Environment Association), systematically enhancing the expertise of on-site environmental managers in pollution prevention and control. A total of 41 environmental officers participated in in-house training, and the average score on achievement evaluations improved by 32 points after training, demonstrating significant learning outcomes. Additionally, 80 practical environmental management training sessions were conducted for site workers, covering waste management, dust reduction, wheel washing facility management, and energy saving. Continuous practical training was also provided to 1,836 employees and workers from partner companies on waste separation, prevention of soil outflow at entrances, and dust management. Notably, basic education and management consulting on environmental management systems, including manuals and procedures, were provided to partner company project managers and supervisors to support environmental management improvements. The company plans to continue enhancing the environmental awareness of all employees and stakeholders and expand a sustainable education system that internalizes field-centered environmental expertise.

Training Status

| Training Name                                | Target Audience                       | Number of Participants | Number of Sessions (Times) | Hours |
|--|---------------------------------------|------------------------|----------------------------|-------|
| Environmental Management Training, etc.      | On-site Environmental Managers        | 118                    | 5                          | 811   |
| Waste Management, Dust Control, etc.         | Employees                             | 951                    | 75                         | 822   |
| On-site Waste Sorting by Type Training, etc. | Partner Company Employees and Workers | 1,836                  | 86                         | 1,589 |



Training for On-site Environmental Management Staff



Training for Partner Company Employees



Happy My Park | Dong Hyuk | 2024, Mixed media on Canvas, 600x600mm.

# Social

084 Talent Management

095 Social Contribution

091 Human Rights Management

102 Information Security

# Talent Management

## GOVERNANCE

### Talent Management Framework

#### Talent Management Policy

HDC Hyundai Development Company actively seeks talented individuals through various channels and recruits those who align with the company's core values and talent philosophy. These individuals are then placed in roles that best match their skills and capabilities. Based on a learning support system that reflects both our business strategy and employee needs, we offer a wide range of training and development programs to help all employees maximize their potential. Additionally, we provide comprehensive welfare programs designed to support work-life balance and enhance the overall quality of life for our employees. To foster shared goals and a unified value system, we transparently disclose the company's core values and philosophy through our official website.

#### Core Values



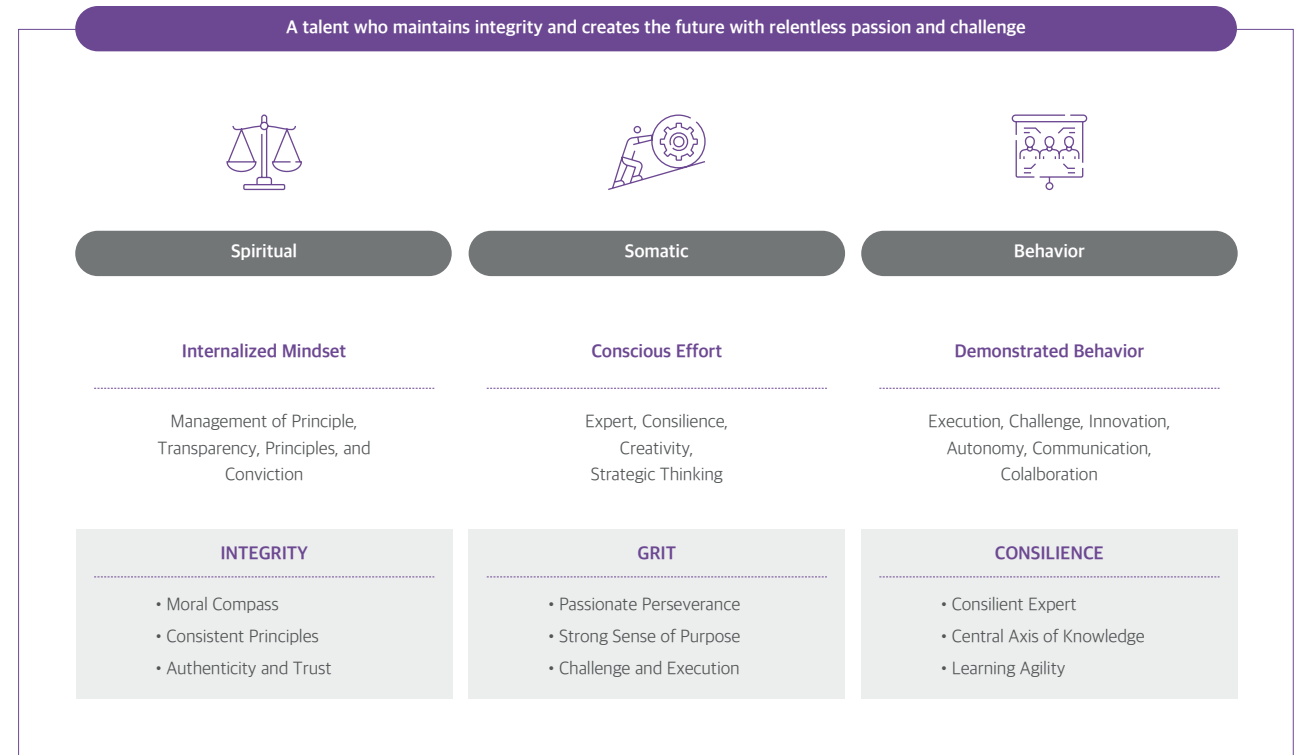
## STRATEGY

### Talent Development and Management

#### Ideal Talent Profile

HDC Hyundai Development Company is committed to attracting and systematically developing outstanding talent with creative, forward-thinking mindsets in order to deliver positive value to customers and society, and to help create a more enriched world. We focus on strategic talent acquisition to ensure that individuals capable of driving positive change in our corporate culture are embedded throughout the organization. To support sustainable growth as a trusted company, we continuously invest in talent development based on our core behavioral principles—Integrity, Grit, and Consilience—empowering passionate, driven individuals to lead the future.

HDC Hyundai Development Company's Ideal Talent Profile



**RISK MANAGEMENT**

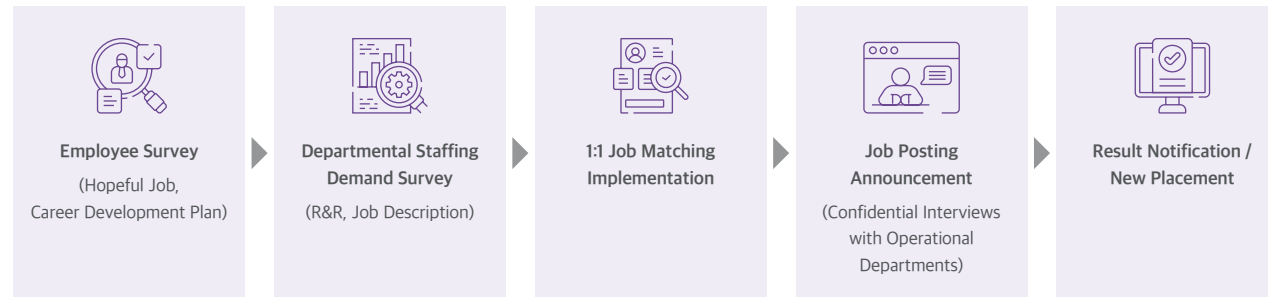
**Talent Recruitment and Acquisition**

**Recruitment of Outstanding Talent**

HDC Hyundai Development Company operates a systematic, strategic recruitment process to secure outstanding talent that aligns with the company's core values and job competencies. New employee recruitment is conducted fairly, based on job suitability and willingness to contribute to the organization, with ongoing refinement of recruitment standards that consider diversity and expertise. Recent hiring results reflect adjustments in scale due to the unique market conditions and structural changes in the construction industry. Rather than simply expanding headcount, the company has shifted to a quality-focused hiring strategy, selectively attracting talent with the expertise and capabilities needed in each division. Going forward, HDC Hyundai Development Company plans to actively discover key talents who will lead future changes and enhance a sustainable talent acquisition system by strengthening fairness, transparency, and diversity in recruitment.

recruitment. Alongside some external hiring, internal talent transfers and redeployments are conducted to ensure employees can effectively utilize their capabilities through appropriate workforce placement. In particular, through the HDC Do Dream program, the company proactively identifies employees' career development needs and offers opportunities to move voluntarily to desired roles using job matching and job posting systems. This process is operated based on company-wide surveys and departmental demand analyses, considering both career development and organizational strategy simultaneously. Additionally, to help employees achieve performance in their targeted roles in the mid- to long-term, tailored job training programs led by external professional instructors are provided. A systematic competency development roadmap is being established to enable all employees to fully demonstrate their abilities in their desired jobs within three to five years. This internal and external talent linkage strategy functions as a virtuous cycle, enhancing organizational flexibility while simultaneously strengthening employee autonomy and expertise.

HDC Do Dream Process



Career Employee Competency Enhancement Activities

HDC Do Dream Announcement

**RISK MANAGEMENT**

**Talent Recruitment and Acquisition**

**Enhancing Talent Diversity**

HDC Hyundai Development Company provides fair and equal opportunities to all members regardless of gender, disability status, age, or background throughout all HR processes, including recruitment and promotion. We continuously strive to build a sustainable organizational culture based on diversity and inclusion. Although the construction industry traditionally has a higher proportion of male workers, our company has steadily expanded employment opportunities for women, with a particular focus on identifying and nurturing female managers. Moving forward, HDC Hyundai Development Company plans to offer women a broader range of job opportunities and foster an organization where anyone can grow, based on a competency-centered and fair HR system, regardless of gender.

Female Employees Status

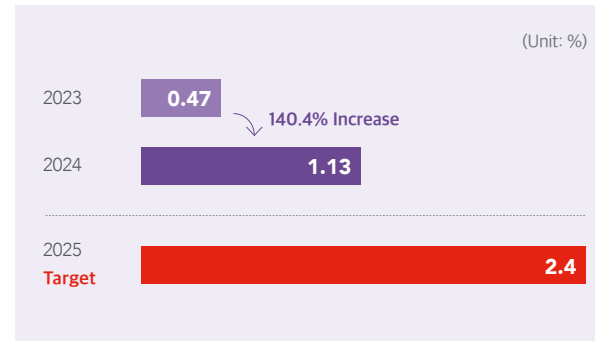
| Category                      |                     | 2022 | 2023 | 2024 |
|-------------------------------|---------------------|------|------|------|
| Female Employees              | Number of personnel | 260  | 286  | 274  |
|                               | Percentage(%)       | 14.1 | 15.0 | 14.8 |
| Female Managers <sup>1)</sup> | Number of personnel | 5    | 4    | 4    |
|                               | Percentage(%)       | 3.7  | 2.8  | 2.9  |

1) Positions such as team leaders, project managers, and executives

**Expansion of Employment for People with Disabilities**

HDC Hyundai Development Company is steadily increasing its employment rate of people with disabilities and has set a specific goal to achieve a 2.4% employment rate by 2025. The company is expanding tailored recruitment efforts that consider the job suitability and capabilities of people with disabilities, while continuously strengthening stable working environments and support systems. Through these efforts, HDC Hyundai Development Company aims to establish an inclusive and sustainable organizational culture where all members can fully demonstrate their abilities without discrimination.

Employment Rate of Persons with Disabilities



**Symphony Arts Group**

HDC Hyundai Development Company established the Symphony Arts Group in 2023, comprised of artists with disabilities, to promote their social participation and foster an inclusive organizational culture through arts and culture. The group actively engages in diverse artistic activities, including in-house orchestra performances and exhibitions of artworks themed around IPARK, which express hopes for desirable living spaces. In 2024, the group expanded its cultural and artistic activities to the local community and practiced the value of sharing through volunteer and talent donation activities involving HDC Group employees. Moving forward, the company plans to continuously organize various events and exhibitions connected with the local community and major projects, actively creating an environment where the arts group can freely showcase their talents and communicate with society without discrimination.



Symphony Ensemble Performance for National Merit Recipients



Symphony Arts Group Painting Exhibition

**RISK MANAGEMENT**

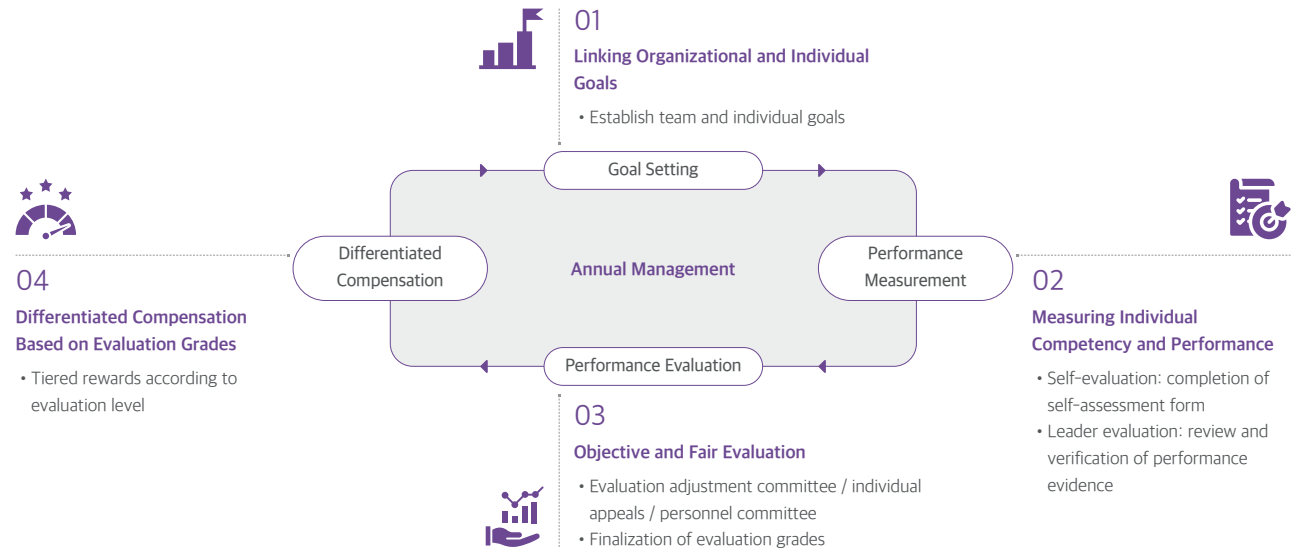
**Talent Recruitment and Acquisition**

**Advancement of HR Management System**

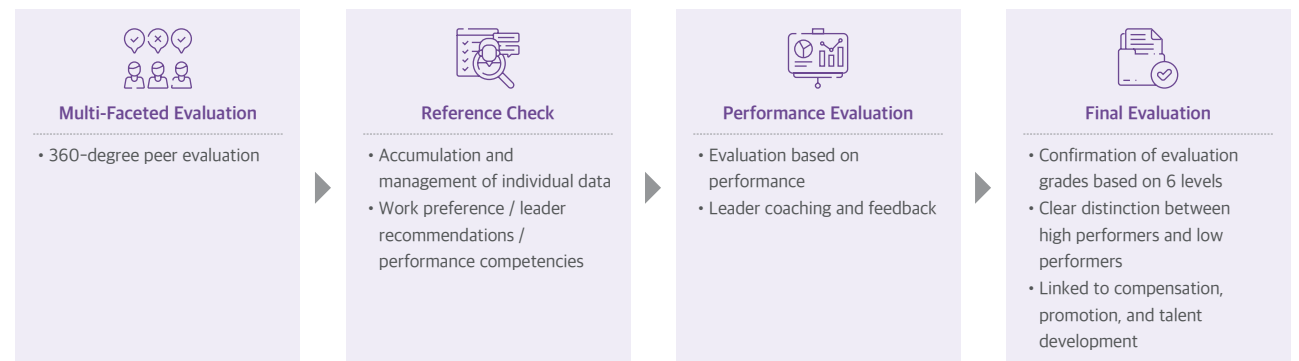
**Fair Performance Management**

HDC Hyundai Development Company emphasizes people-centered management as a core competency driving sustainable growth and is focusing on advancing its HR management system to secure and develop outstanding talent. In particular, the scope of the HR committee, which was previously centered on disciplinary reviews, has been expanded to cover the entire HR operation, including rewards and year-end promotions, thereby enhancing fairness and transparency in HR decision-making. To build a performance-based evaluation system, a four-stage performance management process has been introduced. Prior to implementing the system improvements, a consultative body reflecting employee feedback was established to increase acceptance and trust, along with explanatory sessions on the improved system. Additionally, to strengthen leaders' proactive performance management capabilities, regular training and briefing sessions for leaders are held. The objectivity and reliability of evaluations are continuously verified through HR audits and the operation of an evaluation adjustment committee. Clear procedures for employee grievances have been established, and the HR committee is composed entirely of external experts to enhance confidence in evaluation results. Furthermore, by organically linking compensation, promotion, and talent development systems, the company is realizing a performance-driven human resource management system.

**Performance Management Process**



**Performance Evaluation Process**



**RISK MANAGEMENT**

## Cooperative Labor-Management Culture

### Operation of the Labor-Management Council

HDC Hyundai Development Company guarantees employees' rights to association, collective bargaining, and collective action in accordance with Article 33 of the Constitution. To foster a sound labor-management culture and create a stable working environment, the company holds quarterly Labor-Management Council meetings. These meetings provide a platform to share business performance and regularly discuss key topics of mutual interest, such as improvements to working conditions. Wage and collective bargaining negotiations are conducted to discuss better working terms, and all agreed items are faithfully implemented according to the collective agreement between labor and management. All employees can freely access the details of labor-management discussions and agreements through the company's shared online portal. The company continues to improve transparency in communication and accessibility of information. Moving forward, HDC Hyundai Development Company remains committed to building a healthy and sustainable organizational culture based on trust and open dialogue between labor and management.

Labor-Management Council Discussion Topics

| Quarter | Number of Agenda Items | Key Agenda Items   |
|---------|------------------------|--|
| Q1      | 6                      | Reduction of employee workload and guarantee of rest rights (Paid leave, site allowance, Smart system)   |
| Q2      | 6                      | Review of performance bonus / incentive payment criteria   |
| Q3      | 7                      | Sharing company performance results, conversion to permanent positions   |
| Q4      | 8                      | Improvement of working conditions for on-site employees (Enhanced treatment for contract-based site staff, expanded housing support allowance) |

## Employee Benefits System

### Overview of Welfare Programs

HDC Hyundai Development Company implements a variety of welfare programs to create a positive work environment for its employees. The company is committed to providing practical benefits that support all aspects of employees' lives.

| Supporting Work-Life Balance Through Rest and Work Harmony  | Promoting Healthy Living for Employees  | Housing and Living Assistance Support   | Others   |
|---|---|---|--|
| <ol style="list-style-type: none"> <li>Rest &amp; Recharge Program</li> <li>In-House Cafeteria Operation</li> <li>Club Activity Support</li> <li>Accommodation Voucher on Labor Day</li> <li>Access to Other Welfare Facilities (Oak Valley, Park Hyatt, Park Roche, etc.)</li> </ol> | <ol style="list-style-type: none"> <li>Comprehensive Health Check-up</li> <li>Financial Support for Major Illness Treatment</li> <li>Hospitalization Cost Support for Employee, Spouse, and Children</li> <li>Living Expense Support During Medical Leave</li> <li>Group Insurance Coverage for Employees</li> <li>Influenza Vaccination</li> </ol> | <ol style="list-style-type: none"> <li>Housing Loan Program</li> <li>Cooperative Loan Program</li> </ol> <p><b>Child Education/Childcare Support</b></p> <ol style="list-style-type: none"> <li>University Tuition Support</li> <li>Elementary/Middle School Enrollment Congratulations Money</li> <li>Kindergarten Childcare Fee Payment</li> <li>Flexible Working Hours for Employees with Childcare Responsibilities</li> </ol> <p><b>Congratulatory and Condolence Support</b></p> <ol style="list-style-type: none"> <li>Congratulatory/Condolence Money and Vacation Support</li> <li>Birth Gifts for Children and Grandchildren</li> <li>Condolence Flower Wreaths</li> <li>Funeral Support</li> </ol> | <ol style="list-style-type: none"> <li>Holiday Points Provided</li> <li>Family Day (1 day off)</li> <li>Support for On-site Workers' Accommodation, Transportation, and Fuel Costs</li> <li>Fuel Cost Support for Sales Staff</li> <li>Communication and Chauffeur Service Expenses Support for Executives and Team Leaders</li> <li>Parking Support at IPARK Mall</li> <li>Discounts at IPARK Mall</li> <li>Discounts at Hyundai Department Store</li> <li>Discounts on Hyundai and Kia Vehicles</li> <li>Support for Attending Soccer Games</li> </ol> |

**RISK MANAGEMENT**

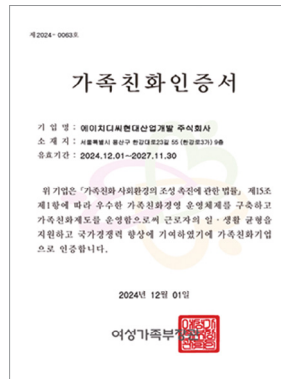
**Employee Benefits System**

**Family-Friendly Company Certification**

HDC Hyundai Development Company has systematically implemented human resource policies over several years to foster a work-life balance culture and strengthen maternity protection systems. Based on these efforts, in 2024, the company received the Family-Friendly Company Certification from the Ministry of Gender Equality and Family. The Family-Friendly Certification, administered by the Ministry, is a nationally recognized accreditation awarded to companies that exemplary operate family-friendly policies such as childbirth and childcare support, flexible working hours, family care systems, gender equality practices in the workplace, and the creation of a healthy work environment. HDC Hyundai Development Company was highly evaluated for managing these policies not merely as formalities but based on actual utilization rates and employee satisfaction. This certification officially recognizes that the company's welfare standards and organizational culture meet national criteria, marking a significant achievement that externally validates the company's commitment to sustainable management and a talent-centered corporate culture. Going forward, HDC Hyundai Development will continue to enhance customized welfare by life cycle and advance flexible work environments to build an organization where all employees can maintain a healthy balance between work and home, steadily strengthening its competitiveness as a great workplace.

Best Practice Examples

- 01** Operation of Flexible Working Hours for Employees with Young Children (Option to start work between 7:00 AM and 10:00 AM)  
**Status of flexible working hours utilization (number of users)**  
 (Unit: Persons)  
 2022 **5**  
 2023 **7** 40% Increase  
 2024 **12** 71% Increase
- 02** Strengthening the Effectiveness of Systems such as Spouse Maternity Leave, Parental Leave, and Family Care Leave
- 03** Operation of Reduced Working Hours for Pregnant Employees and Adjusted Working Hours for Employees with Young Children
- 04** Establishment of Workplace Sexual Harassment Prevention Training and Grievance Counseling Systems
- 05** Strengthening a Horizontal Meeting Culture and Digital Collaboration to Establish a Flexible Work Culture



Family-Friendly Certification

**METRICS AND TARGETS**

**Employee Capacity Building Training**

**Training Programs**

HDC Hyundai Development Company systematically operates an education system aimed at nurturing next-generation leaders who will drive the company's sustainable growth, focusing on competency development and leadership enhancement at each job level. Employees cultivate expertise and leadership aligned with their growth stages through customized training programs organized by rank. The company prioritizes leadership and job expert development programs for key talents and conducts specialized training to internalize performance-based leadership. Through the HDC Academy online training center, it offers diverse content such as digital transformation (DT), management and finance, humanities, foreign languages, and certification courses, continuously enhancing learning efficiency and accessibility. Currently, about 3,068 content items are available, and subscription-based e-learning courses have also been introduced. Additionally, a life redesign program supports career transitions and retirement preparation. Through career-stage diagnosis and Second Life consulting, the company systematically supports growth throughout the entire life cycle.

Job-Level Training Programs

| Training Target                       | Training Content   |   |
|---------------------------------------|--|---|
| New Employees                         | <ul style="list-style-type: none"> <li>Understanding the organization</li> <li>Core business skills</li> </ul>                     | <ul style="list-style-type: none"> <li>Meaning of work and working methods</li> <li>Basics of finance/accounting</li> </ul> |
| Promoted Employees                    | <ul style="list-style-type: none"> <li>PM goal management and reporting skills</li> <li>Project performance management</li> </ul>  | <ul style="list-style-type: none"> <li>Facilitator competency enhancement</li> <li>Mentoring/coaching leadership</li> </ul> |
| New Team Leaders and Project Managers | <ul style="list-style-type: none"> <li>Business management</li> <li>Performance management and organizational operation</li> </ul> | <ul style="list-style-type: none"> <li>Performance interview coaching</li> <li>New leader leadership</li> </ul>             |
| Executives                            | <ul style="list-style-type: none"> <li>Economic, management, and industry insights</li> </ul>                                      | <ul style="list-style-type: none"> <li>CEO-level leadership</li> <li>ESG leadership</li> </ul>                              |

Status of Employee Competency Enhancement Training

| Category                               | Training Content |
|--|------------------|
| Total Training Hours                   | 76,861           |
| Number of Annual Training Participants | 15,741           |

Training Satisfaction Status

| Training Satisfaction Scores (points) |                   |
|---------------------------------------|-------------------|
| <b>4.6</b> (2023)                     | <b>4.6</b> (2024) |

(Based on a 5-point scale)

**METRICS AND TARGETS**

**Employee Capacity Building Training**

**Foreign Worker Training**

HDC Hyundai Development Company continuously provides customized training to enhance the capabilities of foreign workers. In 2024, we conducted on-site tailored safety training for a total of 1,542 domestic and foreign workers across 16 sites, with professional interpreters assisting. Training content was developed reflecting site-specific conditions such as work type, nationality, and workforce size. For key tasks (formwork, rebar, aluminum formwork), we utilized trilingual animation content produced in Korean, Chinese, and Vietnamese to increase training effectiveness. Additionally, honorary interpreters were assigned within teams to reduce language and cultural barriers and help bridge the gap in safety awareness levels. We also held an emotional safety letter-writing contest to encourage voluntary safety awareness. Moving forward, the company plans to continuously strengthen practical, site-focused training systems to ensure workers of diverse nationalities can work safely.

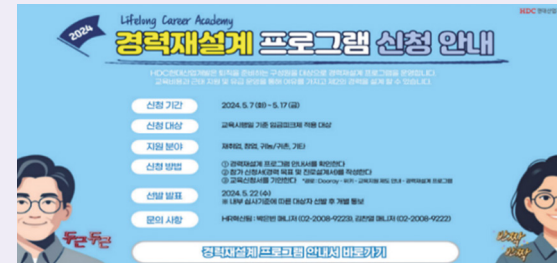


Foreign Worker Safety Competition

**BEST PRACTICE**

**Operation of the Life Redesign Program**

HDC Hyundai Development Company operates a Life Redesign Program to help employees systematically prepare for career transitions or life after retirement. This program focuses on enabling employees to proactively design their futures, explore new opportunities, and build a foundation for continuous growth alongside the organization. Through personalized assessments tailored to each career stage and Second Life design consulting, the program provides practical support to help employees demonstrate their capabilities throughout their entire life cycle and successfully prepare for life transitions. Going forward, HDC Hyundai Development Company plans to continuously expand these initiatives to help employees actively respond to changes and enable self-directed career development.



**Career Redesign Program**

We operate a career redesign program to help employees approaching retirement prepare steadily for their second careers. This program provides practical support such as personalized assessments, professional consulting, and job transition training to enable employees exploring new paths after retirement to plan their futures comfortably. Through this, we establish a foundation for employees to stay continuously connected with society even after retirement. Moving forward, we will strengthen support to help retirees prepare for their second life with psychological and professional stability.



**Second Life Design Consulting**

We offer Second Life design consulting to help employees nearing retirement systematically prepare for life after retirement and embrace new challenges. This consulting is a tailored support program designed to practically address various concerns after retirement, assisting employees in concretely planning their second lives based on their values and capabilities. Through Second Life design consulting, employees are guided to set career directions after retirement and actively explore new opportunities such as entrepreneurship, reemployment, and social participation.

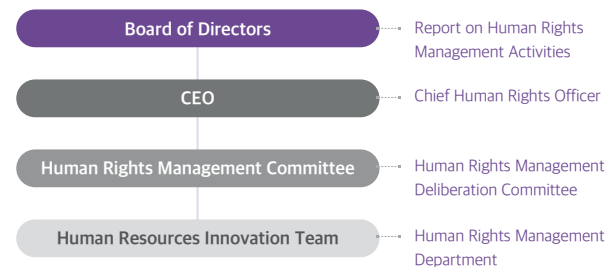
# Human Rights Management

## STRATEGY

### Human Rights Management Policy

HDC Hyundai Development Company practices comprehensive human rights management by respecting and protecting the rights of all stakeholders throughout its business operations, fostering a diverse, inclusive, and discrimination-free work environment. The company clearly defines its policy direction and commitment through a formal Human Rights Management Declaration. It proactively identifies and systematically manages potential regular human rights risks via human rights impact assessments and established grievance handling procedures. An integrated human rights management system covers headquarters, worksites, and partner companies, with the HR Innovation Team leading a prompt response mechanism when issues arise. Key matters are reviewed by the Human Rights Management Committee, reported to the CEO, and subsequently shared with the board of directors to ensure transparent governance. Based on this framework, HDC Hyundai Development Company actively internalizes human rights management and continuously improves it to realize sustainable value together with all stakeholders.

### Implementing Organization



### Human Rights Management Policy

HDC Hyundai Development Company establishes human rights as a core value of management and operates policies and procedures for effective implementation based on its Human Rights Management Declaration. The human rights management policy incorporates international standards such as the Universal Declaration of Human Rights, the ILO Core Conventions, and the UN Global Compact's 10 Principles. It covers key human rights issues including prohibition of employment discrimination, forced labor, and child labor; guarantee of the three fundamental labor rights; assurance of industrial safety; and protection of personal information. The company fulfills its human rights protection responsibilities for all stakeholders, including employees, partner companies, customers, and local communities, and extends this respect to its supply chain and surrounding residents. HDC Hyundai Development Company has established systems for prompt remediation in case of human rights violations and actively prevents and addresses human rights risks through regular human rights education, grievance procedures, human rights impact assessments, and field surveys. These human rights management policies go beyond declaration and are fully embedded throughout business operations. The company continuously strives to cultivate a culture of respect for human rights across the entire organization.

### Human Rights Management Declaration

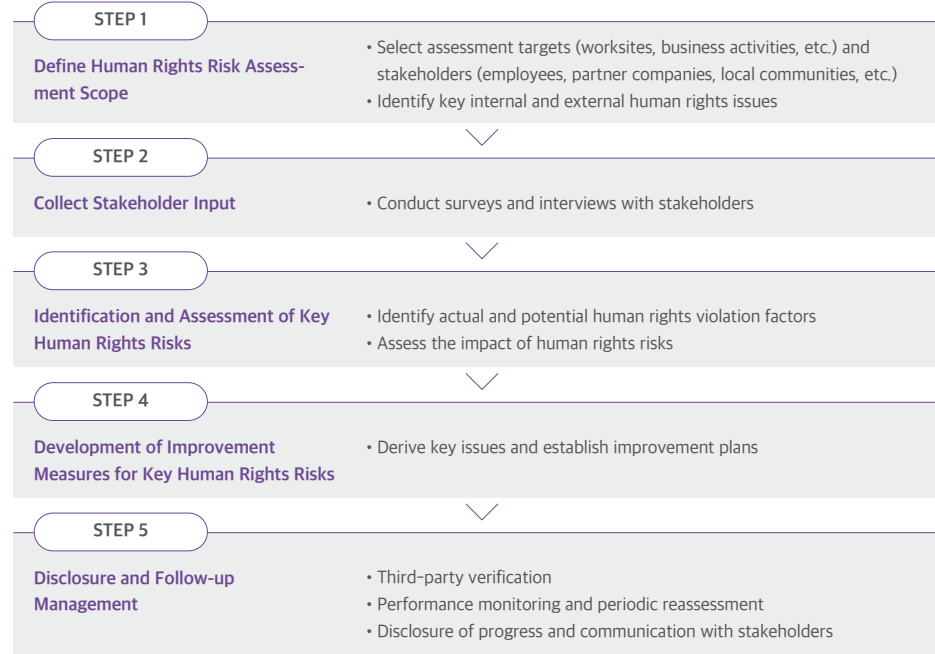
| Category      | Establishment of the Key Contents of the Human Rights Management Policy Declaration   |
|---------------|---|
| Establishment | Designation of Human Rights Management Scope, Stakeholder Consultation, and Human Rights Management Declaration   |
| Objectives    | Establish items reflecting the human rights management philosophy pursued by the company  |
| Composition   | Incorporation of key norms such as the Universal Declaration of Human Rights, ILO Core Conventions, and the 10 Principles of the UN Global Compact.   |
| Contents      | <ul style="list-style-type: none"> <li>• Compliance with and support for international human rights standards</li> <li>• Fair treatment and support for education and training</li> <li>• Protection of the human rights of local communities</li> <li>• Respect for diversity and prohibition of discrimination</li> <li>• Compliance with and improvement of working conditions</li> <li>• Human rights policies throughout the supply chain</li> <li>• Prohibition of forced labor and child labor</li> <li>• Pleasant and safe working environment</li> <li>• Information protection</li> <li>• Protection of freedom of association and collective bargaining rights</li> <li>• Environmental protection and fulfillment of environmental and social responsibilities</li> </ul> |
| Participation | Employees, department human rights officers, partner companies, customers, local communities, external experts  |
| Application   | Employees, partner companies, local communities (including residents), consumers (customers), the general public, environment   |

**RISK MANAGEMENT**

**Human Rights Risk Management**

**Human Rights Impact Assessment**

HDC Hyundai Development Company conducts a human rights impact assessment to review the overall implementation level of human rights management across the company and to proactively prevent potential human rights risks. In 2024, various stakeholders with high potential human rights risks, including employees, non-regular workers, partner companies, customers, and local residents, were selected as evaluation targets. This assessment was carried out as part of an action plan to enhance the human rights management system. The assessment was systematically conducted through a five-step process: setting the scope of evaluation, collecting stakeholder opinions, identifying and assessing human rights risks, establishing response measures, reporting the results, and conducting post-assessment management. The evaluation results were verified by an external professional institution to ensure objectivity and reliability. For the identified actual and potential human rights risks, improvement tasks are developed and implemented. By continuously monitoring through a follow-up management system, the effectiveness of human rights management is enhanced.



**Human Rights Impact Assessment Results**

In 2024, HDC Hyundai Development Company identified six major human rights risks through its human rights impact assessment and has established practical response measures which are being implemented step-by-step. Key improvement actions include expanding human rights education beyond statutory training with tailored programs by job rank and department, opening human rights violation reporting channels and enhancing information disclosure, establishing codes of conduct and compliance pledges for partner companies, refining grievance handling procedures, and linking with ESG evaluations. Through these measures, the company aims to proactively prevent human rights risks and build a human-rights-friendly, sustainable management environment that encompasses both internal employees and external stakeholders.

Key Human Rights Risks and Response Status

| Human Rights Risk                   | Response Status  |
|-------------------------------------|--|
| Lack of human rights education      | Customized training by job level and department; expanded education beyond legally required training                 |
| Insufficient human rights awareness | Collected feedback from stakeholders at risk of human rights violations; publicly disclosed human rights declaration |
| Inadequate information disclosure   | Established a dedicated human rights management webpage; transparently disclosed policies and performance            |
| Weak grievance handling system      | Improved internal and external grievance procedures; linked with ESG Committee operations                            |
| Supply chain human rights risks     | Developed a code of conduct for partners; posted on website; obtained compliance pledges during contract signing     |
| Environmental rights protection     | Established disaster and emergency response plans; strengthened management systems                                   |

**RISK MANAGEMENT**

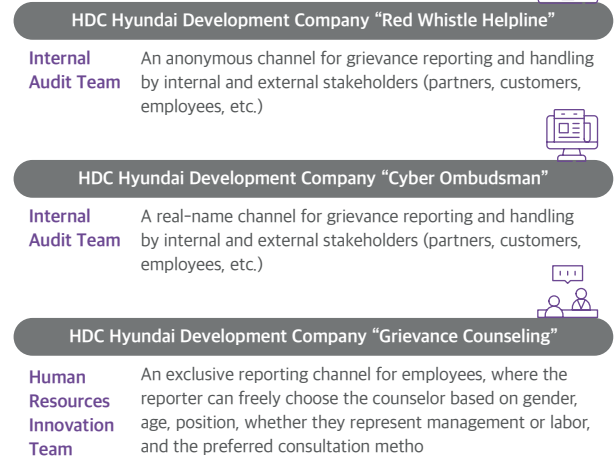
**Grievance Handling System**

**Human Rights Grievance Handling Process**

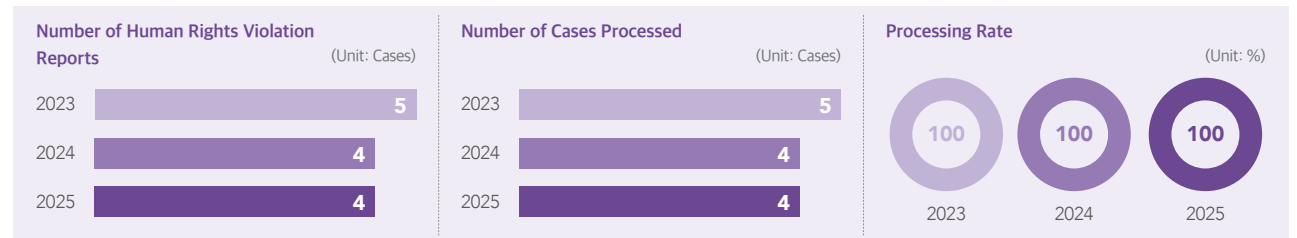
HDC Hyundai Development Company fosters a culture of mutual respect within the organization and operates both internal and external grievance channels to protect the human rights of all stakeholders, including employees. Internally, the company runs a dedicated grievance channel called the “Cyber Shinmungo,” and externally, it operates an anonymous reporting system called “Red Whistle,” managed by a third party, to enable multiple ways of reporting human rights violations. Employees can easily report workplace grievances, unfair instructions, sexual harassment, bullying, and other human rights issues through the company website, email, or ERP system. If desired, reporters can request counseling from an internal Grievance counselor. All reports are handled promptly with a strict guarantee of anonymity and confidentiality, and protective measures are in place to ensure that reporters are not subject to any retaliation or disadvantages.



Grievance Reporting Channel

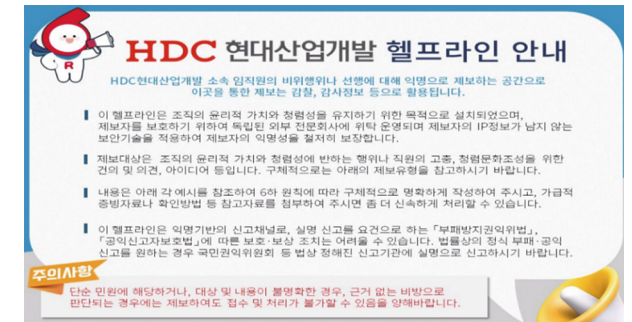


Grievance Handling Status



**Grievance Handling Status**

In 2024, a total of four human rights-related reports, including cases of workplace harassment, were received. HDC Hyundai Development Company conducted a thorough fact-finding process through the Human Rights Management Committee and took appropriate follow-up actions. For confirmed cases, formal warnings were issued to the relevant departments, and when disciplinary measures were finalized based on substantiated reports—such as harassment—the company posted summaries of the cases on the internal bulletin board to raise awareness among all employees about the seriousness of such issues and to help prevent recurrence. Furthermore, the company prioritizes protecting the anonymity of reporters and preventing secondary damage by clearly communicating its non-retaliation policy, and ensures ongoing oversight through continuous monitoring after resolution of the incidents.



**METRICS AND TARGETS**

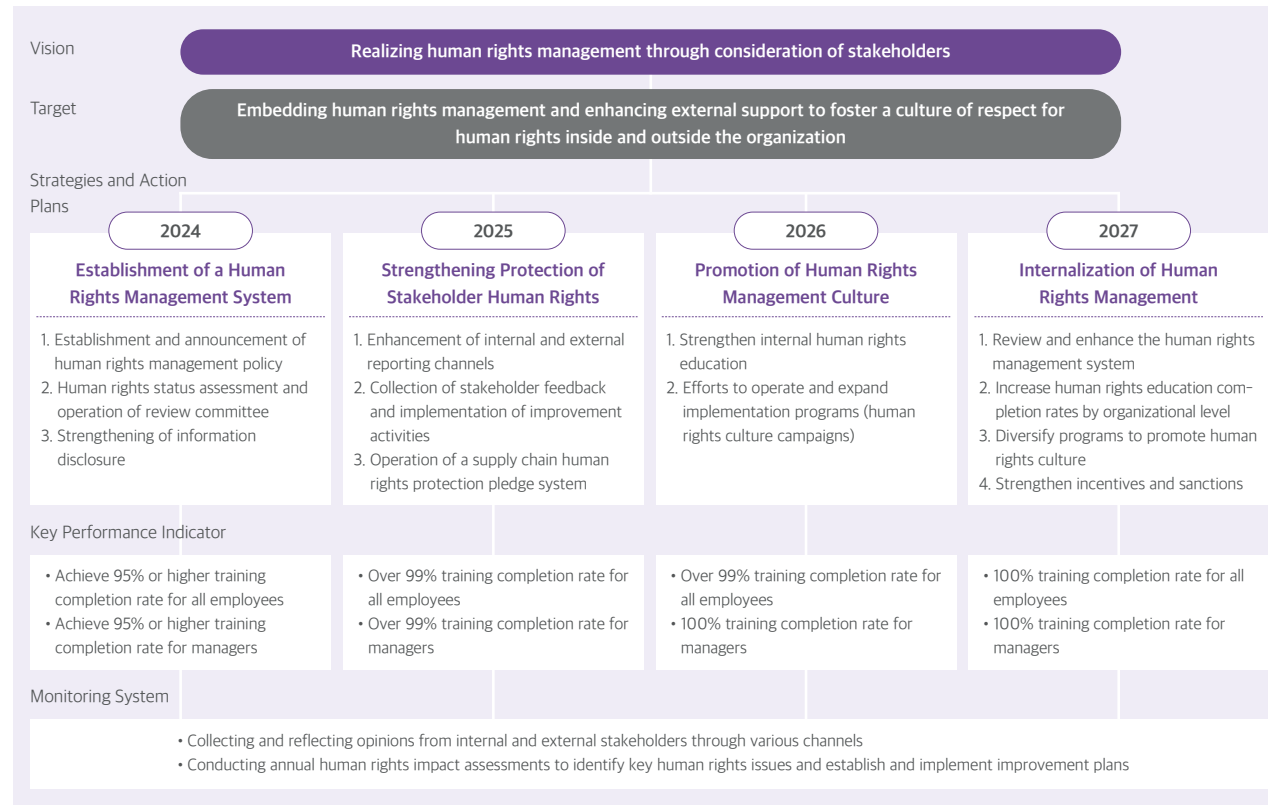
**Human Rights Management Indicators**

**Human Rights Management Goals and Strategies**

HDC Hyundai Development Company has embedded human rights management into its internal strategy, aiming to respect and protect the rights of all stakeholders across its operations. The company's phased plan targets building a human rights system by 2024, strengthening protections by 2025, expanding the culture by 2026, and fully internalizing management by 2027. Key actions include publicizing policies, regular human rights impact assessments, and organization-wide education programs, with a goal of 100% employee and manager training completion by 2027. HDC also publishes its human rights declaration online and uses annual assessments and stakeholder feedback to drive continuous improvement, fostering a respectful human rights culture throughout the company.

[Human Rights Management Goals](#)

Human Rights Management Strategic Framework



**Human Rights Education Program**

HDC Hyundai Development Company operates a variety of training programs to safeguard employees' rights and raise awareness, striving to foster a culture of human rights respect in the workplace. Regular human rights training is provided to all employees, covering topics such as disability inclusion, sexual harassment prevention, and workplace bullying prevention. In particular, training for executives and managers includes specialized content focused on preventing workplace bullying to proactively address potential human rights violations stemming from hierarchical dynamics within the organization. The company continues to strengthen the foundation for safe, inclusive, and respectful work environment where all employees are respected and valued. HDC Hyundai Development Company remains committed to building a workplace culture that is free of discrimination.

Status of Human Rights Training Completion

| Category             | Training Title                   | Training Completion Status |                       |                     |
|----------------------|----------------------------------|----------------------------|-----------------------|---------------------|
|                      |                                  | Number of Participants     | Number of Completions | Completion Rate (%) |
| Compulsory education | Sexual Harassment Prevention     | 1,863                      | 1,850                 | 99.3                |
|                      | Disability Awareness Improvement | 1,863                      | 1,826                 | 98.0                |
|                      | Workplace Harassment             | 1,863                      | 1,859                 | 99.8                |

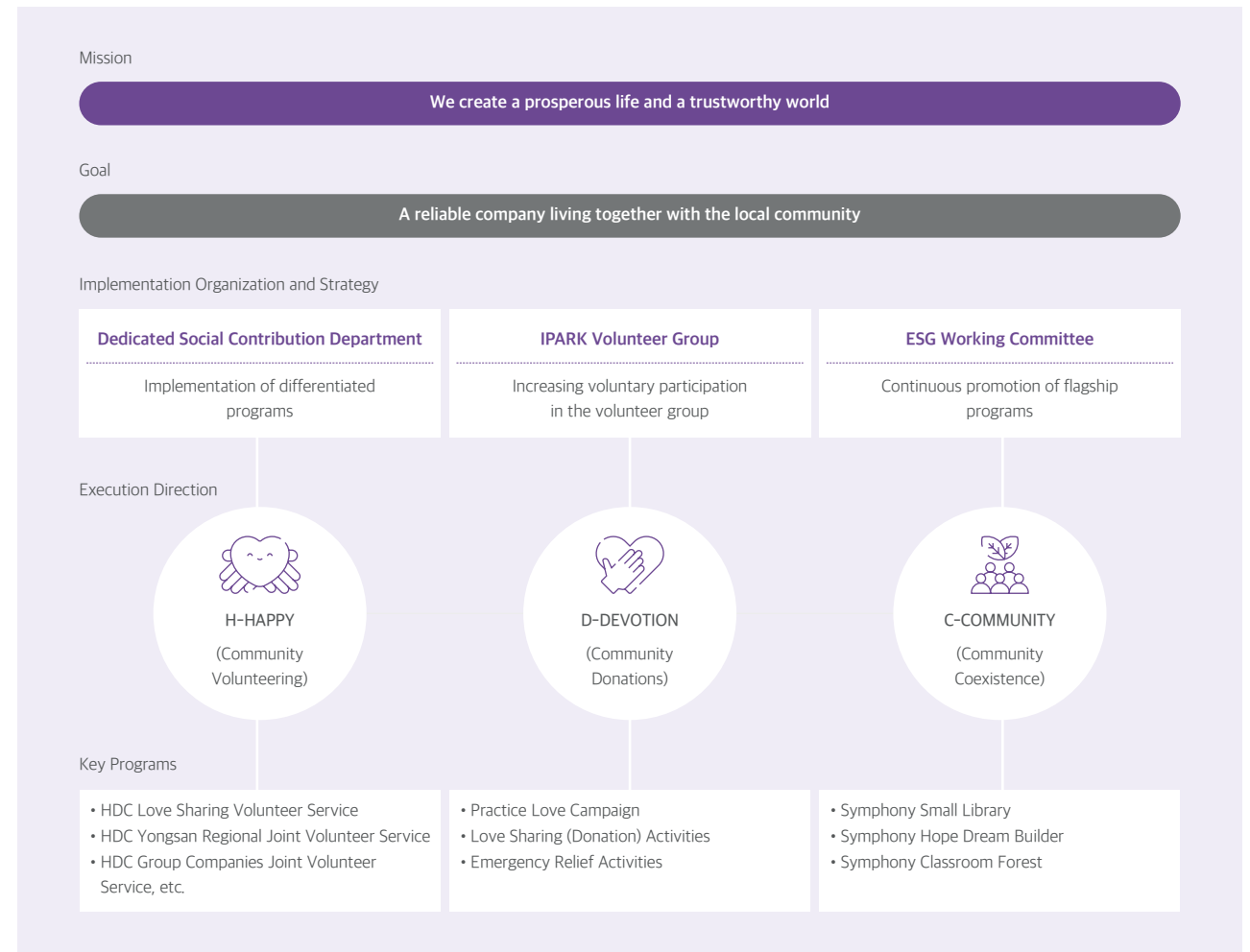
# Social Contribution

## STRATEGY

### Social Contribution Framework

#### Social Contribution Strategy and Goals

HDC Hyundai Development Company is systematically carrying out social contribution activities centered around three key themes: H-Happy (Volunteerism), D-Devotion (Donation), and C-Community (Coexistence), to realize a more prosperous life and a trustworthy society. With a dedicated social contribution department and the IPARK Volunteer Group, and under voluntary participation of employees, the company fulfills its social responsibilities across diverse areas such as volunteering, support for marginalized groups, talent development, and environmental protection. Focusing on communities near its construction sites across the country, HDC Hyundai Development Company actively and continuously engages in social contribution efforts, contributing to shared growth and the development of local communities.



**Sustainability Performance**

- Environmental
- **Social**
- Governance

**RISK MANAGEMENT**

**Social Contribution Activities**

**H-Happy (Community Volunteering)**

**Love Sharing Volunteer Service**

HDC Hyundai Development Company actively practices coexistence with local communities through various volunteer activities in regions near its headquarters and construction sites nationwide, with employees participating voluntarily. In 2024, activities included improving housing conditions for vulnerable groups, environmental beautification efforts such as tree planting and mural painting, storytelling and environmental education for local children, and volunteering at facilities for abandoned cats. The company plans to continue these community-oriented volunteer efforts moving forward.

**Yongsan Joint Volunteer Service**

HDC Hyundai Development Company conducts joint volunteer activities with other HDC group companies within the Yongsan area. Collaboration includes planning and organizing volunteer events, as well as providing material resources and manpower support. Through community-tailored activities like mural painting and briquette deliveries, the company fosters warm engagement with local residents. Additionally, as a member of the Yongsan Dragons, a public-private-academic coalition of companies, institutions, and schools in Yongsan District, the company actively participates in joint social contribution efforts such as tree planting, mentoring local youth on career development, and donating Christmas gifts to children's facilities.

**Concrete University Student Selection and Job Training Program**

Since September 2024, the Construction Innovation Team of HDC Hyundai Development Company has selected six university students to participate in the HDC Student Reporter Program, aimed at nurturing future talent in the construction industry. The program includes introductory training on construction and safety roles, participation in construction expos, and site visits to bridge the gap between academic learning and actual industry practice. Students contribute articles to the Concrete Society journal and produce video content introducing the construction industry from a student's perspective, engaging in hands-on, practical learning experiences throughout the program.



Storytelling Volunteer Service



Mural Painting



Basic Training in Construction and Safety Jobs



Volunteer Work at Stray Cat Shelter



Youth Job Mentoring



Construction Site Tour

**RISK MANAGEMENT**

**Social Contribution Activities**

**D-Devotion(Community Donations)**

**Love in Action Campaign**

HDC Hyundai Development Company operates a 1:2 matching grant program, where employees voluntarily donate their spare change under 10,000 KRW from their salaries, and the company matches it with double the contribution. The funds raised through this program are used to support vulnerable groups in local communities. In 2024, a total of 300 million KRW was donated to Habitat for Humanity Korea, and in collaboration with the Seoul Metropolitan Government, housing improvement projects were carried out targeting vulnerable groups such as grandparent-headed households.



Housing Improvement Volunteer Work



Dedication Ceremony for Housing Improvement Project for Grandparent-Grandchild Families

**Donation Activities**

HDC Hyundai Development Company conducts various donation initiatives targeting individuals and organizations in need, including local communities, the elderly, children with disabilities, youth, and environmental groups. In 2024, beyond simple donations, the company pursued collaborative projects aligned with community needs, contributing to local safety and environmental improvements through initiatives such as the pedestrian safety assistant development program and participation in the Seoul International Garden Expo. Additionally, HDC hosted the HDC Partners social contribution event together with outstanding partner companies and supported the independence and growth of disabled artists in the community by donating to establish the Yangpyeong Amazing Outsider Center.



Pedestrian Safety Assistant Training Program



HDC Partners Social Contribution Event

**C-Community (Community Coexistence)**

**Holding Resident Briefings**

HDC Hyundai Development Company actively engages local communities through resident briefings and by listening closely to their concerns. Before breaking ground on Seoul Won I-Park in Wolgye-dong, Nowon-gu, the company partnered with the Nowon District Office to present regional development plans and public projects, including cultural and welfare facilities and infrastructure improvements, fostering mutual understanding. Additionally, HDC maintains ongoing dialogue with residents in Gwangju's Hwajeong area, supporting community development through continuous communication and assistance efforts.



Seoul One I-Park Resident Briefing Session



Gwangju Hwajeong I-Park Resident Briefing Session

**Cultural Sharing**

HDC Hyundai Development Company actively promotes various sponsorship activities to support the cultural and artistic development of local communities. In connection with the groundbreaking ceremony for the project in Nowon-gu, Seoul, the company sponsored the KBS Open Concert, hosted by Nowon-gu and attended by local residents, thereby expanding cultural enjoyment opportunities for the community and fostering a space for harmony among its members. Additionally, HDC Hyundai Development Company supported the "Masters of New York" exhibition, hosted by the Nowon District Office and organized by the Nowon Cultural Foundation, contributing to improved cultural accessibility for diverse citizens, including marginalized groups.



Groundbreaking Ceremony and KBS Open Concert



Masters of New York Poster

**RISK MANAGEMENT**

**Social Contribution Activities**

**C-Community (Community Coexistence)**

**Symphony Small Library**

HDC Hyundai Development Company has been promoting small library construction projects since 2014 as a way to share knowledge and culture through books within local communities, marking its 10th anniversary in 2024. Starting with the first branch in Gunsan, Jeonbuk Province, the company currently operates a total of 20 small libraries nationwide. In 2024, five new libraries were opened at key urban regeneration facilities including Seongan-dong in Cheongju, the Nongsung Bit Yeoulchae Comprehensive Social Welfare Center in Gwangju, Ewha Womans University Comprehensive Social Welfare Center, Dunsan Comprehensive Social Welfare Center in Daejeon, and the Open Culture Local Children's Center in Cheonan. In addition, at the Ewha Womans University Comprehensive Social Welfare Center (the 18th branch), storytelling volunteer activities such as read-aloud sessions are conducted for children users. These efforts go beyond simple donations to support children's emotional well-being and community-based care.

**Symphony Classroom Forest**

HDC Hyundai Development Company has launched the Symphony Classroom Forest project to raise social awareness about the environment and provide future generations with opportunities to experience nature firsthand. Green spaces are created in unused areas of selected elementary schools and child welfare facilities, and children actively participate as "forest guardians." This program helps children naturally understand the importance of environmental conservation. Additionally, environmental education sessions involving HDC employees are conducted for the forest guardian children, aiming to nurture their ecological sensitivity and eco-conscious mindset.



Symphony Small Library Opening and Activities



Care Classroom



Symphony Classroom Forest Activities

**BEST PRACTICE**

**Symphony Hope Dream Builder: Creating a Job Ecosystem**



Since 2023, HDC Hyundai Development Company has been operating the Symphony Hope Dream Builder construction technology education program, primarily targeting youth preparing for independence in Seoul and the metropolitan area. This program aims to support employment and entrepreneurship in the construction industry through specialized construction technology training. In 2024, the program expanded its scope and offerings, providing approximately five months of construction technology education, on-site training, psychological counseling, and career consulting to a total of 36 participants. Additionally, in partnership with the Ministry of Employment and Labor's future support initiatives, the program connects graduates with job placement and startup support, contributing to the practical creation of jobs for youth.

**RISK MANAGEMENT**

**Social Contribution Activities**

**Pony Chung Foundation**

The Pony Chung Foundation was established to honor and carry forward the spirit of the late Honorary Chairman Jung Se-young, who led the automotive industry with innovative thinking and a spirit of challenge, while embodying a philosophy centered on valuing talent. Guided by the belief that “outstanding talent can fully realize their creative potential through consistent care and strong support,” the foundation promotes a wide range of talent development initiatives that offer hope and encouragement to future generations. Notable programs include the Pony Chung Innovation Award, support for academic research, and scholarship programs, all of which contribute to societal advancement. The foundation remains committed to the continued nurturing of talent and the promotion of academic excellence.



Author Han Kang

**Pony Chung Innovation Award**

The Pony Chung Innovation Award is presented to individuals or organizations that have achieved outstanding accomplishments through innovative thinking and a spirit of challenge in various fields such as diplomacy, the economy, society, culture, and the arts. The award recognizes those who bring about positive change in society and contribute to national development and prestige. In 2024, the award was given to author Han Kang, who became the first South Korean to win the Nobel Prize in Literature, thereby elevating the global status of Korean literature.



Artist Eun-hye Jung, 9-dan Jin-seo Shin

**Pony Chung Young Leader Award**

The Pony Chung Young Leader Award was established to discover and foster young talents who possess a spirit of challenge and innovation in leading the era of the Fourth Industrial Revolution. The award is presented to individuals under the age of 40 who demonstrate outstanding achievements and forward-looking potential in their respective fields, without limitation to any specific area. In 2024, the recipients were Jin-seo Shin, a 9-dan professional Go player who has dominated the international Go scene and earned the nickname “New Artificial Intelligence,” and Eun-hye Jung, an artist who, through various creative activities, has improved social perceptions of artists with disabilities and exemplified an independent life.



Pony Chung Humanities Scholarship Certificate Award Ceremony

**Academic Support Program**

The Pony Chung Foundation provides academic support to emerging researchers to expand the base of humanities research and create a sustainable academic ecosystem. Domestically, the program targets doctoral scholars in the humanities who have obtained their degrees within the past five years. Internationally, it supports foreign researchers who have earned a doctoral degree in Korean studies within the past five years. The program covers a broad range of humanities fields, including literature, history, and philosophy, providing early-stage scholars with a stable environment so they can focus solely on their research. Through this, the Pony Chung Foundation establishes a strong foundation for the future of the humanities.



Vietnam Scholarship Program

**Scholarship Program**

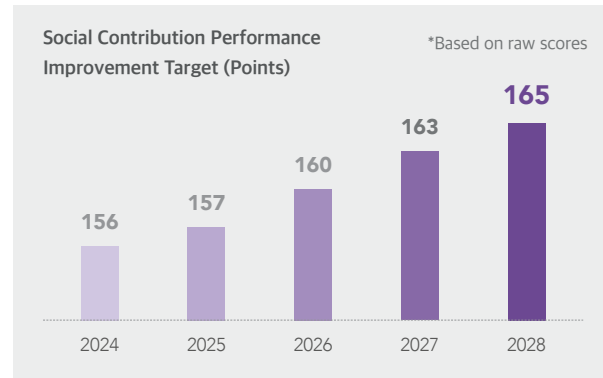
The Pony Chung Foundation operates the “Baldoom Scholarship Project,” which supports the growth of youth preparing for independence who face difficult circumstances, as well as an international scholarship program that discovers and nurtures the next generation of talent in Vietnam. Additionally, through an agreement with FOMA (Pony Motorcar Design Museum), the foundation runs programs such as Junior Design Classes, Master Design Classes, and Innovator Projects that involve leading domestic and international designers and artists. These initiatives focus on cultivating future innovative talents equipped with the three core competencies of communication, collaboration, and creativity.

**METRICS AND TARGETS**

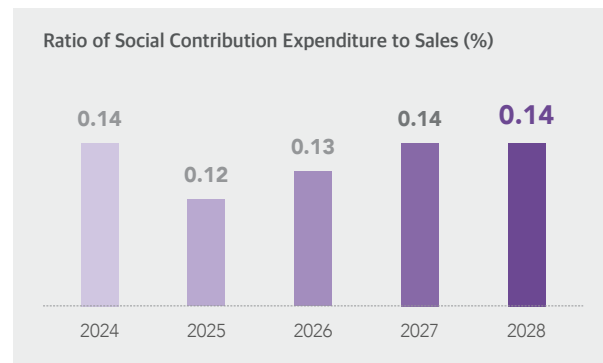
**Social Contribution Management Indicators**

HDC Hyundai Development Company pursues harmonious development with local communities and faithfully fulfills its corporate social responsibility to provide all stakeholders with the value of a prosperous life. In 2024, social contribution expenditures amounted to approximately 5.8 billion KRW, representing a 9.5% increase over the previous year. A total of 92 employees participated in volunteer activities for a combined total of 239 hours. Additionally, the company was recognized by the Seoul Metropolitan Government for two consecutive years as a community contribution-certified company, acknowledging its establishment and practice of a sustainable social contribution activity foundation. The company has set mid- to long-term social contribution goals for continuous coexistence with local communities and designated the community contribution recognition score as a key management indicator. This evaluation metric comprehensively assesses the company's contribution to local communities and the sustainability of its social contribution system. The company will strive to continuously improve its performance score each year to maintain stable certification.

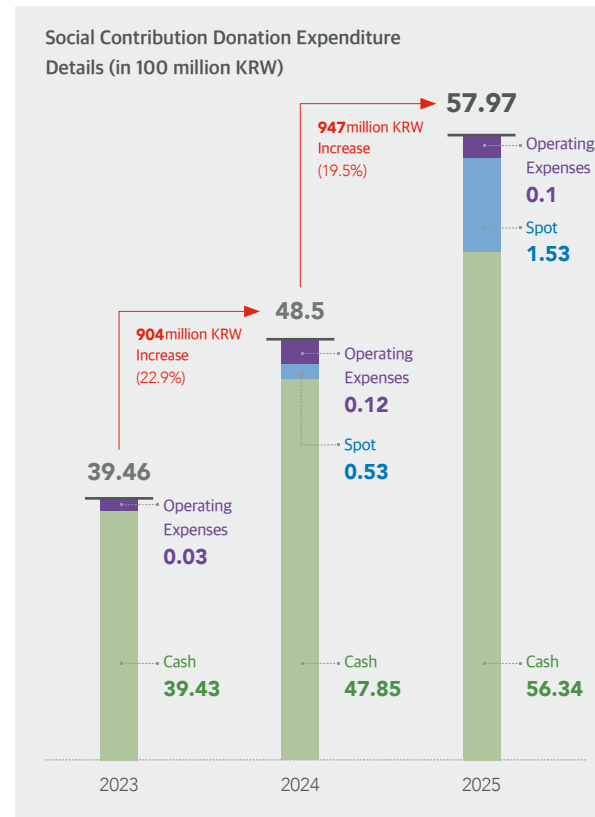
**Social Contribution Mid- to Long-Term Goals**



1) Criteria for measuring the Regional Social Contribution Recognition System performance indicator (out of 200 points)



**Social Contribution Activity Performance**



| Category                                      | 2022  | 2023  | 2024  |
|---|-------|-------|-------|
| Number of beneficiary households (households) | 1,079 | 1,876 | 2,273 |
| Total volunteer hours (hours)                 | 2,098 | 525   | 239   |
| Annual number of participants (people)        | 284   | 169   | 92    |
| Average activity hours per person (hours)     | 7.4   | 3.1   | 2.6   |



Seoul Social Contribution Awards Ceremony



## HDC Hyundai Development Company's Social Contribution Story

Q1

What do you think was the most meaningful achievement among the major social contribution activities our company pursued during the past year of 2024?

**A.** HDC Hyundai Development Company successfully developed and operated its own signature social contribution programs in its first year. The Symphony Hope Dream Builder program supports vulnerable youth—including young people preparing for independence and socially isolated youths—by providing specialized construction training and work experience to help them settle successfully in society. The Symphony Classroom Forest project involves children and adolescents directly in creating eco-friendly educational spaces and resting areas. Both programs were designed to reflect the company's strengths and identity. As a result, about 50 Hope Dream Builder graduates have entered various fields in society, and Classroom Forests were successfully established in elementary schools and two childcare centers in Seoul.

Q2

Please briefly introduce the Local Community Contribution Recognition System. Also, what motivated you to obtain this recognition, and did you face any difficulties during the process?

**A.** The Local Community Contribution Recognition System is an initiative led by the Ministry of Health and Welfare. It officially acknowledges companies and organizations that have continuously engaged in social contribution activities within their local communities through collaboration with nonprofit organizations. HDC Hyundai Development participated in this system to have its various social contribution efforts formally recognized and to further expand these activities in a more systematic way in the future. The recognition system consists of 25 detailed criteria across three categories: Environmental (E), Social (S), and Governance (G). We found that the process of carefully meeting the requirements for each criterion to achieve the target score was quite extensive and complex.

Q3

Could you share the most rewarding moment or a memorable episode from your work in social contribution?

**A.** The greatest appeal of social contribution work is being able to actively engage directly in local communities. Especially during social issues or disasters, there are many occasions where we communicate directly with the affected sites for precise and timely responses. For example, when a large wildfire broke out in Gangneung, many residents were displaced. I vividly remember urgently purchasing bedding sets in bulk from Dongdaemun, loading them onto our company's bus, and personally delivering them to the shelters in Gangneung along with volunteer staff.

Q4

What direction does Hyundai Development plan to take for its future social contribution activities? Are there specific areas you intend to focus on?

**A.** As a construction company managing various sites nationwide, HDC Hyundai Development plans to increase its contributions to local communities. We will expand flagship social contribution projects such as the Symphony Classroom Forest and Symphony Small Library to fulfill our social responsibilities.

Q5

What do you think is the most important factor for a company's social contributions to create real change in local communities and among stakeholders?

**A.** It is about discovering genuine needs through communication and dialogue with the local community. No matter how strong a company's capabilities are, the people within the community who require support and change naturally have the deepest understanding of their own situation. Therefore, companies need to thoughtfully consider how to align their capabilities and goals with the needs of the local community.

# Information Security

## **GOVERNANCE**

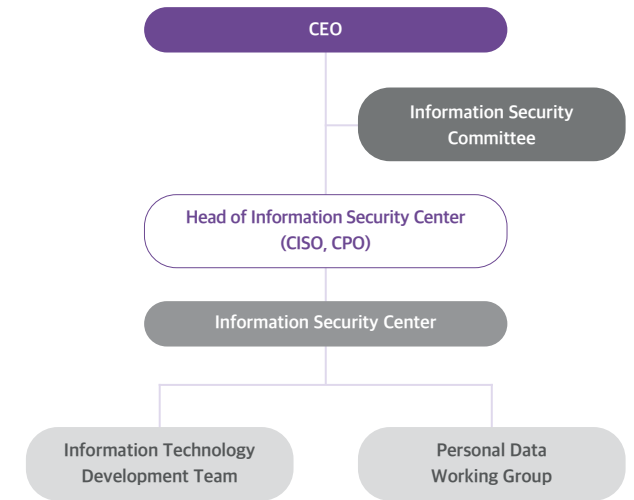
### Information Security System

HDC Hyundai Development recognizes information security and personal data protection as key management priorities. To clarify authority and responsibility, the company has established an Information Security Center directly under the CEO. The head of the Information Security Center concurrently serves as the Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO), overseeing the formulation and execution of the company-wide information security strategy. In 2024, the company significantly expanded its information security personnel and roles, raising the ratio of information security staff to IT staff to one of the highest levels in the industry. Additionally, an Information Security Committee, composed of executives and relevant department heads, regularly reviews information security policies and major issues. A practical working group, centered on personnel responsible for personal data processing, operates to promptly respond to related laws and environmental changes.

### Information Security Policies and Guidelines

HDC Hyundai Development complies with key information security-related laws such as the Personal Information Protection Act, the Network Act, and the Information Security Industry Act. To securely protect customer personal data and the company's confidential information, the company has established and systematically operates an Information Security Management Regulation, 11 detailed operational guidelines, and 6 detailed operational manuals. In particular, in 2024, the company newly established a Cloud Operations Security Manual to address the growing importance and expanded use of cloud infrastructure. In the first half of 2025, it plans to enact usage rules for AI platforms, continuously developing and applying security strategies that align with the latest changes in the information technology environment. Additionally, the company publicly posts its Information Security Declaration on its official website to clearly communicate its commitment and responsibility toward information security activities. HDC Hyundai Development also regularly renews its ISO/IEC 27001 (Information Security Management System) certification, continuously verifying and improving the suitability and effectiveness of its information security efforts.

## Organizational Chart

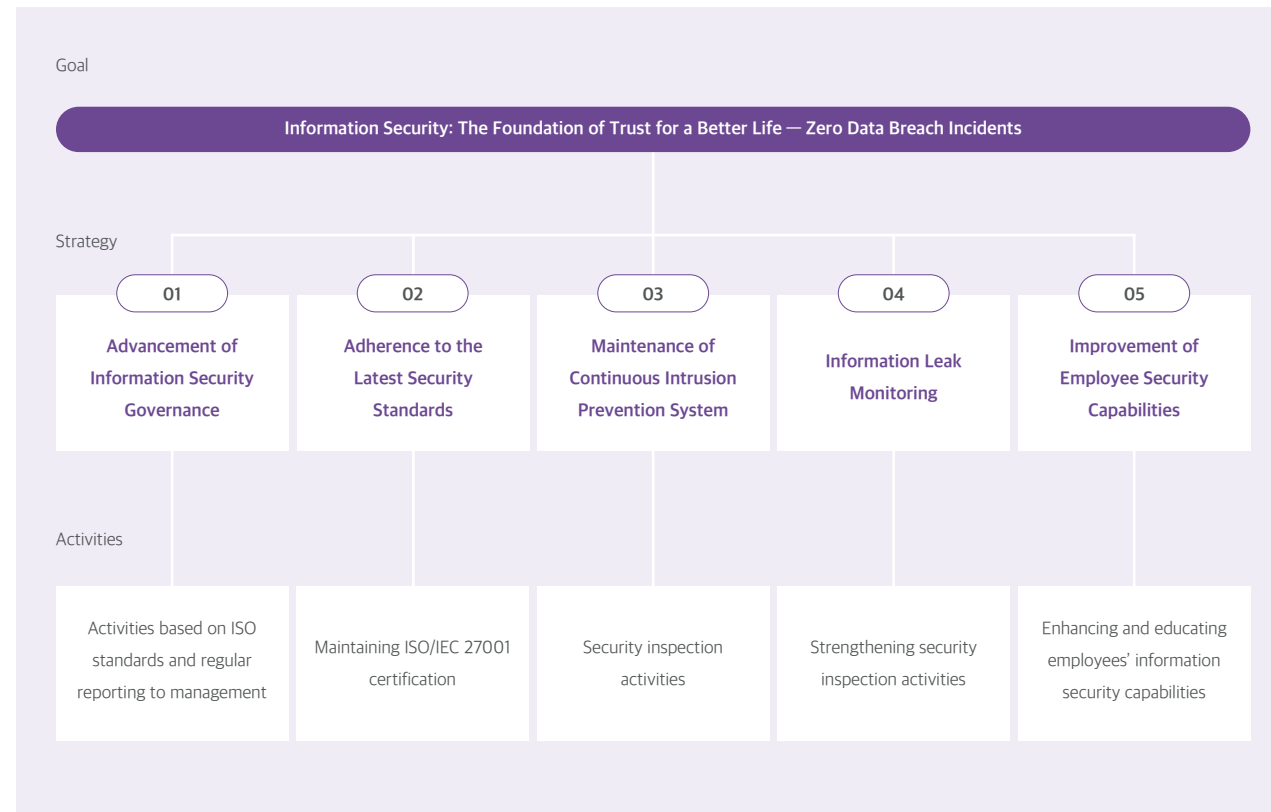


**STRATEGY**

**Information Security Goals and Strategies**

**Information Security Strategy**

HDC Hyundai Development’s information security response strategy consists of five key elements: establishing security governance, complying with the latest security standards, maintaining a continuous intrusion prevention system, monitoring information leaks, and enhancing the security capabilities of employees and executives. Through this comprehensive approach, the company builds a management environment where customer personal data and company information assets are securely protected against various security threats.



**Information Security Management System**

HDC Hyundai Development obtained the ISO/IEC 27001 certification, the international standard for information security management systems established by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), in 2023. Through the first-year surveillance audit in 2024, the company reconfirmed the system’s compliance and operational effectiveness. This demonstrates that the company’s information security efforts are not one-time responses but are operated under a continuous and systematic management framework. The company collaborates with external information security experts to objectively assess its information security level and continuously enhances its capabilities to identify and respond to security risks.



ISO/IEC 27001 Certificate

**RISK MANAGEMENT**

**Information Security Risk Management**

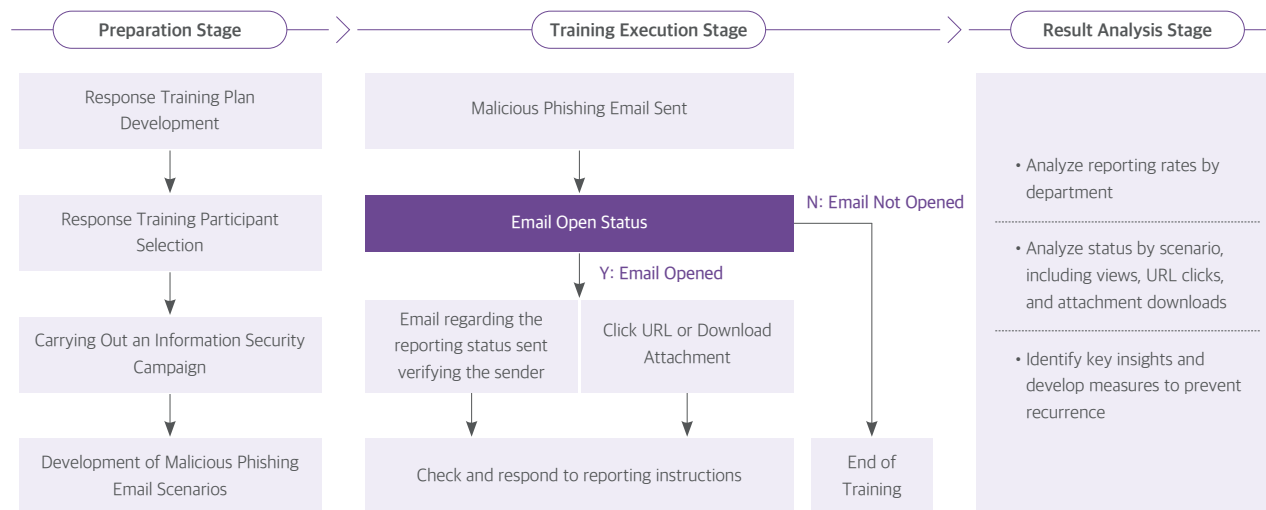
**Response to Information Security Incidents**

HDC Hyundai Development raises employee security awareness and conducts an annual simulated training exercise to prevent malware infections via email. To enhance the effectiveness of these trainings, the company has developed and operates scenario-based simulations reflecting various types of attacks. Based on the analysis of training outcomes, customized security education and response solutions are implemented to improve the information security system. Through these efforts, the company strengthens employees' security response capabilities and continuously advances organizational preparedness for real threat situations.

Information Security Audits and Training Status

| Category                                      | Inspection Entity         | Frequency   | Subject                                 |
|---|---------------------------|-------------|---|
| ISO/IEC 27001 Audit                           | Bureau Veritas            | Once a year | Information Security Center             |
| Malicious Email Response Training             | External Security Company | Once a year | All Employees                           |
| Penetration Testing                           | External Security Company | Once a year | Personal Information Processing Systems |
| Disaster Recovery Drill                       | Internal Team             | Once a year | Personal Information Processing Systems |
| Personal Information Subcontractor Inspection | External Security Company | Once a year | Personal Information Subcontractors     |

Information Security Incident Response Training Procedure



**Enhancement of Personal Information Protection**

HDC Hyundai Development conducts an annual Security Vulnerability Assessment on critical information processing systems that handle personal data. Additionally, the company regularly performs penetration tests on its website and key systems to strengthen its practical response capabilities against cyber threats. For security vulnerabilities identified during these assessments, risk-based improvement plans are developed and prioritized for phased remediation. This process continuously raises the overall level of information security and system robustness. Furthermore, to reinforce business continuity management, disaster recovery drills reflecting real-life scenarios are conducted on core business systems. Through these drills, the company ensures rapid recovery in case of incidents and establishes a stable operational framework.



Malicious Email Response Training

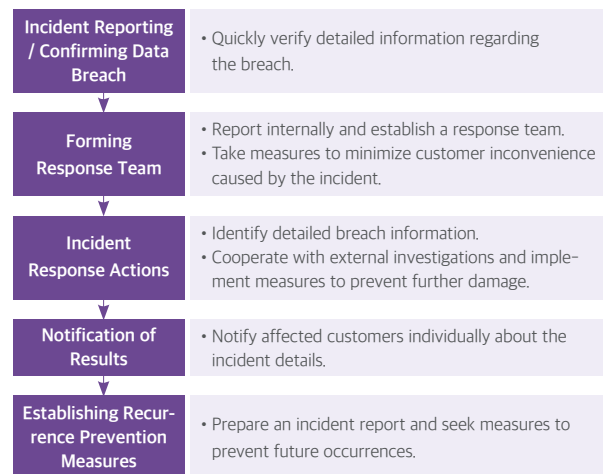
**RISK MANAGEMENT**

**Information Security Risk Management**

**Personal Data Protection**

HDC Hyundai Development Company recognizes the importance of personal data and applies comprehensive technical, administrative, and physical protection measures to ensure its safety. Critical information such as contract details, unique identification data like resident registration numbers, and sensitive information including health data of on-site workers are all stored in encrypted form. Even personnel handling personal data are restricted from arbitrarily printing or downloading this information. If printing or downloading personal data is necessary, prior approval from the department head and the Information Security Center is required. In such cases, the system operator securely delivers the data as encrypted files. Based on these security controls and preventive measures, there have been no incidents of personal data leakage or hacking to date. Additionally, the company continuously verifies the adequacy and effectiveness of its information security management system through annual ISO/IEC 27001 certification audits.

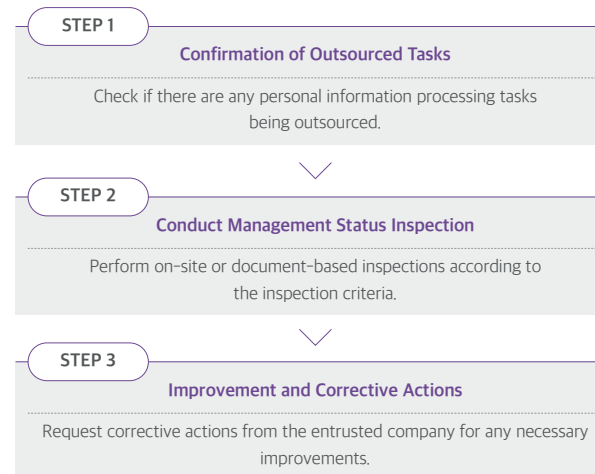
Personal Data Breach Response Procedure



**Personal Data Protection Status Inspection**

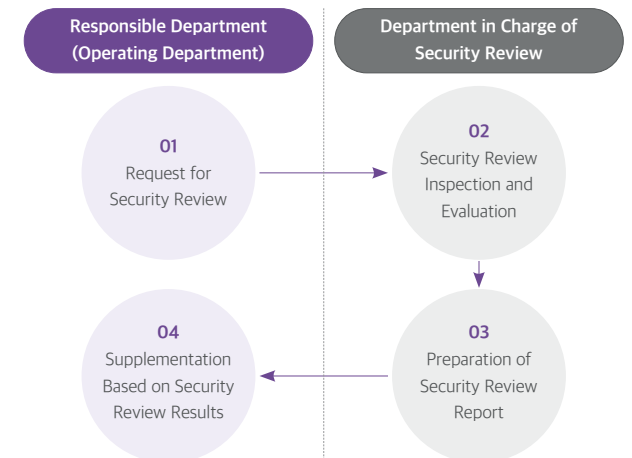
In accordance with Article 26 of the Personal Information Protection Act, when outsourcing personal data processing tasks to external partners, HDC Hyundai Development Company signs a consignment contract and verifies that the entrusted personnel have submitted information protection pledges and completed personal data protection training. Additionally, to ensure the security and proper handling of personal data by these partners, the company conducts a personal data protection status inspection at least once a year.

Partner Company Personal Information Protection Audit Procedure



**Strengthening Customer Personal Information Management**

To help customers better understand the key points of our personal information processing policy, we publish core information in an infographic format on our website. Additionally, to ensure employees handling personal data clearly understand and apply relevant standards in their daily work, we have developed and distributed an internal Personal Data Protection Practice Guide. Furthermore, we have improved operational procedures so that new business systems can only be launched after passing security reviews. This helps prevent personal data leaks caused by technical vulnerabilities in advance.



**METRICS AND TARGETS**

**Information Security Management Indicators**

As of 2024, HDC Hyundai Development Company has experienced zero cases of information security violations or personal data leaks. The company continues to advance a prevention-focused information security system.

Information Security Violations

| Category   | 2024 |
|--|------|
| Information Security Violations (Cases)  | 0    |
| Number of Victims Due to Information Security Violations such as Clients, Consumers, Employees, etc. (Persons) | 0    |

Status of Information Leaks

| Category                                     | 2024 |
|--|------|
| Number of Personal Information Leakage Cases | 0    |
| Number of Trade Secret Leakage Cases         | 0    |

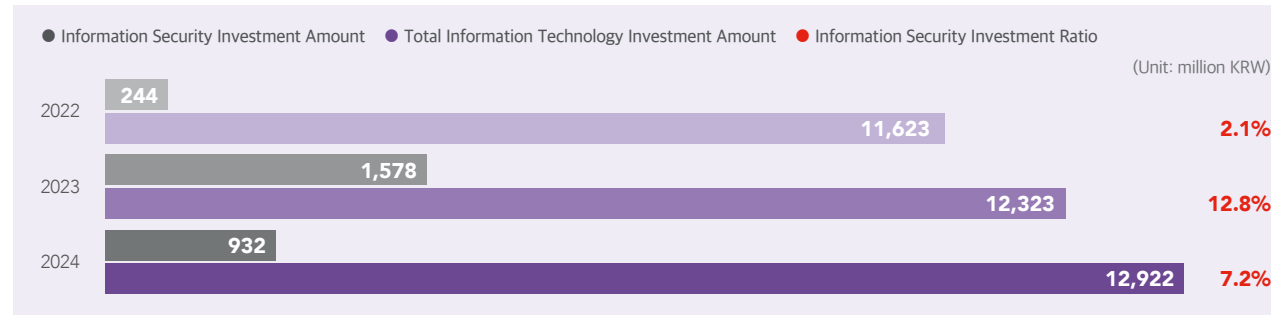
**Strengthening Security Inspections**

In 2024, HDC Hyundai Development Company upgraded its database access control solution to the latest version and newly implemented a server access control system to effectively block unauthorized access, thereby enhancing the security of key databases. In 2025, the company plans to introduce Hyper Converged Infrastructure (HCI)-based virtualization servers to address security vulnerabilities in aging servers, and in the second half of the year, it will strengthen incident response and recovery capabilities through an integrated backup solution.

**Information Security Investment**

HDC Hyundai Development Company recognizes the importance of information security and continues to increase its investment proportion relative to its information technology budget, thereby strengthening its capability to protect information assets. To securely safeguard critical information such as information assets, technical data, electronic documents, and customer information, the company is steadily expanding the scale and scope of investments in the field of information security. Moving forward, HDC Hyundai Development Company will not only continue to invest in information security but also enhance its management systems, awareness programs, and autonomous inspection systems. Through these efforts, the company aims to build a safe and trustworthy digital work environment and further reinforce its reputation as a leading company in information security excellence.

Information Security Investment Status



**Enhancing Employee Information Security Capabilities**

HDC Hyundai Development Company regularly conducts simulated incident response drills and information security awareness activities for all employees to strengthen their information security capabilities and establish a strong security culture within the organization. In particular, with the growing use of generative AI (such as ChatGPT) in the workplace, the company has proactively established internal guidelines for the use of generative AI to prevent the unintentional leakage of confidential and personal information. These guidelines will also be incorporated into the information security training programs. Additionally, technical security measures are implemented to block access to personal and sensitive information. Information security training is included in the onboarding process for new employees, and annual online training sessions are conducted for all employees. Furthermore, developers and operators who handle personal information processing systems receive separate advanced training to minimize security risks during the development phase. All training programs are continuously improved based on participant feedback, thereby building an effective and practical information security education system.

Information Security Training Status

| Category            | Employee Personal Information Protection Training | Outsourced Personnel Information Security Training |
|---------------------|---|--|
| Target Participants | 1,895   | 12   |
| Completers          | 1,879   | 12   |
| Completion Rate     | 99  | 100  |

Introduction

Company Overview

ESG Management

Our Priorities

**Sustainability Performance**

- Environmental

- Social

- **Governance**

Appendix



# Governance

**108** Transparent Governance

**116** Integrated Risk Management

# Transparent Governance

## Governance Principles

### Establishment of Sound Governance

HDC Hyundai Development Company upholds core values such as integrity in management, execution, innovation, creativity, customer-centricity, insight, and passion, with the corporate mission of realizing an enriched life and a trustworthy world. As a foundation for realizing these values, the company has established a Corporate Governance Charter to institutionalize transparency in governance and strengthen its responsible management system. This Charter includes key principles of governance such as shareholders' rights, board of directors, audit bodies, stakeholders, and market-based management oversight. It serves as a standard for building trust with stakeholders by transparently disclosing internal decision-making processes and related information. Moving forward, the company will continue to enhance the transparency and efficiency of its governance operations based on principles of ethical management and strengthen its trust-based enterprise-wide management.

### Functions and Roles of the Board of Directors

The highest decision-making body of HDC Hyundai Development Company is the Board of Directors, which is composed of five members. The board deliberates and resolves matters stipulated by law or the company's articles of incorporation, matters delegated by the general shareholders' meeting, and key issues related to the company's management and operations. The board appoints the Chairperson, the CEO, and key executives, and also performs oversight functions for the execution of duties by directors and executives. Beyond statutory requirements, the company mandates board deliberation and resolution for major business matters through its Articles of Incorporation and board regulations. Through professional board operation, HDC enhances managerial transparency, efficiency, and ensures robust corporate governance. Currently, the board consists of two executive directors and three non-executive directors, thereby securing independence from management and controlling shareholders, and reinforcing effective oversight. To respond swiftly to external changes and enable prompt decision-making, the CEO also serves as the Chairperson of the Board. Furthermore, the company has implemented a separation of nomination procedures through shareholder meetings and board nominations to prevent conflicts of interest.

### Board Member Appointment Procedures and Standards

To ensure transparency and fairness in board appointments, HDC Hyundai Development Company appoints all directors at the general shareholders' meeting in accordance with the Commercial Act and its Articles of Incorporation. When composing the board, the company selects candidates with expertise and capabilities that contribute to sustainable management. Information on director candidates is disclosed prior to the shareholders' meeting to support shareholders' decision-making. For non-executive directors, candidates are recommended by the Non-Executive Directors Candidate Recommendation Committee, confirmed by board resolution, and then appointed at the shareholders' meeting. Currently, the board consists of five members (two executive directors and three non-executive directors). The majority composition of non-executive directors ensures independence from management and controlling shareholders and strengthens the board's supervisory function. For executive directors, internal regulations limit concurrent positions held to ensure full commitment to board duties. The company also implements institutional safeguards to support the faithful execution of their responsibilities.

## Board Composition and Expertise

HDC Hyundai Development Company structures its Board of Directors at an optimal size to ensure that board committees can operate effectively and deliberate prudently. To establish a decision-making system grounded in independence and expertise, the company ensures that more than half of the board members are non-executive directors. These directors come from diverse professional backgrounds, including economics, finance, marketing, construction technology, and law, bringing a comprehensive range of expertise relevant to the construction industry. Additionally, to reinforce the independence and professionalism of the audit function, the Audit Committee is composed entirely of non-executive directors. This committee includes experts with practical experience in finance, accounting, and investment, thereby ensuring effective oversight and checks on executive management.

### Current Board of Directors Status

As of May 31, 2025

| Position                       | Name          | Gender | Appointment Date        | Term       | Major Career   | Areas of Expertise  | Board Skills Matrix                  |                        |                             |                            |            |                |           |
|--------------------------------|---------------|--------|-------------------------|------------|--|---|--------------------------------------|------------------------|-----------------------------|----------------------------|------------|----------------|-----------|
|                                |               |        |                         |            |  |   | Economics/<br>Business<br>Management | Finance/<br>Accounting | Safety, Health<br>& Quality | Construction<br>Technology | Fair Trade | Law/Regulation | Marketing |
| <b>Chief Executive Officer</b> | Kyung-ku Jung | Male   | 2025.03.26              | 2027.03.31 | <ul style="list-style-type: none"> <li>Current CEO and President of HDC Hyundai Development Company</li> <li>Former CEO of HDC CEO of HDC Asset Management</li> </ul>  | Overall responsibility for company operations and external affairs; Management of corporate planning. | ●                                    | ●                      |                             |                            |            | ●              |           |
| <b>Chief Safety Officer</b>    | Tae-jea Cho   | Male   | 2025.03.26 Reappointed  | 2027.03.31 | <ul style="list-style-type: none"> <li>Current CEO of HDC Hyundai Development Company CSO (Chief Safety Officer)</li> <li>Former Head of Construction Division at HDC Hyundai Development Company, HDC Hyundai Development Company Architectural PM</li> </ul> | Safety, Health, and Quality Management  |                                      |                        | ●                           | ●                          |            |                | ●         |
| <b>Non-Executive Director</b>  | Dong-soo Kim  | Male   | 2024.03.28. Reappointed | 2027.03.31 | <ul style="list-style-type: none"> <li>Current Distinguished Professor, Korea University Director, Korea University Future Growth Institute</li> <li>Former Chairperson, 16th Fair Trade Commission President, Export-Import Bank of Korea</li> </ul>          | Expert in Fair Trade and Economics  | ●                                    | ●                      |                             |                            |            | ●              | ●         |
| <b>Non-Executive Director</b>  | Jin-oh Kim    | Male   | 2024.03.28.             | 2027.03.31 | <ul style="list-style-type: none"> <li>Current Attorney at Dongin Law Firm</li> <li>Former Senior Judge at Changwon District Court Judicial Researcher at the Supreme Court</li> </ul>   | Expert in Legal Affairs and Risk Management   |                                      |                        |                             |                            |            | ●              | ●         |
| <b>Non-Executive Director</b>  | Jin-hee Choi  | Female | 2023.03.24.             | 2026.03.31 | <ul style="list-style-type: none"> <li>Current Professor of Marketing, College of Business, Korea University</li> </ul>  | Expert in Business Administration and Marketing   | ●                                    |                        |                             |                            |            | ●              | ●         |

- Environmental
- Social
- **Governance**

## Board Composition and Expertise

### Board Independence

HDC Hyundai Development Company enhances the independence and transparency of its board committees by appointing non-executive directors as chairpersons of all committees except the Safety and Health Committee. Additionally, the majority of each committee's members are non-executive directors, ensuring an independent decision-making structure. When appointing non-executive directors, candidates' potential conflicts of interest are thoroughly reviewed in advance to secure independence. Furthermore, after appointment, the company manages compliance with Article 542-8, Paragraph 2 of the Korean Commercial Act, ensuring that its non-executive directors do not simultaneously serve as directors, auditors, or executive officers at two or more other companies besides HDC Hyundai Development Company.

### Board Diversity

At the 5th General Shareholders' Meeting held on March 24, 2023, HDC Hyundai Development Company appointed its first female non-executive director, ensuring that the board is not composed of a single gender. By including female directors, the company supports the reflection of diverse stakeholder perspectives in management decisions, thereby enhancing shareholder value and strengthening the board's effective oversight of management.

### Support for Board's Performance of Duties

HDC Hyundai Development Company operates various institutional supports to ensure rational decision-making based on the expertise and independence of non-executive directors. To facilitate the smooth performance of non-executive directors' duties, the Finance Team provides support for board operations and information provision. Upon new appointments, face-to-face briefings on the audit system and the company's key status, along with various educational materials, are provided. Additionally, if non-executive directors request more detailed explanations on board agenda items, sufficient related materials are supplied to support rational and responsible decision-making. Regular and ad-hoc training sessions are conducted for board and audit committee members on key issues such as corporate governance reports, auditor designation systems, internal accounting control systems, and ESG regulatory trends. Practical training programs aimed at enhancing non-executive directors' understanding of the business and their professional capabilities are continuously operated. In 2024, training was conducted on topics including corporate value enhancement guidelines and the reporting system for specific securities trading plans, with plans to further expand ESG-related education in the future. Furthermore, board regulations explicitly allow non-executive directors to receive support from company employees or external experts through appropriate procedures when necessary. The company also provides directors and officers liability insurance (D&O insurance) at the company's expense, which compensates for legal liabilities incurred during duty performance except for intentional or gross legal violations, thereby supporting proactive and responsible fulfillment of directors' duties.



**60%**  
Non-Executive Director Ratio



**1**  
Female Directors

| Date of Training | Training Participants     | Key Training Contents  | Attendance Rate (%) |
|------------------|---------------------------|--|---------------------|
| 2024.06.28       | 3 Non-Executive Directors | Guidelines on Enhancing Corporate Value Plan   | 100                 |
| 2024.09.23       | 3 Non-Executive Directors | Explanation of Internal Accounting Control System and Reporting of Insider Trading Plans by Executives | 100                 |
| 2024.12.16       | 3 Non-Executive Directors | Auditor Appointment System, Global ESG Regulatory Trends and Response                                  | 100                 |

## Board Operations

### Board of Directors Activities

HDC Hyundai Development Company's Board of Directors operates under Article 6 of the "Board Regulations," distinguishing between regular and extraordinary board meetings. Regular board meetings are notified to all directors at least one week in advance, while extraordinary meetings are notified at least one day prior, including details on the schedule, location, and agenda, as stipulated in the company's Articles of Incorporation and Board Regulations. However, if all directors unanimously agree, meetings can be convened without these prior notifications. Accordingly, the company ensures sufficient time for directors to prepare and informs them of all meeting schedules well in advance. Board resolutions require a quorum of more than half of the directors present and must be approved by a majority of those present, except where otherwise specified by relevant laws. Resolutions adopted via remote communication methods that enable simultaneous voice transmission and reception by all directors are also considered valid attendance under Article 391 of the Commercial Act. Furthermore, the Board Regulations restrict directors from voting on matters where they have a special interest, preventing conflicts of interest in advance. In 2024, the Board convened a total of 12 times and reviewed 48 agenda items. Key sustainability-related agenda items included reports on greenhouse gas target management response plans, 2024 ESG management plans and performance reports, and approval and quarterly reporting of annual safety, health, and quality activities.

#### Number of Board Meetings Held and Agenda Items Reviewed

| Category                     | Number of Times (Count) |    |
|------------------------------|-------------------------|----|
| Number of Board Meetings     | 12                      |    |
| Total Number of Agenda Items | 48                      |    |
| Agenda Classification        | Resolutions             | 30 |
|                              | Reports                 | 18 |

#### Board Attendance Rate

| Category                               | Attendance Rate (%) |
|--|---------------------|
| Average Attendance Rate                | 100                 |
| Executive Director Attendance Rate     | 100                 |
| Non-Executive Director Attendance Rate | 100                 |

#### Board Agenda Items Related to Sustainable Management

| Date       | Major Agenda Item   | Resolution Status |
|------------|---|-------------------|
| 2024.01.25 | • Approval of electronic voting system  | • Approved        |
|            | • Appointment of fair trade compliance officer                                    | • Approved        |
|            | • Approval of 2024 Safety, Health, and Quality Activity Policy                    | • Approved        |
|            | • Report on 2023 Safety, Health, and Quality Activity Performance                 | • Reported        |
| 2024.02.26 | • Report on internal accounting management system operation                       | • Reported        |
|            | • Report on internal accounting management system evaluation                      | • Reported        |
|            | • Report on 2024 ESG business plan  | • Reported        |
| 2024.03.28 | • Appointment of committee members (and chairs) within the Board                  | • Approved        |
|            | • Approval of 2024 Environmental Management plan                                  | • Approved        |
| 2024.05.21 | • Approval of transaction limits with affiliates                                  | • Approved        |
|            | • Resignation and appointment of committee members (and chairs)                   | • Approved        |
|            | • Appointment of compliance officer   | • Approved        |
|            | • Report on Q1 2024 Safety, Health, and Quality activity performance              | • Reported        |
| 2024.06.21 | • Approval of transaction limits with affiliates                                  | • Approved        |
|            | • Report on the results of the Board evaluation                                   | • Reported        |
| 2024.07.01 | • Report on 2024 Sustainability Report publication (including materiality review) | • Reported        |
| 2024.07.25 | • Report on Q2 2024 Safety, Health, and Quality activity performance              | • Reported        |
| 2024.09.06 | • Report on fair trade compliance program (CP) performance                        | • Reported        |
| 2024.10.25 | • Report on Q3 2024 Safety, Health, and Quality activity performance              | • Reported        |
| 2024.11.15 | • Approval of transactions with affiliates  | • Approved        |
|            | • Approval of 2025 transaction limits with affiliates                             | • Approved        |
| 2024.12.16 | • Approval of changes to transactions with affiliates                             | • Approved        |
|            | • Report on fair trade compliance program (CP) performance                        | • Reported        |
|            | • Report on 2024 ESG management performance                                       | • Reported        |
|            | • Report on climate change response strategy                                      | • Reported        |
|            | • Report on 2024 Environmental Management results                                 | • Reported        |
|            | • Report on Greenhouse Gas Target Management system response plan                 | • Reported        |
|            | • Report on anti-corruption management system operation                           | • Reported        |
|            | • Report on compliance management system operation                                | • Reported        |

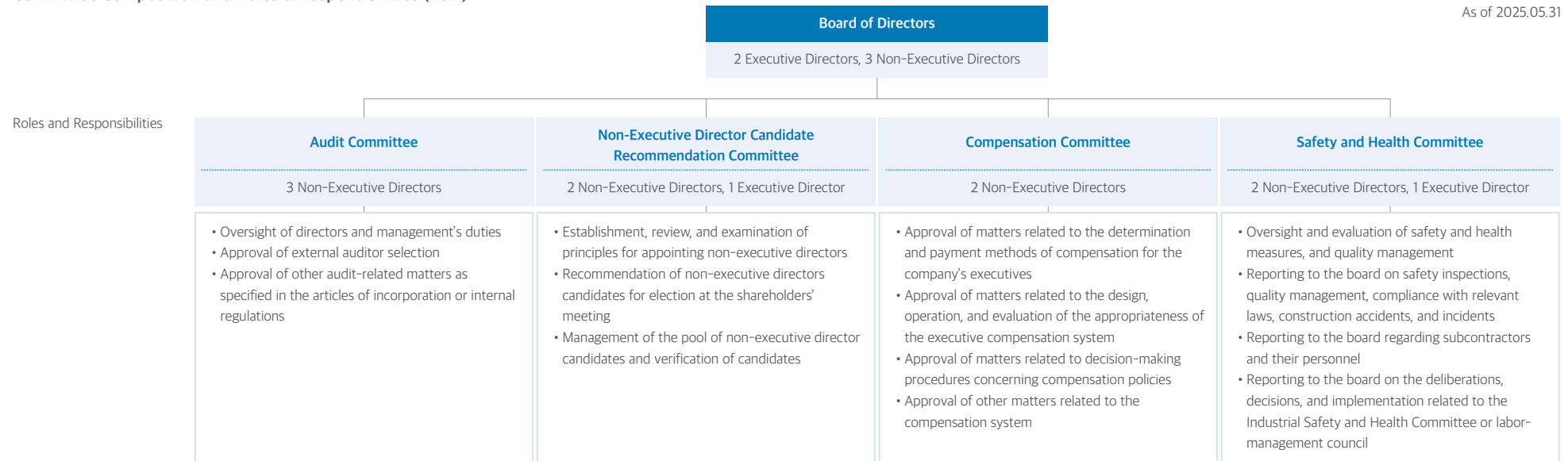
## Board Operations

### Committees within the Board

To enhance the expertise of the board and improve decision-making efficiency, HDC Hyundai Development Company has established and operates four committees under the board: the Audit Committee, the Non-Executive Director Candidate Recommendation Committee, the Compensation Committee, and the Health and Safety Commission. Except for the Safety and Health Committee, all committee chairs are appointed from among the non-executive directors, and the majority of members in each committee are non-executive directors, thereby strengthening independence and transparency. In particular, the Audit Committee and the Compensation Committee are composed entirely of non-executive directors to enable independent deliberation and decision-making. The purpose, authority, and responsibilities of each committee are clearly defined in their operating regulations, which are publicly available on the company's website.

### Committee Composition and Roles & Responsibilities (R&R)

As of 2025.05.31



### Committee Composition

| Category               | Audit Committee | Non-Executive Director Candidate Recommendation Committee | Compensation Committee | Safety and Health Committee |
|------------------------|-----------------|---|------------------------|-----------------------------|
| Executive Director     | Kyung-ku Jung   | ●   |                        |                             |
|                        | Tae-je Cho      |   |                        | Chairperson                 |
| Non-Executive Director | Dong-soo Kim    | ●   | ●                      |                             |
|                        | Jin-oh Kim      | ●   | Chairperson            | ●                           |
|                        | Jin-hee Choi    | ●   | Chairperson            | ●                           |

## Board Operations

### Committees within the Board

#### Audit Committee

HDC Hyundai Development Company's Audit Committee is composed entirely of non-executive directors to enhance corporate value and protect shareholder rights through lawful and reasonable decisions-making procedures. In 2023, the committee's operating regulations were revised to improve fairness and transparency by granting it prior review authority over affiliated transactions and non-audit services by non-executive directors, ensuring audit independence and accounting integrity.

| Meeting Date | Agenda Item   | Decision Status  | Attendance Rate (%) |
|--------------|---|--|---------------------|
| 2024.01.25   | <ul style="list-style-type: none"> <li>Approval of non-audit service contract with external auditor</li> <li>2023 fiscal year financial statements</li> <li>Results of the 4th quarter 2023 internal audit</li> <li>2024 internal audit plan</li> </ul>   | <ul style="list-style-type: none"> <li>Approved</li> <li>Reported</li> <li>Reported</li> <li>Reported</li> </ul> | 100                 |
| 2024.02.26   | <ul style="list-style-type: none"> <li>Approval of the 2023 fiscal year audit report</li> <li>Approval of the internal accounting control system evaluation report</li> <li>Approval of the 2024 internal audit plan</li> <li>Operation status of the internal accounting control system</li> </ul> | <ul style="list-style-type: none"> <li>Approved</li> <li>Approved</li> <li>Approved</li> <li>Reported</li> </ul> | 100                 |
| 2024.03.28   | <ul style="list-style-type: none"> <li>Appointment of the Chairperson of the Audit Committee</li> <li>Approval of the non-audit service contract with the external auditor</li> </ul>   | <ul style="list-style-type: none"> <li>Approved</li> <li>Approved</li> </ul>                                     | 100                 |
| 2024.04.26   | <ul style="list-style-type: none"> <li>Financial statements for the first quarter of 2024</li> <li>Internal audit results for the first quarter of 2024</li> </ul>  | <ul style="list-style-type: none"> <li>Reported</li> <li>Reported</li> </ul>                                     | 100                 |
| 2024.07.25   | <ul style="list-style-type: none"> <li>Approval of the non-audit service contract with the external auditor</li> <li>Financial statements for the second quarter of 2024</li> <li>Report on the internal audit results for the second quarter of 2024</li> </ul>                                    | <ul style="list-style-type: none"> <li>Approved</li> <li>Reported</li> <li>Reported</li> </ul>                   | 100                 |
| 2024.10.25   | <ul style="list-style-type: none"> <li>Financial statements for the third quarter of 2024</li> <li>Internal audit results for the third quarter of 2024</li> </ul>  | <ul style="list-style-type: none"> <li>Reported</li> <li>Reported</li> </ul>                                     | 100                 |
| 2024.11.26   | <ul style="list-style-type: none"> <li>Approval of contract matters with the designated auditor</li> </ul>  | <ul style="list-style-type: none"> <li>Approved</li> </ul>   | 100                 |
| 2024.12.16   | <ul style="list-style-type: none"> <li>Approval of non-audit service contracts with the external auditor</li> <li>Approval of transaction limits with affiliates for 2025</li> </ul>  | <ul style="list-style-type: none"> <li>Approved</li> <li>Approved</li> </ul>                                     | 100                 |

#### Non-Executive Director Candidate Recommendation Committee

The Non-Executive Director Candidate Recommendation Committee recommends candidates for non-executive directors to be presented at the shareholders' meeting. The committee conducts in-depth reviews of candidates' qualifications and expertise and systematically manages the candidate pool. The committee is composed of at least two directors within the board, with a majority being non-executive director as a principle. Accordingly, the company currently forms the committee with one executive director and two Non-Executive Director to meet legal requirements and ensure fair and independent candidate recommendations.

| Meeting Date | Agenda Item  | Decision Status  | Attendance Rate (%) |
|--------------|--|--|---------------------|
| 2024.02.26   | <ul style="list-style-type: none"> <li>Approval of non-executive director candidate nominations</li> </ul> | <ul style="list-style-type: none"> <li>Approved</li> </ul> | 100                 |
| 2024.12.16   | <ul style="list-style-type: none"> <li>Review of the pool of non-executive director candidates</li> </ul>  | <ul style="list-style-type: none"> <li>Reported</li> </ul> | 100                 |

#### Compensation Committee

HDC Hyundai Development Company's Compensation Committee, established by the Board, ensures objective and transparent executive pay. It reviews compensation levels for directors and senior executives and evaluates the compensation system's design and operation. The committee monitors alignment with the company's financial status and risks, making improvements through regular reviews. Composed entirely of non-executive directors, it maintains independence and prevents conflicts of interest.

| Meeting Date | Agenda Item  | Decision Status  | Attendance Rate (%) |
|--------------|--|--|---------------------|
| 2024.03.28   | <ul style="list-style-type: none"> <li>Appointment of the Chairperson of the Compensation Committee</li> </ul> | <ul style="list-style-type: none"> <li>Approved</li> </ul> | 100                 |
| 2024.08.23   | <ul style="list-style-type: none"> <li>2024 Fiscal Year Wage Adjustment</li> </ul>                             | <ul style="list-style-type: none"> <li>Approved</li> </ul> | 100                 |

#### Safety and Health Committee

The Safety and Health Committee was established to incorporate the opinions of minority shareholders, and the company amended its Articles of Incorporation with approval at the 4th General Shareholders' Meeting in 2022 to formalize related provisions. According to its regulations, the Safety and Health Committee supervises and evaluates key matters related to safety, health, and quality management, and performs various related duties. Due to the nature of the committee's work, which requires prompt reporting and decision-making as well as a thorough understanding of the industry, it is composed of one executive director with extensive relevant work experience and two non-executive directors.

| Meeting Date | Agenda Item   | Decision Status  | Attendance Rate (%) |
|--------------|---|--|---------------------|
| 2024.01.24   | <ul style="list-style-type: none"> <li>Approval of 2023 Safety, Health, and Quality Activity Performance</li> <li>Approval of 2024 Safety, Health, and Quality Activity Plan</li> </ul> | <ul style="list-style-type: none"> <li>Approved</li> <li>Approved</li> </ul> | 100                 |
| 2024.04.26   | <ul style="list-style-type: none"> <li>Approval of Safety, Health, and Quality Activity Performance for Q1 2024</li> </ul>  | <ul style="list-style-type: none"> <li>Approved</li> </ul>                   | 100                 |
| 2024.07.25   | <ul style="list-style-type: none"> <li>Approval of Safety, Health, and Quality Activity Performance for Q2 2024</li> </ul>  | <ul style="list-style-type: none"> <li>Approved</li> </ul>                   | 100                 |
| 2024.10.25   | <ul style="list-style-type: none"> <li>Approval of Safety, Health, and Quality Activity Performance for Q3 2024</li> </ul>  | <ul style="list-style-type: none"> <li>Approved</li> </ul>                   | 100                 |

## Board Operations

### Board Evaluation and Compensation

HDC Hyundai Development Company conducts annual evaluations of the Board of Directors and its committees to continuously advance a transparent and sophisticated corporate governance structure and to enhance the efficiency of Board operations. The evaluation criteria consist of the Board's roles and responsibilities, Board structure, Board operations, operations of committees within the Board, and individual director activities. Each director completes the evaluation through a self-assessment survey. The evaluation results are reported to the Board and used as foundational data for the continuous improvement of Board operations and as a basis for determining whether directors should be reappointed. Regarding director compensation, base salaries are determined within the remuneration limits approved annually by the shareholders' meeting, based on a comprehensive evaluation of position, nature of duties, and performance outcomes, as resolved by the Compensation Committee within the Board. In addition, bonuses are awarded by comprehensively reflecting quantitative evaluations such as sales and operating profit, as well as qualitative evaluations including value enhancement of held assets, discovery of new businesses, establishment of efficient management systems, and other strategic objectives. Particularly for executive directors, the final compensation amount is determined by including non-financial performance indicators from key performance metrics, and severance pay is separately provided in accordance with the relevant employment regulations. The overall compensation status is transparently disclosed to stakeholders through the company's business report.

Board of Directors and Committee Evaluation Results (out of 5 points)

| Category                                     | Evaluation Items  | Average Score |
|--|---|---------------|
| Board Roles and Responsibilities             | Role of the Board   | 5             |
|  | Responsibilities and Duties of the Board                  | 5             |
| Board Structure                              | Board Composition   | 5             |
|  | Independence of the Board                                 | 5             |
|  | Board Operating Procedure                                 | 4.67          |
| Board Operations                             | Board Agenda  | 5             |
|  | Information Gathering                                     | 5             |
|  | Committee Structure                                       | 5             |
| Operations of Board Committees               | Committee Operations                                      | 5             |
|  | Safety and Health Committee                               | 5             |
|  | Compensation Committee                                    | 5             |
|  | Audit Committee   | 4.89          |
|  | Non-Executive Director Candidate Recommendation Committee | 5             |
| Evaluation of Individual Director Activities |   | 4.93          |

### Standards for Director Remuneration

**Salary** The base salary is determined based on the resolution of the Compensation Committee, taking into account factors such as job grade, nature of duties, and performance outcomes.

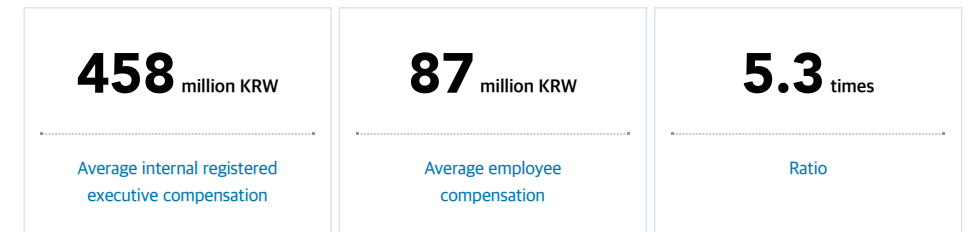
**Bonus** Based on the resolution of the Compensation Committee, remuneration may be paid by comprehensively evaluating quantitative indicators—such as sales revenue, operating profit, net income, and financial income and expenses—and qualitative indicators, which include enhancing the value of held assets, discovering new businesses to improve sustainability, establishing an efficient management system, and other strategic objectives.

### Board remuneration paid

| Category  | Number of People <sup>1)</sup> (persons) | Total Remuneration (million KRW) | Average Remuneration per Person (million KRW) | Remarks                             |
|---|--|----------------------------------|---|-------------------------------------|
| Executive Directors                                 | 3  | 1,596                            | 458   | including retired directors         |
| Non-Executive Directors (excluding Audit Committee) | -  | 49                               | 58  | including retired and new directors |
| Audit Committee Members                             | 3  | 144                              | 58  | including retired and new directors |

1) As of December 31, 2024, including retired and new directors, the average number of Audit Committee members serving between January 1 and December 31, 2024, is 2.5.

### The average compensation ratio between internal registered executives and employees



## Shareholder-Friendly Management

### Shareholder Composition

HDC Hyundai Development Company has an authorized capital of 200,000,000 shares according to its Articles of Incorporation, of which 65,907,330 shares have been issued, all of which are common shares. The company grants each shareholder one voting right per share and actively strives to ensure fair voting rights in accordance with the Commercial Act and related laws to prevent any infringement of shareholders' fundamental rights.

### Protection of Shareholders' Interests

HDC Hyundai Development explicitly specifies key matters for the protection of shareholders' interests in its internal regulations, in compliance with the Commercial Act and related laws. Based on these regulations, the company operates various systems to effectively guarantee shareholders' rights. Regarding the general shareholders' meeting, the company announces all information including date, venue, and agenda at least four weeks prior via the electronic disclosure system. To enable shareholders to exercise their voting rights rationally and with sufficient information, proxy voting recommendations and electronic voting systems have been introduced for convenience. Furthermore, HDC Hyundai Development pursues financial efforts to enhance shareholder value and strengthen trust. In 2023, the company acquired treasury shares worth approximately 20 billion KRW. At the 2024 regular shareholders' meeting, the company amended its Articles of Incorporation to change the dividend record date, ensuring that information about dividend decisions and amounts is provided in advance in line with global standards. Additionally, the company established and disclosed a medium- to long-term dividend policy from 2024 to 2026, pledging to pay cash dividends of at least 20% of separate net income annually. This policy aims to improve dividend predictability for shareholders and investors. HDC Hyundai Development actively addresses the protection of minority shareholders' rights as well as those of the majority. In February 2022, responding to a request from Stichting Depository APG Emerging Markets Equity Pool (APG), the company accepted demands including the incorporation of safety, health, and quality policies into the Articles of Incorporation and strengthening the responsibilities of top management. These matters were submitted as agenda items at the 4th regular shareholders' meeting on March 29, 2022, demonstrating respect for minority shareholders' rights and reinforcing the foundation of responsible corporate governance.

Shareholder Status (As of 2024.12.31)

| Category                 | Number of Shares  | Percentage(%) |
|--------------------------|-------------------|---------------|
| HDC                      | 27,366,352        | 41.52         |
| National Pension Service | 8,113,448         | 12.31         |
| Foreigners               | 8,821,790         | 13.39         |
| Others                   | 21,605,740        | 32.78         |
| <b>Total</b>             | <b>65,907,330</b> | <b>100</b>    |

Key Dividend Indicators

| Category                                | Unit        | 2024   |
|---|-------------|--------|
| <b>Total Cash Dividends</b>             | million KRW | 44,919 |
| <b>Cash Dividend Payout Ratio</b>       | %           | 28.3   |
| <b>Cash Dividend Yield<sup>1)</sup></b> | %           | 3.7    |
| <b>Cash Dividend per Share</b>          | KRW         | 700    |

1) 2024 Cash Dividend Yield Calculation Basis: The ratio of the per-share cash dividend to the arithmetic average closing price on the stock exchange over the one-week period preceding the trading day immediately before the dividend decision date (the board resolution date of February 25, 2025).

### Compliance with Key Corporate Governance Indicators

HDC Hyundai Development complies with 13 out of 15 key corporate governance indicators recommended by financial authorities to enhance transparency and trust in corporate governance. The company plans to continuously strengthen its institutional framework to establish a sound and advanced governance system.

Status of Compliance with Key Corporate Governance Indicators

| Category                  | Key Indicator  | Compliance Status |
|---------------------------|--|-------------------|
| Shareholders              | 1. Announcement of shareholders' meeting at least 4 weeks in advance   | ●                 |
|                           | 2. Execution of electronic voting  | ●                 |
|                           | 3. Holding shareholders' meetings on days other than the concentrated meeting day                                    | ●                 |
|                           | 4. Providing predictability regarding cash dividends   | ●                 |
|                           | 5. Notifying shareholders at least once a year about dividend policy and dividend payment plans                      | ●                 |
| Board of Directors        | 6. Establishment and operation of CEO succession policy (including emergency appointment plan)                       | ●                 |
|                           | 7. Establishment and operation of internal control policies, including risk management                               | ●                 |
|                           | 8. Whether a non-executive director serves as the chairperson of the board   | ×                 |
|                           | 9. Adoption of cumulative voting system  | ×                 |
| Audit Committee           | 10. Prevention of appointing executives responsible for damaging corporate value or infringing on shareholder rights | ●                 |
|                           | 11. Board composed of members of more than one gender  | ●                 |
|                           | 12. Establishment of an independent internal audit department  | ●                 |
|                           | 13. Presence of accounting or financial experts within the internal audit body                                       | ●                 |
|                           | 14. Internal audit body holds meetings with external auditors at least once quarterly without management present     | ●                 |
|                           | 15. Procedures in place to allow the internal audit body access to important management-related information          | ●                 |
| <b>Compliance Rate(%)</b> |  | <b>86.7</b>       |

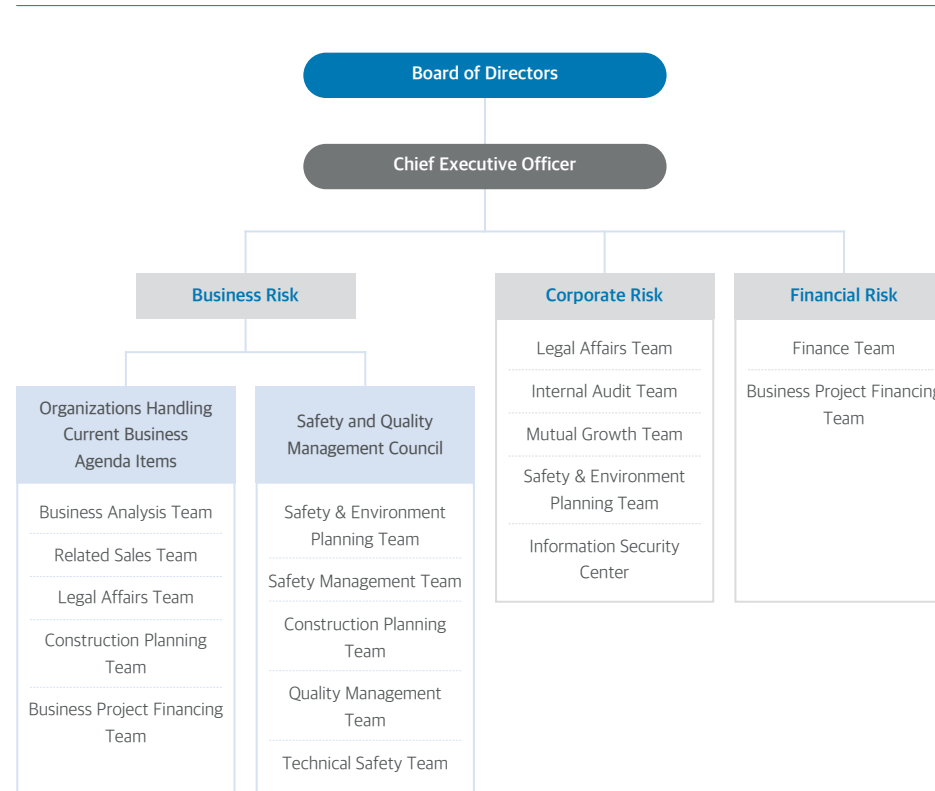
# Integrated Risk Management

## GOVERNANCE

### Integrated Risk Management System

In response to growing social demands for sustainable management, HDC Hyundai Development systematically manages risks across the entire company from the perspective of its stakeholders. Dedicated departments are assigned responsibility for managing each type of risk, including business, corporate, and financial risks. These departments identify potential risks and collaborate with related teams to operate an integrated risk management system. Additionally, in the event of exceptions or unusual situations, a consultative body involving relevant departments and management convenes to explore solutions, managing risks by supporting informed decision-making by the executive team.

Organizational Chart



Enterprise-wide Risk Identification

|                       | Identified Risks  | Relevant Stakeholders   | Responsible Teams  |
|-----------------------|---|---|--|
| <b>Business Risk</b>  | <ul style="list-style-type: none"> <li>Market Environment: Pre-sale viability, permits and approvals, project financing (PF)/construction funds</li> <li>Quality &amp; Safety: Construction period, quality, cost, safety, design</li> <li>Industry Environment: Labor unions, regulations, partner companies, material supply</li> <li>Business Operations: Profit and loss fluctuations, contract amendments</li> </ul> | Employees, Partner Companies, Customers, Investors, Shareholders, Government Agencies | Relevant Enterprise-wide Departments   |
| <b>Corporate Risk</b> | <ul style="list-style-type: none"> <li>Climate Change: Greenhouse gas reduction, strengthened regulations</li> <li>Compliance: Relevant laws and regulations, ethical standards</li> <li>Community Impact: Environmental pollution, building damage</li> <li>Information Security: Customer information, confidential information</li> </ul>  | Employees, Customers, Investors, Government Agencies, Local Communities               | Legal Affairs Team, Internal Audit Team, Mutual Growth Team, Safety & Environment Planning Team, Information Security Center |
| <b>Financial Risk</b> | <ul style="list-style-type: none"> <li>Liquidity: Market (foreign exchange, interest rates), credit</li> <li>Contingent Liabilities: Credit</li> </ul>  | Employees, investors, shareholders  | Finance Team<br><br>Business Project Financing Team  |

## **RISK MANAGEMENT**

### **Business Risk Management**

HDC Hyundai Development Company is continuously improving its decision-making processes to respond flexibly to rapidly changing market conditions and enhance the effectiveness of risk management. From project acquisition to execution, the company systematically identifies business risks through a step-by-step decision-making framework. Even after deciding to participate in a project, HDC Hyundai Development Company proactively addresses potential risks by fostering interdepartmental collaboration to develop optimal response strategies. In particular, in 2024, to respond to heightened risks stemming from a downturn in the real estate market, HDC Hyundai Development Company further strengthened its feasibility review and risk management framework. A new Project Life Cycle (PLC) management system was developed and introduced to enable real-time monitoring of risks throughout all project phases. This system records and manages standardized project information monthly, allowing the company to track changes in project status and respond to risks in a timely manner. The Risk Management (RM) Team conducts pre-assessments of potential business risks throughout the project lifecycle and works with management to develop strategies that minimize negative impacts on profitability. Additionally, the Business Analysis Team supports risk management by operating internal meetings and reporting systems through a dedicated Organizations Handling Current Business Agenda Items, assisting in the identification of risks and formulation of response strategies. Through this integrated risk response framework, HDC Hyundai Development Company aims to detect business risks early and continuously strengthen its ability to proactively minimize financial and operational impacts.

#### **Business Risk Management Process by Project Stage**

##### **① Bidding Stage**

HDC Hyundai Development Company establishes a solid decision-making foundation for strategic project participation by thoroughly identifying risks and reviewing profitability from the early stages of project acquisition. To achieve this, the company operates a three-step review process consisting of Kick-off meetings, preliminary assessments, and the Investment Committee. For high-risk projects, filtering criteria are strengthened to carefully evaluate the feasibility of participation. Since 2023, the company has implemented a process to pre-assess the environmental and social impacts of new development projects on local communities and report the results to the Investment Committee. This approach aims to proactively minimize potential negative effects during construction while maximizing positive social and environmental outcomes, thereby further strengthening the foundation for sustainable project execution.

##### **② Preparation Stage**

After project acquisition, HDC Hyundai Development Company continuously monitors compliance with conditions set by the Investment Committee and any changes affecting project viability. When risks are anticipated during project execution, immediate responses are reviewed

through Business Issue Review Meetings. During the pre-sale phase, a Pricing Review Committee determines appropriate prices to proactively mitigate unsold inventory risks, while financing strategies are formulated through Management and Disposal Review Meetings. Additionally, model house inspections rigorously examine interior finishes and options, forming the basis for strategies to improve sales success rates. In 2025, a new Groundbreaking Meeting was established, conducting risk assessments at three critical stages: before groundbreaking, during major construction phases, and before completion. These assessments cover development, design, management, and construction risks, with follow-up actions linked to the issues identified to strengthen a prevention-focused management system. This process continuously minimizes execution risks prior to construction.

##### **③ Execution Stage**

Throughout the project lifecycle, HDC Hyundai Development Company comprehensively manages key risks such as safety, quality, schedule, and profitability, coordinating responses at the enterprise level. Safety is evaluated monthly at all sites, applying a tiered management system based on risk levels. Quality is managed multilayeredly through

autonomous site inspections, head office-led regular audits, patrol checks, and ISO-based evaluations. Profitability risks are classified into three levels according to project risk, with tiered management accordingly. Construction progress and cost issues are regularly verified through monthly site visits and face-to-face inspections with responsible personnel. Through these consistent risk management processes, the company minimizes financial and operational losses during construction and ensures stable project execution and achievement of results.

##### **④ Completion Stage**

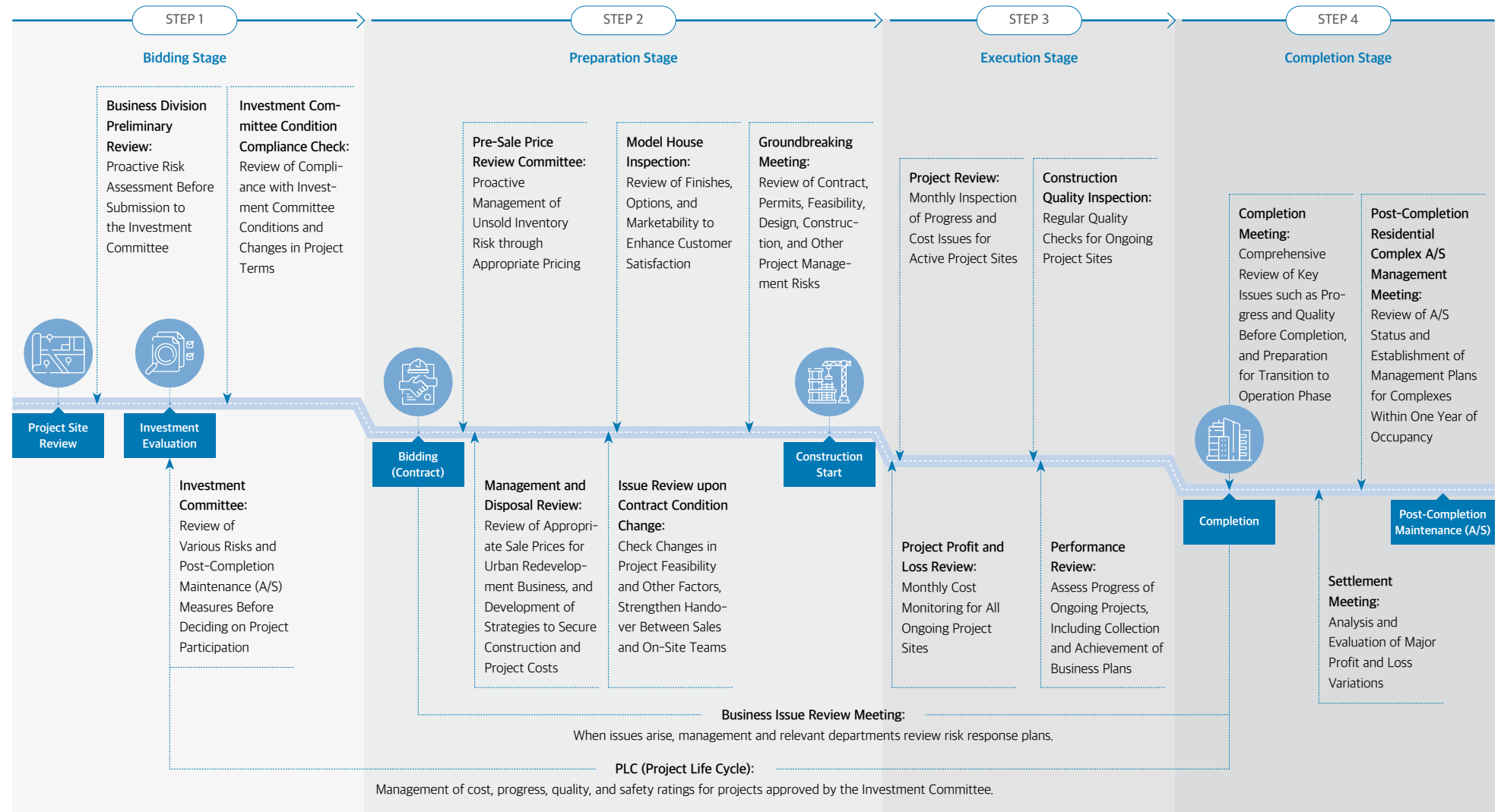
After project completion, HDC Hyundai Development Company inspects after-service (A/S) handling rates and management methods within one year of project handover to enhance customer satisfaction. The company also conducts a Liquidation Meeting to analyze major profit and loss fluctuations at each stage after Investment Committee approval and evaluates the contribution of project personnel to review fund usage appropriateness. These analyses are shared with relevant departments, fostering organizational learning and improvement, and actively serve as a foundation to strengthen responses in future similar projects.

- Environmental
- Social
- **Governance**

**RISK MANAGEMENT**

**Business Risk Management**

Risk Management Process by Project Stage



**RISK MANAGEMENT**

**Corporate Risk Management**

**Climate Change Response**

HDC Hyundai Development Company operates an integrated management system that incorporates environmental factors throughout the entire project lifecycle to proactively address both physical and regulatory risks arising from climate change. In the pre-project phase, environmental impact assessments are conducted in connection with permitting procedures. For projects undertaken directly by the company, HDC Hyundai Development Company performs these assessments internally, while for association-led or private projects, the respective implementing entities carry out the evaluations. During construction, the company analyzes the potential impacts of extreme weather events such as heatwaves and heavy rainfall on project schedules in advance, adjusting work plans flexibly to accommodate legally mandated work restrictions. Additionally, potential physical damages and compensation risks caused by climate factors are reviewed beforehand, with response strategies developed accordingly. Where company-wide standards need enhancement, HDC Hyundai Development Company establishes frameworks progressively through consultations with management. In the operational phase, the company continuously strives to improve energy efficiency, having established design guidelines for zero-energy buildings to strengthen the technological foundation for environmentally friendly construction.

**Community Impact Assessment**

HDC Hyundai Development Company comprehensively manages the environmental and social impacts of its construction sites on local communities by proactively identifying both positive and negative factors throughout the entire construction process and operating corresponding response systems. The company actively pursues initiatives expected to generate positive outcomes such as job creation through regional development and infrastructure improvement, support for local small businesses, and revitalization of the regional economy. At the same time, it minimizes negative impacts by implementing preventive measures against environmental issues like noise, vibration, dust dispersion, soil contamination, and ecosystem disruption, as well as addressing concerns related to residents' safety and health and the structural stability of nearby buildings. The company strengthens communication with local communities by publicly sharing real-time environmental management information such as noise levels and fine dust concentrations at construction sites. If cracks occur in nearby buildings, safety inspections are promptly conducted, followed by reinforcement work to alleviate residents' concerns and ensure structural stability. Starting in 2024, HDC Hyundai Development Company introduced a formal procedure at the investment review committee stage to discuss and evaluate the community impact of newly proposed projects. It also established a foundation to identify and proactively respond to impacts during pre- and post-construction phases. Looking ahead, the company plans to expand data-driven improvement activities by comparing and analyzing the effects of mitigation measures before and after implementation, aiming to prevent similar damages and deepen genuine coexistence with local communities.

Community Impact Assessment and Response Measures

| Site Name   | Impact                          | Response Case   |
|---|---------------------------------|---|
| <ul style="list-style-type: none"> <li>• <a href="#">Daejeon Yongdudong 3 District Redevelopment</a></li> <li>• <a href="#">Jeonju Near Military Manpower Office Redevelopment</a></li> <li>• <a href="#">Nameyeong-dong District 2 Redevelopment Project</a></li> <li>• <a href="#">Mia 9-2 District Redevelopment</a></li> <li>• <a href="#">Wonju Danje Jugong Reconstruction</a></li> </ul> | <p>Positive</p> <p>Negative</p> | <ul style="list-style-type: none"> <li>• Contributed to alleviating parking shortages during redevelopment</li> <li>• Reduced carbon emissions through the use of eco-friendly materials and technologies → Supporting environmental protection and lowering greenhouse gas emissions</li> <li>• Complaints from nearby schools and merchants during construction → Resolved resident concerns through construction and process management that carefully consider the surrounding environment</li> </ul> |
| <ul style="list-style-type: none"> <li>• <a href="#">Busan Gwang-an 4 District Redevelopment</a></li> <li>• <a href="#">Busan Yeonsan 10 District Redevelopment</a></li> <li>• <a href="#">Daejeon Gayangdong 1 District Redevelopment</a></li> <li>• <a href="#">Yongsan Maintenance Depot Front 1 District Redevelopment</a></li> </ul>   | <p>Positive</p> <p>Negative</p> | <ul style="list-style-type: none"> <li>• Mitigated concerns about flooding caused by monsoon rains and heavy downpours, providing a safer environment for residents.</li> <li>• Proper disposal of waste and pollutants in compliance with the Waste Management Act and related regulations.</li> </ul>   |
| <ul style="list-style-type: none"> <li>• <a href="#">Jangan Hyundai Apartment Reconstruction</a></li> </ul>   | <p>Positive</p> <p>Negative</p> | <ul style="list-style-type: none"> <li>• Contributing to the preservation of nearby schools at risk of closure through reconstruction projects.</li> <li>• Due to the presence of commercial and community facilities, residents may have concerns about outsiders entering the complex → To prevent resident complaints, the movement paths of outsiders are partially separated and controlled.</li> </ul>  |

## RISK MANAGEMENT

### Corporate Risk Management

#### Compliance Adherence

HDC Hyundai Development Company operates a systematic internal management process to proactively address compliance risks that may arise over the long business cycles typical in real estate and construction industries. The company focuses on legal and ethical risks in subcontracting contracts and sales activities as key management areas and strengthens organizational response systems for each issue. Regular training and awareness programs are conducted for employees involved in subcontracting contracts, and rapid response measures are taken to prevent the spread of risks when issues arise. For sales personnel, regular ethics training is provided, and inspection systems are established and managed according to relevant standards to maintain a fair business environment by preventing unethical sales practices.

#### Strengthening Information Security

To systematically identify and manage information security risks in the evolving digital environment, HDC Hyundai Development Company conducts regular penetration testing and vulnerability assessments on its enterprise systems in collaboration with external security specialists. This enables early detection of security weaknesses within systems, and continuous improvement measures are implemented to enhance information protection levels. In 2025, the company plans to conduct focused inspections to proactively address personal data leaks and security incidents that could arise from the adoption of external generative AI technologies such as ChatGPT. Additionally, preventive measures include the deployment of security solutions and improvements in internal work processes.

### Financial Risk Management

#### Cash Management

HDC Hyundai Development Company systematically manages financial risks related to cash management, liquidity, borrowings, and contingent liabilities by continuously monitoring key financial indicators. The Finance Team analyzes causes behind significant changes in these indicators compared to the previous quarter and promptly reports to management to support swift and accurate decision-making. Key indicators include cash inflow changes due to order decreases or increased unsold inventory, cash outflow impacts from rising cost ratios and net borrowings, overall cash flow risks, as well as macroeconomic variables such as market interest rate hikes and real estate policy changes. Based on these indicators, early warning signals are detected in advance, and phased crisis response plans are developed and executed. When major risks are identified, relevant departments are immediately convened to review project status. For projects with performance deviations, targeted response measures are implemented to minimize financial risks.

#### Liquidity Management

The company maintains a comprehensive framework to control liquidity risks alongside cash management, borrowings, contingent liabilities, and major financial metrics. The Finance Team monitors variations in key indicators against predefined thresholds, enabling proactive responses through rapid analysis and reporting to executive management. The core monitoring metrics include cash inflows (order reduction, unsold units), cash outflows and overall cash flow (cost increases, net borrowings), and macroeconomic factors (interest rate changes, real estate policy shifts). Continuous surveillance of these indicators allows for timely detection of warning signals, prompting the activation of tiered contingency plans. When needed, relevant teams are immediately assembled to manage emerging risks, and precise project-level reviews are conducted to prevent further financial impact where cash collection gaps appear.

#### Contingent Liability Management

To prevent contingent liabilities from converting into direct company debts, HDC Hyundai Development Company operates a structured management system tailored by project type and phase. The Project Financing Team oversees contingent liabilities arising from project funding, guarantees for developers and associations, managing timing, credit enhancement methods, and overall guarantee exposure comprehensively. Regular risk assessments are conducted through the Investment Committee and Project Issue Review Meetings to establish project-specific mitigation strategies, enabling proactive control. Additionally, the company maintains sufficient cash liquidity and pre-arranges diverse financing options to safeguard financial soundness and liquidity stability against potential contingent liability conversions.

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# ESG Data

## Financial Data

### Financial Performance (Consolidated)

| Income Statement                    | Unit            | 2022   | 2023   | 2024   |
|-------------------------------------|-----------------|--------|--------|--------|
| Sales                               | 100 million KRW | 32,983 | 41,908 | 42,562 |
| Cost of sales                       | 100 million KRW | 29,818 | 38,101 | 38,542 |
| Gross profit                        | 100 million KRW | 3,165  | 3,807  | 4,020  |
| Selling and administrative expenses | 100 million KRW | 2,011  | 1,859  | 2,126  |
| Operating profit (loss)             | 100 million KRW | 1,164  | 1,953  | 1,846  |
| Other profit                        | 100 million KRW | 481    | 245    | 279    |
| Other losses                        | 100 million KRW | 962    | 336    | 335    |
| Interest income                     | 100 million KRW | 1,028  | 947    | 819    |
| Interest expenses                   | 100 million KRW | 630    | 455    | 554    |
| Financial income                    | 100 million KRW | 47     | 23     | 29     |
| Financial expense                   | 100 million KRW | 2      | 11     | 85     |
| Net profit (loss) before tax        | 100 million KRW | 1,209  | 2,370  | 2,002  |
| Tax expense                         | 100 million KRW | 707    | 641    | 446    |
| Net profit (loss)                   | 100 million KRW | 502    | 1,729  | 1,557  |

| Balance Sheet           | Unit            | 2022   | 2023   | 2024   |
|-------------------------|-----------------|--------|--------|--------|
| Current assets          | 100 million KRW | 54,425 | 49,873 | 53,804 |
| Non-current assets      | 100 million KRW | 18,938 | 20,290 | 20,815 |
| Total Assets            | 100 million KRW | 73,363 | 70,163 | 74,619 |
| Current liabilities     | 100 million KRW | 34,591 | 31,476 | 35,100 |
| Non-current liabilities | 100 million KRW | 9,753  | 8,607  | 8,373  |
| Total Liabilities       | 100 million KRW | 44,345 | 40,083 | 43,473 |
| Total Equity            | 100 million KRW | 29,019 | 30,080 | 31,146 |

### Financial Performance (Separate)

| Income Statement                    | Unit            | 2022   | 2023   | 2024   |
|-------------------------------------|-----------------|--------|--------|--------|
| Sales                               | 100 million KRW | 32,835 | 41,627 | 42,114 |
| Cost of sales                       | 100 million KRW | 29,902 | 38,077 | 38,294 |
| Gross profit                        | 100 million KRW | 2,934  | 3,550  | 3,819  |
| Selling and administrative expenses | 100 million KRW | 1,844  | 1,661  | 1,924  |
| Operating profit (loss)             | 100 million KRW | 1,100  | 1,893  | 1,847  |
| Other profit                        | 100 million KRW | 490    | 249    | 287    |
| Other losses                        | 100 million KRW | 973    | 324    | 320    |
| Interest income                     | 100 million KRW | 1,022  | 953    | 818    |
| Interest expenses                   | 100 million KRW | 630    | 454    | 554    |
| Financial income                    | 100 million KRW | 46     | 22     | 29     |
| Financial expense                   | 100 million KRW | 1      | 10     | 83     |
| Net profit (loss) before tax        | 100 million KRW | 1,055  | 2,328  | 2,023  |
| Tax expense                         | 100 million KRW | 689    | 608    | 435    |
| Net profit (loss)                   | 100 million KRW | 366    | 1,720  | 1,588  |

| Balance Sheet           | Unit            | 2022   | 2023   | 2024   |
|-------------------------|-----------------|--------|--------|--------|
| Current assets          | 100 million KRW | 54,114 | 49,716 | 53,145 |
| Non-current assets      | 100 million KRW | 16,625 | 17,952 | 18,189 |
| Total Assets            | 100 million KRW | 70,738 | 67,668 | 71,334 |
| Current liabilities     | 100 million KRW | 31,258 | 28,272 | 31,090 |
| Non-current liabilities | 100 million KRW | 9,727  | 8,579  | 8,346  |
| Total Liabilities       | 100 million KRW | 40,985 | 36,850 | 39,436 |
| Total Equity            | 100 million KRW | 29,754 | 30,818 | 31,898 |

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### Distribution of Economic Value to Stakeholders

| Category                   |                             | Unit            | 2022   | 2023   | 2024   |
|----------------------------|-----------------------------|-----------------|--------|--------|--------|
| Total                      |                             | 100 million KRW | 25,690 | 27,361 | 29,883 |
| Partner companies          | Subcontracting Expense      | 100 million KRW | 14,781 | 13,133 | 13,553 |
|                            | Raw Material Purchase Costs | 100 million KRW | 7,767  | 11,016 | 13,081 |
| Employees                  | Salaries                    | 100 million KRW | 1,274  | 1,530  | 1,644  |
|                            | Employee Benefits           | 100 million KRW | 114    | 121    | 108    |
| Shareholders and investors | Total Dividends Paid        | 100 million KRW | 395    | 449    | 449    |
|                            | Interest Expenses           | 100 million KRW | 630    | 454    | 554    |
| Government                 | Corporate Income Tax        | 100 million KRW | 689    | 608    | 435    |
| Local Communities          | Donations                   | 100 million KRW | 39     | 49     | 58     |

### R&D

| Category                            |  | Unit        | 2022  | 2023   | 2024   |
|-------------------------------------|--|-------------|-------|--------|--------|
| R&D investment                      |  | Million KRW | 2,134 | 17,263 | 25,406 |
| R&D personnel                       |  | Persons     | 5     | 12     | 63     |
| R&D achievements (IP, patent, etc.) |  | Ea.         | 3     | 6      | 13     |

### Corporate Credit Rating

| Category                |  | Unit   | 2022        | 2023        | 2024      |
|-------------------------|--|--------|-------------|-------------|-----------|
| Korea Investors Service |  | Rating | A(Negative) | A(Negative) | A(Stable) |
| Korea Ratings           |  | Rating | A ↓         | A(Negative) | A(Stable) |
| NICE Investors Service  |  | Rating | A(Negative) | A(Negative) | A(Stable) |

## Environmental Data

The environmental performance of HDC Hyundai Development Company encompasses data from the headquarters and 68 business sites.

### Environmental Management System Certification

| Category   |  | Unit | 2022 | 2023 | 2024 |
|--|--|------|------|------|------|
| Number of Sites Subject to Environmental Management System Certification |  | Ea.  | 79   | 74   | 68   |
| Number of Sites Covered by Environmental Management System Certification |  | Ea.  | 79   | 74   | 68   |
| Percentage of Sites Certified to Environmental Management System         |  | %    | 100  | 100  | 100  |

### Green-Certified Buildings and Sales

| Category   |  | Unit            | 2022   | 2023   | 2024   |
|--|--|-----------------|--------|--------|--------|
| Percentage of buildings certified for eco-friendliness           |  | %               | 92.9   | 57.1   | 86.7   |
| Number of completed buildings                                    |  | Ea.             | 14     | 7      | 15     |
| Number of buildings certified for eco-friendliness <sup>1)</sup> |  | Ea.             | 13     | 4      | 13     |
| Green Sales <sup>2)</sup>  | Sales of eco-friendly products <sup>3)</sup> | 100 million KRW | 20,566 | 31,975 | 34,936 |
|  | Percentage of eco-friendly sales             | %               | 62.6   | 76.8   | 83.0   |

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 (Separated basis)

3) 2022-2023 Data Revised Due to Data Aggregation Criteria Change

### Green Investment

| Category                          |  | Unit            | 2022 | 2023 | 2024 |
|-----------------------------------|--|-----------------|------|------|------|
| Environmental Management Expenses |  | 100 million KRW | 196  | 219  | 232  |
| Construction Site                 |  | 100 million KRW | 167  | 198  | 195  |
| Infrastructure Site               |  | 100 million KRW | 29   | 21   | 37   |

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### Environmental Education

|                   | Category                  | Unit    | 2022  | 2023   | 2024  |
|-------------------|---------------------------|---------|-------|--------|-------|
| Employees         | Training hours            | Hours   | 890   | 1,579  | 1,633 |
|                   | Number of participants    | Persons | 594   | 1,424  | 1,069 |
|                   | Training hours per person | Hours   | 1.5   | 1.1    | 1.5   |
| Partner companies | Training hours            | Hours   | 4,852 | 10,363 | 1,589 |
|                   | Number of participants    | Persons | 3,449 | 9,971  | 1,836 |
|                   | Training hours per person | Hours   | 1.4   | 1.0    | 0.9   |

### Violation of Environmental Laws

|  | Category  | Unit        | 2022 | 2023 | 2024 |
|--|---|-------------|------|------|------|
|  | Number of corporate fine cases                    | Ea.         | 0    | 1    | 0    |
|  | Amount of corporate fines                         | Million KRW | 0    | 1    | 0    |
|  | Number of fine for negligence cases <sup>1)</sup> | Ea.         | 0    | 0    | 0    |
|  | Amount of fine for negligence cases <sup>1)</sup> | Million KRW | 0    | 0    | 0    |

1) Minor monetary penalties under KRW 10 million are not included

### Eco-Friendly Purchasing

|  | Category                                     | Unit            | 2022  | 2023   | 2024   |
|--|--|-----------------|-------|--------|--------|
|  | Percentage of green product purchases        | %               | 21.1  | 22.1   | 23.1   |
|  | Total materials purchase amount              | 100 million KRW | 7,767 | 11,016 | 13,081 |
|  | Green products Purchase amount <sup>1)</sup> | 100 million KRW | 1,642 | 2,437  | 3,017  |

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

### Consumption of Raw and Subsidiary Materials

|                                 | Category                         | Unit           | 2022      | 2023      | 2024      |
|---------------------------------|----------------------------------|----------------|-----------|-----------|-----------|
| Construction materials          | Rebar                            | Ton            | 132,650   | 194,220   | 148,446   |
|                                 | Ready-mix concrete               | m <sup>3</sup> | 1,331,735 | 1,827,771 | 1,802,261 |
|                                 | Aggregate                        | m <sup>3</sup> | 488,734   | 159,931   | 90,541    |
|                                 | Asphalt concrete                 | Ton            | 122,604   | 61,288    | 327,160   |
| Recycled construction materials | Recycled aggregate <sup>1)</sup> | m <sup>3</sup> | 50,396    | 0         | 0         |

1) Purchased and used certified recycled aggregates

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### Greenhouse Gas Emissions (Scope 1, Scope 2)

| Category                                | Unit                                    | 2022   | 2023   | 2024                 |
|---|---|--------|--------|----------------------|
| Scope1, 2 Total Emissions <sup>1)</sup> | tCO <sub>2</sub> eq                     | 35,236 | 36,500 | 36,786 <sup>2)</sup> |
| GHG Direct Emissions (Scope 1)          | tCO <sub>2</sub> eq                     | 7,703  | 6,261  | 5,101                |
| GHG Indirect Emissions (Scope 2)        | tCO <sub>2</sub> eq                     | 27,533 | 30,239 | 31,686               |
| Scope1, 2 GHG intensity <sup>3)</sup>   | tCO <sub>2</sub> eq/<br>100 million KRW | 1.07   | 0.87   | 0.86                 |

1) 2022-2023 data has been revised due to the change in construction site emissions calculation based on the Greenhouse Gas Target Management System (GHG TMS) specification

2) The total emissions are based on the verified statement, which reports the sum of Scope 1 and 2 emissions as an integer by truncating decimal values. Therefore, the total may differ from the sum of individual Scope emissions

3) Calculated based on consolidated revenue

### GHG Emissions (Scope-3)

| Category  | Unit                | 2022 <sup>1)</sup> | 2023      | 2024      |
|---|---------------------|--------------------|-----------|-----------|
| Scope3 Total Emissions <sup>1)</sup>                        | tCO <sub>2</sub> eq | 107,348            | 2,181,465 | 3,180,107 |
| Category 1 Purchased Products and Services                  | tCO <sub>2</sub> eq | -                  | 629,263   | 575,962   |
| Category 2 Capital Goods                                    | tCO <sub>2</sub> eq | -                  | 80        | 46        |
| Category 3 Fuel and Energy Related Activities <sup>2)</sup> | tCO <sub>2</sub> eq | -                  | 2,949     | 3,019     |
| Category 5 Waste Generated in Operations                    | tCO <sub>2</sub> eq | -                  | 9,457     | 9,527     |
| Category 6 Employee Business Travel                         | tCO <sub>2</sub> eq | -                  | 165       | 157       |
| Category 7 Employee Commuting                               | tCO <sub>2</sub> eq | -                  | 2,213     | 1,698     |
| Category 8 Upstream Leased Assets                           | tCO <sub>2</sub> eq | -                  | 3,563     | 3,526     |
| Category 11 Use of Sold Products                            | tCO <sub>2</sub> eq | -                  | 1,408,246 | 2,443,022 |
| Category 12 Disposal of Sold Products                       | tCO <sub>2</sub> eq | -                  | 117,450   | 135,717   |
| Category 13 Downstream Leased Assets                        | tCO <sub>2</sub> eq | -                  | 100       | 66        |
| Category 15 Investment                                      | tCO <sub>2</sub> eq | -                  | 7,979     | 7,367     |

1) 2022-2023 data has been revised due to the change in construction site emissions calculation based on the Greenhouse Gas Target Management System (GHG TMS) specification

2) Categories 4, 9, 10, and 14, which are less relevant to our operations, were excluded from the calculation.

### Energy Consumption

| Category  | Unit           | 2022  | 2023  | 2024  |
|---|----------------|-------|-------|-------|
| Total energy consumption <sup>1)</sup>            | TJ             | 705.5 | 743.4 | 753.2 |
| Consumption of non-renewable energy <sup>2)</sup> | TJ             | 704.2 | 742.1 | 751.9 |
| Lignite   | TJ             | 0.0   | 0.0   | 0.0   |
| LNG   | TJ             | 52.3  | 58.6  | 51.0  |
| LPG   | TJ             | 22.1  | 21.1  | 13.1  |
| Gasoline  | TJ             | 0.9   | 0.0   | 1.9   |
| Diesel  | TJ             | 21.8  | 12.5  | 11.4  |
| Kerosene  | TJ             | 11.6  | 12.3  | 6.0   |
| Charcoal  | TJ             | 0.0   | 1.0   | 0.2   |
| Electricity Other                                 | TJ             | 20.2  | 4.7   | 6.1   |
| Petroleum Products                                | TJ             | 575.3 | 631.9 | 662.0 |
| Electricity                                       | TJ             | 575.3 | 631.9 | 662.0 |
| Heat (Steam)                                      | TJ             | 0.0   | 0.0   | 0.2   |
| Use of Renewable Energy                           | TJ             | 1.3   | 1.3   | 1.3   |
| Solar Power                                       | TJ             | 1.3   | 1.3   | 1.3   |
| Geothermal  | TJ             | 0     | 0     | 0     |
| Energy intensity <sup>3)</sup>                    | TJ/million KRW | 0.021 | 0.018 | 0.018 |

1) Energy consumption figures may differ from those in the verification statement, as values are presented as integers with decimals truncated

2) 2022-2023 data has been revised due to the change in construction site emissions calculation based on the Greenhouse Gas Target Management System (GHG TMS) specification

3) Calculated based on consolidated revenue

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### Waste Management

|                               | Category                             | Unit | 2022    | 2023    | 2024    |
|-------------------------------|--------------------------------------|------|---------|---------|---------|
| Waste Generation              | Total amount generated <sup>1)</sup> | Ton  | 937,417 | 918,978 | 663,971 |
|                               | General waste from business sites    | Ton  | 330,097 | 234,039 | 115,566 |
|                               | Designated waste                     | Ton  | 136     | 22      | 49      |
|                               | Construction waste                   | Ton  | 607,184 | 684,917 | 548,356 |
| Waste Recycling               | Total amount of waste recycled       | Ton  | 934,160 | 917,677 | 662,736 |
|                               | General waste from business sites    | Ton  | 326,976 | 233,933 | 114,386 |
|                               | Designated waste                     | Ton  | 0       | 0.3     | 0       |
|                               | Construction waste                   | Ton  | 607,184 | 683,744 | 548,350 |
| Percentage of waste recycling | Total percentage of waste recycled   | %    | 99.7    | 99.9    | 99.8    |
|                               | General waste from business sites    | %    | 99.1    | 100     | 99      |
|                               | Designated waste                     | %    | 0       | 1.4     | 0       |
|                               | Construction waste                   | %    | 100     | 99.8    | 99.9    |
| Waste Incineration            | Total Incineration                   | Ton  | 136     | 1,023   | 18      |
|                               | General waste from business sites    | Ton  | 0       | 0       | 0       |
|                               | Designated waste                     | Ton  | 136     | 21.2    | 12      |
|                               | Construction waste                   | Ton  | 0       | 1,002   | 6       |
| Waste Landfill                | Total Landfill                       | Ton  | 3,121   | 277     | 1,217   |
|                               | General waste from business sites    | Ton  | 3,121   | 106     | 1,180   |
|                               | Designated waste                     | Ton  | 0       | 0       | 37      |
|                               | Construction waste                   | Ton  | 0       | 171     | 0       |
| Waste intensity <sup>2)</sup> | Tons/<br>100million KRW              |      | 28.5    | 22.1    | 15.8    |

1) 2022-2023 Data Revised Due to Data Aggregation Criteria Change

2) Calculations are based on separate revenue figures

### Water Resources

|                               | Category                   | Unit | 2022    | 2023    | 2024    |
|-------------------------------|----------------------------|------|---------|---------|---------|
| Water Consumption Total       |                            | Ton  | 330,613 | 396,623 | 362,300 |
|                               | Subtotal                   | Ton  | 4,361   | 5,097   | 5,028   |
|                               | Waterworks                 | Ton  | 4,361   | 5,097   | 5,028   |
|                               | Head office                | Ton  | 0       | 0       | 0       |
| Business Sites                | Surface water, lake, river | Ton  | 0       | 0       | 0       |
|                               | Rainwater                  | Ton  | 0       | 0       | 0       |
|                               | Subtotal                   | Ton  | 326,252 | 391,526 | 357,272 |
|                               | Waterworks                 | Ton  | 196,464 | 176,941 | 194,639 |
| Business Sites                | Underground water          | Ton  | 121,804 | 166,614 | 136,611 |
|                               | Surface water, lake, river | Ton  | 7,984   | 28,389  | 22,150  |
|                               | Rainwater                  | Ton  | 0       | 0       | 0       |
|                               | Reused Water <sup>1)</sup> | Ton  | 0       | 19,582  | 3,872   |
| Water intensity <sup>2)</sup> | Tons/<br>100 million KRW   |      | 9.9     | 9.4     | 8.5     |

1) Reuse of Treated Wastewater and Sewage

2) Calculations are based on separate revenue figures.

### Water Pollutants

|                            | Category | Unit           | 2022   | 2023   | 2024   |
|----------------------------|----------|----------------|--------|--------|--------|
| Total wastewater emissions |          | m <sup>3</sup> | 50,338 | 91,184 | 40,840 |
| TOC <sup>1)</sup>          |          | Ton            | 0.138  | 0.583  | 0.098  |
| BOD <sup>2)</sup>          |          | Ton            | -      | 0.150  | 0.025  |
| SS <sup>3)</sup>           |          | Ton            | 0.386  | 0.853  | 0.182  |
| COD <sup>4)</sup>          |          | Ton            | -      | 0.422  | 0.001  |
| T-N <sup>5)</sup>          |          | Ton            | -      | 1.279  | 0.102  |
| T-P <sup>6)</sup>          |          | Ton            | -      | 0.007  | 0      |

1) Total Organic Carbon

2) Biochemical Oxygen Demand

3) Suspended Solid

4) Chemical Oxygen Demand

5) Total Nitrogen

6) Total Phosphorus

## Social Data

### Employee Data

| Category                                 | Unit       | 2022  | 2023  | 2024  |
|--|------------|-------|-------|-------|
| Total number of executives and employees | Persons    | 1,847 | 1,907 | 1,855 |
| By position                              | Executives | 17    | 14    | 37    |
|  | Employees  | 1,830 | 1,893 | 1,818 |
| Gender                                   | Male       | 1,587 | 1,621 | 1,581 |
|  | Female     | 260   | 286   | 274   |
| Number of full-time workers              | Persons    | 1,064 | 1,083 | 1,064 |
|  | %          | 57.6  | 56.8  | 57.4  |
| Male                                     | Persons    | 969   | 982   | 963   |
|  | %          | 91.1  | 90.7  | 90.5  |
| Female                                   | Persons    | 95    | 101   | 101   |
|  | %          | 8.9   | 9.3   | 9.5   |
| Number of temporary (contract) workers   | Persons    | 766   | 824   | 791   |
|  | %          | 42.4  | 43.2  | 42.6  |
| Male                                     | Persons    | 602   | 639   | 618   |
|  | %          | 79.0  | 77.5  | 78.1  |
| Female                                   | Persons    | 164   | 185   | 173   |
|  | %          | 21.0  | 22.5  | 21.9  |

### Number of workers who are not employees of the company

| Category                | Unit                      | 2022  | 2023  | 2024   |
|-------------------------|---------------------------|-------|-------|--------|
| Total number of workers | Persons                   | 7,871 | 9,953 | 11,159 |
| Gender                  | Male                      | 7,381 | 9,487 | 10,490 |
|                         | Female                    | 490   | 466   | 669    |
|                         | Percent of female workers | %     | 6.2   | 4.7    |

### Employee Diversity

| Category                                | Unit                    | 2022    | 2023  | 2024  |       |
|---|-------------------------|---------|-------|-------|-------|
| Gender                                  | Male                    | Persons | 1,587 | 1,621 | 1,581 |
|   | %                       |         | 85.9  | 85.0  | 85.2  |
|   | Female                  | Persons | 260   | 286   | 274   |
|   | %                       |         | 14.1  | 15.0  | 14.8  |
| Percentage of female managers           | %                       | 3.7     | 2.8   | 2.9   |       |
|   | Under 30 years          | Persons | 280   | 292   | 251   |
| %                                       |                         | 15.2    | 15.3  | 13.5  |       |
| By age                                  | Between 30 and 40 years | Persons | 441   | 451   | 458   |
|   |                         | %       | 23.9  | 23.6  | 24.7  |
|   | Between 40 and 50 years | Persons | 491   | 508   | 501   |
|   |                         | %       | 26.6  | 26.6  | 27.0  |
| 50 years and over                       | Persons                 | 635     | 656   | 645   |       |
|   | %                       | 34.4    | 34.4  | 34.8  |       |
| Persons with Disabilities <sup>1)</sup> | Number of employees     | Persons | 9     | 9     | 21    |
|   | Percentage              | %       | 0.49  | 0.47  | 1.13  |
| Number of foreign employees             | Persons                 | 0       | 0     | 0     |       |
| Number of national veterans employed    | Persons                 | 26      | 24    | 22    |       |
| Number of employees working overseas    | Persons                 | 16      | 14    | 12    |       |

1) Based on the year-end number of employees and annual employment rate as per the Disabled Employment Levy Report.

## Social Data

### New Hires

| Category                                | Unit                    | 2022    | 2023 | 2024 |     |
|---|-------------------------|---------|------|------|-----|
| Total number of new hires <sup>1)</sup> | Persons                 | 647     | 383  | 364  |     |
| Gender                                  | Male                    | Persons | 527  | 294  | 298 |
|   | %                       | 81.5    | 76.8 | 81.9 |     |
| Gender                                  | Female                  | Persons | 120  | 89   | 66  |
|   | %                       | 18.5    | 23.2 | 18.1 |     |
| By age                                  | Under 30 years          | Persons | 237  | 119  | 101 |
|   | %                       | 36.6    | 31.1 | 27.7 |     |
| By age                                  | Between 30 and 40 years | Persons | 220  | 136  | 124 |
|   | %                       | 34.0    | 35.5 | 34.1 |     |
| By age                                  | Between 40 and 50 years | Persons | 128  | 85   | 85  |
|   | %                       | 19.8    | 22.2 | 23.4 |     |
| By age                                  | 50 years and over       | Persons | 62   | 43   | 54  |
|   | %                       | 9.6     | 11.2 | 14.8 |     |

1) Sum of Full-Time and Part-Time Employees

### Employee Turnover and Retirement Data

| Category                  | Unit                          | 2022    | 2023 | 2024 |     |
|---------------------------|-------------------------------|---------|------|------|-----|
| Total number of turnovers | Persons                       | 565     | 340  | 487  |     |
| Gender                    | Male                          | Persons | 467  | 275  | 391 |
|                           | %                             | 82.7    | 80.9 | 80.3 |     |
| Gender                    | Female                        | Persons | 98   | 65   | 96  |
|                           | %                             | 17.3    | 19.1 | 19.7 |     |
| Employment Type           | Full-Time                     | Persons | 103  | 66   | 77  |
|                           | Contract                      | Persons | 462  | 274  | 410 |
| By age                    | Under 30 years                | Persons | 89   | 61   | 115 |
|                           | %                             | 15.8    | 17.9 | 23.6 |     |
| By age                    | Between 30 and 40 years       | Persons | 197  | 123  | 149 |
|                           | %                             | 34.9    | 36.2 | 30.6 |     |
| By age                    | Between 40 and 50 years       | Persons | 191  | 76   | 100 |
|                           | %                             | 33.8    | 22.4 | 20.5 |     |
| By age                    | 50 years and over             | Persons | 88   | 80   | 123 |
|                           | %                             | 15.6    | 23.5 | 25.3 |     |
| Voluntary                 | Number of voluntary turnovers | Persons | 86   | 45   | 24  |
|                           | Turnover rate <sup>1)</sup>   | %       | 4.7  | 2.4  | 1.3 |
| Average years of service  | Years                         | 9       | 10   | 11   |     |

1) (Number of Voluntary Resignations in the Year / Total Employees at Year-End) × 100

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## Social Data

### Parental Leave Status<sup>1)</sup>

| Category   |                        | Unit    | 2022 | 2023 | 2024 |
|--|------------------------|---------|------|------|------|
| Employees eligible for parental leave <sup>2)</sup>                                      | Subtotal               | Persons | 18   | 20   | 20   |
|  | Male                   | Persons | 15   | 20   | 19   |
|  | Female                 | Persons | 3    | 0    | 1    |
| Employees who used parental leave <sup>3)</sup>  | Subtotal               | Persons | 4    | 2    | 1    |
|  | Male                   | Persons | 1    | 2    | 0    |
|  | Female                 | Persons | 3    | 0    | 1    |
| Parental Leave Utilization Rate <sup>4)</sup>  | Total Utilization Rate | %       | 22.2 | 10.0 | 5.0  |
|  | Male                   | %       | 6.7  | 10.0 | 0    |
|  | Female                 | %       | 100  | 0    | 100  |
| Number of employees who worked for 12 months or more after returning from parental leave | Subtotal               | Persons | 6    | 6    | 4    |
|  | Male                   | Persons | 4    | 3    | 2    |
|  | Female                 | Persons | 2    | 3    | 2    |
| Employees who Used Reduced Working Hours for Childcare                                   | Subtotal               | Persons | 0    | 0    | 0    |
|  | Male                   | Persons | 0    | 0    | 0    |
|  | Female                 | Persons | 0    | 0    | 0    |
| Number of Employees Who Used Paternity Leave   | Male                   | Persons | 0    | 14   | 32   |
| Number of Employees Who Used the Staggered Working Hours System                          |                        | Persons | 5    | 7    | 12   |
| Number of Employees Who Used a Flextime Schedule   |                        | Persons | 0    | 0    | 0    |
| Number of Users Who Worked Remote (Including Telecommuting)                              |                        | Persons | 639  | 185  | 8    |

1) 2022-2023 Data Revised Due to Data Aggregation Criteria Change

2) Number of Employees with a Child Under One Year of Age as of the Birth Date in the Reporting Year

3) Number of Employees Who Took Parental Leave Within One Year of Childbirth in the Reporting Year

4) (Employees Who Took Parental Leave Within One Year of Childbirth / Employees with a Child Under One Year Old During the Year) × 100

### Employee Performance Evaluation Data

| Category                |  | Unit   | 2022    | 2023  | 2024  |       |
|-------------------------|--|--------|---------|-------|-------|-------|
| Management / Executives | Percentage of eligible employees evaluated <sup>1)</sup> | %      | -       | 100   | 100   |       |
|                         | Gender   | Male   | Persons | 0     | 117   | 97    |
|                         |  | Female | Persons | 0     | 3     | 3     |
| Non-Managers            | Percentage of eligible employees evaluated <sup>2)</sup> | %      | 71.9    | 84.2  | 88.0  |       |
|                         | Gender   | Male   | Persons | 1,177 | 1,236 | 1,396 |
|                         |  | Female | Persons | 127   | 160   | 203   |

1) MBO Evaluation Ratio

2) 2022-2023 Data Revised Due to Data Aggregation Criteria Change

### Employee Compensation

| Category                |                             | Unit        | 2022 | 2023 | 2024 |
|-------------------------|-----------------------------|-------------|------|------|------|
| Average salary          |                             | Million KRW | 67   | 80   | 87   |
| Technical position      | Male                        | Million KRW | 75   | 87   | 92   |
|                         | Female                      | Million KRW | 54   | 61   | 73   |
|                         | Female to male salary ratio | %           | 72.0 | 70.1 | 79.3 |
| Administrative position | Male                        | Million KRW | 73   | 79   | 89   |
|                         | Female                      | Million KRW | 34   | 45   | 50   |
|                         | Female to male salary ratio | %           | 46.6 | 57.0 | 56.2 |

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### Employee Education and Training Status

| Category                          | Unit  | 2022    | 2023    | 2024   |        |
|-----------------------------------|---|---------|---------|--------|--------|
| Total training hours              | Hours   | 68,131  | 101,590 | 76,861 |        |
| Total training expenses           | Million KRW   | 671     | 839     | 840    |        |
| Average training hours per person | Hours   | 36.9    | 53.3    | 41.4   |        |
| Average training cost per person  | Million KRW   | 0.36    | 0.44    | 0.45   |        |
| Number of participants            | Total number of participants                              | Persons | 10,823  | 17,441 | 15,741 |
|                                   | Language courses  | Persons | 16      | 10     | 2      |
|                                   | Organizational development/ leadership + voice coaching   | Persons | 70      | 267    | 217    |
|                                   | Job competencies (Including global competency)            | Persons | 492     | 4,778  | 3,639  |
|                                   | Core competencies (Basic business, introductory training) | Persons | 2,245   | 2,316  | 2,562  |
|                                   | Statutory obligations                                     | Persons | 6,274   | 8,132  | 7,377  |
|                                   | Internal duties   | Persons | 1,726   | 1,938  | 1,944  |
|                                   | Training satisfaction survey                              | Points  | 4.72    | 4.60   | 4.60   |

### Industries Relations

| Category                  | Unit                       | 2022 | 2023 | 2024 |     |
|---------------------------|----------------------------|------|------|------|-----|
| Labor-Management Council  | Number of meetings         | Ea.  | 3    | 4    | 4   |
|                           | Number of agenda items     | Ea.  | 22   | 25   | 27  |
| Grievance Handling Status | Rate of grievance handling | %    | 100  | 100  | 100 |
|                           | Number of reported cases   | Ea.  | 5    | 4    | 4   |
|                           | Number of handled cases    | Ea.  | 5    | 4    | 4   |

### Industrial Accidents

| Category               | Unit  | 2022    | 2023 | 2024 |      |
|------------------------|---|---------|------|------|------|
| Employees and partners | Death rate per 10,000 workers <sup>1)</sup>   | %       | 4.98 | 0.65 | 0.53 |
|                        | Accident rate <sup>2)</sup>                   | %       | 0.47 | 0.64 | 0.86 |
|                        | High-risk accident rate <sup>3)</sup>         | %       | 12.0 | 3.0  | 2.1  |
| Employees              | Number of injured persons <sup>4)</sup>       | Persons | 0    | 1    | 3    |
|                        | Number of deaths                              | Persons | 0    | 0    | 0    |
|                        | Number of work-related diseases <sup>5)</sup> | Persons | 0    | 0    | 0    |
| Partner companies      | Number of injured persons                     | Persons | 74   | 122  | 184  |
|                        | Number of deaths                              | Persons | 6    | 1    | 1    |
|                        | Number of work-related diseases               | Persons | 39   | 14   | 40   |

1) Fatality rate per ten thousand workers = (Number of fatalities / Number of regular workers) × 10,000

2) Accident rate = (Number of injured workers / Number of regular workers) × 100

3) Occurrence rate of high-risk hazards including falls, entrapments/collisions, impacts, and structural collapses

4) Due to tripping, getting caught, getting struck, etc

5) Noise-induced hearing loss, intervertebral disc escape, damage to the rotator cuff, etc

### Site Safety Inspection

| Category   | Unit | 2022 | 2023 | 2024 |
|--|------|------|------|------|
| Total number of safety inspections <sup>1)</sup> | Ea.  | 238  | 492  | 274  |
| Regular inspections                              | Ea.  | 123  | 95   | 92   |
| Special (support) inspections                    | Ea.  | 17   | 147  | 123  |
| Third party inspections                          | Ea.  | 98   | 136  | 59   |
| Other (heating/equipment)                        | Ea.  | -    | 114  | 0    |

1) 2022-2023 Data Revised Due to Data Aggregation Criteria Change

### Management Site Inspection

| Category                                    | Unit | 2022 | 2023 | 2024 |
|---|------|------|------|------|
| Management inspections (CEO, CSO, Director) | Ea.  | 18   | 31   | 29   |

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### On-site quality inspection

| Category                                  | Unit  | 2022 | 2023 | 2024 |
|---|-------|------|------|------|
| Total number of inspections               | Times | 172  | 237  | 351  |
| Number of quality inspections             | Times | 143  | 160  | 183  |
| Number of temporary structure inspections | Times | 29   | 77   | 160  |

### Safety and Health Training Status

| Category                          | Unit                       | 2022    | 2023  | 2024  |         |
|-----------------------------------|----------------------------|---------|-------|-------|---------|
| Total number of employees trained | Persons                    | 1,178   | 1,620 | 1,105 |         |
| Employees (SAFETY-I ACADEMY)      | Management                 | Persons | 53    | 45    | 47      |
|                                   | Project managers           | Persons | 181   | 61    | 52      |
|                                   | Supervisors                | Persons | 588   | 532   | 343     |
|                                   | Safety and Health Managers | Persons | 279   | 576   | 276     |
| Partner companies                 | CEO                        | Persons | 77    | 183   | 187     |
|                                   | Employees                  | Persons | 0     | 223   | 200     |
| On-site                           | Worker                     | Persons | -     | -     | 364,528 |
|                                   | High-risk Worker           | Persons | -     | 2,161 | 1,542   |
|                                   | New Employee               | Persons | -     | 44    | 16      |

### Registered Partner Companies

| Category   | Unit   | 2022  | 2023  | 2024  |      |
|--|--|-------|-------|-------|------|
| Total number of partners reviewed for registration | Ea.  | 1,623 | 1,375 | 1,540 |      |
| Total number of partners registered after review   | Ea.  | 694   | 702   | 731   |      |
|  | Outsourcing                                  | Ea.   | 400   | 408   | 425  |
|  | Materials                                    | Ea.   | 294   | 294   | 306  |
| Registration ratio of partners                     | %  | 42.8  | 51.1  | 47.5  |      |
| Existing partner companies                         | Number of partners reviewed for registration | Ea.   | 735   | 697   | 702  |
|  | Number of partners registered after review   | Ea.   | 567   | 599   | 590  |
|  | Renewal rate                                 | %     | 77.1  | 85.9  | 84.0 |
| New partner companies                              | Number of partners reviewed for registration | Ea.   | 888   | 678   | 838  |
|  | Number of partners registered after review   | Ea.   | 127   | 103   | 141  |
|  | New registration rate                        | %     | 14.3  | 15.2  | 16.8 |

### Support for Shared Growth

| Category   | Unit   | 2022        | 2023   | 2024   |        |
|--|--|-------------|--------|--------|--------|
| Partner companies that have signed the Shared Growth Partnership Agreement | Number of partners in agreements                   | Ea.         | 555    | 697    | 702    |
|  | Outsourcing  | Ea.         | 282    | 407    | 408    |
| Shared Growth Partnership Agreement  | Materials  | Ea.         | 273    | 290    | 294    |
|  | Percentage of partners in agreements <sup>1)</sup> | %           | 80.0   | 99.3   | 96.0   |
| Financial support for partner companies                                    | Total amount of financial support for partners     | Million KRW | 49,381 | 71,470 | 70,796 |
|  | Shared growth fund                                 | Million KRW | 47,521 | 58,008 | 70,671 |
|  | Interest-free loans                                | Million KRW | 1,500  | 13,312 | 0      |
|  | Rewards  | Million KRW | 360    | 150    | 125    |
| Shared growth index  | Rating   | Good        | Good   | Good   |        |
| Fair and Mutual Growth Voluntary Compliance Program (CP) Grade             | Rating   | A           | AA     | AA     |        |

1) (No. of partner companies that have signed the Shared Growth Partnership Agreement / Total no. of registered partner companies)\*100

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### Partner Evaluation

|                                    | Category                     | Unit | 2022  | 2023  | 2024  |
|------------------------------------|------------------------------|------|-------|-------|-------|
| Safety<br>Evaluation <sup>1)</sup> | Number of partners evaluated | Ea.  | 2,120 | 1,650 | 1,917 |
|                                    | Existing partners            | Ea.  | 1,316 | 1,165 | 1,359 |
|                                    | New Partners                 | Ea.  | 804   | 485   | 558   |
|                                    | Number of partners evaluated | Ea.  | 1,908 | 1,574 | 1,724 |
|                                    | Suitability Ratio            | %    | 90.0  | 95.4  | 89.9  |
| ESG<br>Assessment                  | Number of partners evaluated | Ea.  | 350   | 387   | 403   |
|                                    | Existing partners            | Ea.  | 278   | 311   | 306   |
|                                    | New Partners                 | Ea.  | 72    | 76    | 97    |

1) 2022-2023 Data Revised Due to Data Aggregation Criteria Change

### Social Contribution Activities

|                                   | Category   | Unit            | 2022  | 2023  | 2024  |
|-----------------------------------|--|-----------------|-------|-------|-------|
| Donation<br>Status                | Donation amount as a percentage of revenue <sup>1)</sup>             | %               | 0.12  | 0.12  | 0.14  |
|                                   | Total Donation Amount  | 100 million KRW | 39.46 | 48.50 | 57.97 |
|                                   | Cash   | 100 million KRW | 39.43 | 47.85 | 56.34 |
|                                   | Non-cash goods   | 100 million KRW | 0.00  | 0.53  | 1.53  |
|                                   | Operational Costs  | 100 million KRW | 0.03  | 0.12  | 0.10  |
| Volunteer<br>work                 | Number of volunteer activities conducted                             | Ea.             | 4     | 14    | 12    |
|                                   | Total volunteer hours  | Hours           | 2,098 | 525   | 239   |
|                                   | Number of participants per year                                      | Persons         | 284   | 169   | 92    |
|                                   | Average volunteer hours per person                                   | Hours           | 7.4   | 3.1   | 2.6   |
| Social<br>Contribution<br>Results | Number of households benefiting from social contribution initiatives | Ea.             | 1,079 | 1,876 | 2,273 |

1) Calculations are based on separate revenue figures

### Information Security Activities

|   | Category  | Unit        | 2022   | 2023   | 2024   |
|---|---|-------------|--------|--------|--------|
| Information<br>security<br>investment <sup>1)</sup> | Investment Ratio in Information Technology        | %           | 2.1    | 12.8   | 7.2    |
|   | Total Investment Amount in Information Technology | Million KRW | 11,623 | 12,323 | 12,922 |
|   | Investment Amount in Information Security         | Million KRW | 244    | 1,578  | 932    |
| Risk<br>Management                                  | Number of security risk assessments               | Ea.         | 2      | 2      | 1      |
|   | 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     | 557    | 1,950  | 1,895  |
|   | Number of persons who completed                   | Persons     | 557    | 1,923  | 1,879  |
| Information<br>Security<br>Training                 | Completion rate                                   | %           | 100    | 98.6   | 99.2   |
|   | Number of targets                                 | Persons     | -      | 12     | 12     |
|   | Number of persons who completed                   | Persons     | -      | 12     | 12     |
|   | Completion rate                                   | %           | -      | 100    | 100    |

1) Based on Information Security Disclosure Standards

### Customer Satisfaction and Complaint Handling

|  | Category | Unit   | 2022 | 2023 | 2024 |
|--|----------|--------|------|------|------|
| Customer satisfaction score  |          | Points | 86.3 | 83.8 | 87.2 |
| Customer Complaint-handling rate <sup>1)</sup>                           |          | %      | 93.2 | 86.2 | 93.3 |
| Annual Number of Unresolved After-Sales Service (AS) Cases per Household |          | Ea.    | 0.7  | 0.9  | 1.2  |

1) Reporting Period: January 1, 2024 to January 31, 2025

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## Governance Data

### Board of Directors Composition

| Category            |   | Unit    | 2022 | 2023 | 2024 |
|---------------------|---|---------|------|------|------|
| Number of directors | Total number of partner companies <sup>1)</sup> | Persons | 7    | 7    | 5    |
|                     | Executive directors                             | Persons | 3    | 3    | 2    |
|                     | Non-Executive Directors                         | Persons | 4    | 4    | 3    |
| Gender              | Male  | Persons | 7    | 6    | 4    |
|                     |   | %       | 100  | 85.7 | 80.0 |
|                     | Female  | Persons | 0    | 1    | 1    |
|                     |   | %       | 0    | 14.3 | 20.0 |
| Composition by age  | Under 30 years                                  | %       | 0    | 0    | 0    |
|                     | Between 30 and 50 years                         | %       | 0    | 14.3 | 20.0 |
|                     | 50 years and over                               | %       | 100  | 85.7 | 80.0 |

1) As of 2025.5.31

### Board of Directors Operation Status

| Category                             |                         | Unit | 2022 | 2023 | 2024 |
|--------------------------------------|-------------------------|------|------|------|------|
| Number of BOD meetings               |                         | Ea.  | 10   | 11   | 12   |
| Number of agendas reported and voted |                         | Ea.  | 46   | 42   | 48   |
| Attendance Rate                      | Executive directors     | %    | 83.3 | 100  | 100  |
|                                      | Non-Executive Directors | %    | 95.0 | 100  | 100  |

### Committee Operation

| Category  |  | Unit | 2022 | 2023 | 2024 |
|---|--|------|------|------|------|
| Non-Executive Director Candidate Nomination Committee | Number of meetings                         | Ea.  | 1    | 2    | 2    |
|   | Attendance rate of executive directors     | %    | 100  | 100  | 100  |
|   | Attendance rate of non-executive directors | %    | 100  | 100  | 100  |
| Audit Committee                                       | Number of meetings                         | Ea.  | 8    | 6    | 8    |
|   | Attendance rate of non-executive directors | %    | 100  | 100  | 100  |
| Compensation Committee                                | Number of meetings                         | Ea.  | 3    | 1    | 2    |
|   | Attendance rate of non-executive directors | %    | 100  | 100  | 100  |
| Safety and Health Committee                           | Number of meetings                         | Ea.  | 2    | 4    | 4    |
|   | Attendance rate of executive directors     | %    | 100  | 100  | 100  |
|   | Attendance rate of non-executive directors | %    | 100  | 100  | 100  |

### Board Remuneration

| Category  |   | Unit        | 2022  | 2023  | 2024  |
|---|---|-------------|-------|-------|-------|
| Average remuneration per person                   | Executive directors   | Million KRW | 331   | 429   | 458   |
|   | Non-Executive directors   | Million KRW | 62    | 58    | 58    |
| Annual compensation for non-registered executives | Total annual compensation for non-registered executives                   | Million KRW | 3,282 | 2,373 | 5,098 |
|   | Number of non-registered executives                                       | Persons     | 14    | 10    | 34    |
|   | Average annual salary per non-registered executive                        | Million KRW | 234   | 237   | 131   |
| Annual total compensation ratio                   | Average compensation ratio of registered executive directors to employees | Times       | 4.9   | 5.4   | 5.3   |

### External auditor service fees

| Category  |  | Unit        | 2022 | 2023  | 2024 |
|---|--|-------------|------|-------|------|
| Ratio of Non-Audit Service Fees to Audit Service Fees Paid to External Auditors |  | %           | 45.4 | 14.7  | 31.4 |
| Audit service fees  |  | Million KRW | 994  | 1,039 | 880  |
| Non-audit service fees  |  | Million KRW | 451  | 153   | 276  |

### Protection of Shareholder Rights

| Category   |  | Unit        | 2022   | 2023   | 2024   |
|--|--|-------------|--------|--------|--------|
| Total Cash Dividends   |  | Million KRW | 39,539 | 44,919 | 44,919 |
| Dividend Cash Payout Ratio <sup>1)</sup>                           |  | %           | 108.1  | 26.1   | 28.3   |
| Cash Dividend Yield  |  | %           | 5.8    | 4.8    | 3.7    |
| Cash Dividends per Share   |  | KRW         | 600    | 700    | 700    |
| Number of Days of Advance Notice for General Shareholders' Meeting |  | Days        | 15     | 31     | 29     |
| Shareholder communication  |  | Times       | 0      | 8      | 39     |

1) 2022-2023 Data Revised Due to Data Aggregation Criteria Change

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## Governance Data

### Compliance Management

| Category                       |   | Unit  | 2022    | 2023  | 2024  |       |
|--------------------------------|---|---|---------|-------|-------|-------|
| Internal audit                 | Number of units subject to evaluation   | Ea.   | 80      | 75    | 72    |       |
|                                | Total   | Ea.   | 11      | 10    | 7     |       |
|                                | Number of units evaluated   | Regular audits  | Ea.     | 5     | 4     | 2     |
|                                |   | Management assessment                                   | Ea.     | 0     | 0     | 0     |
|                                |   | Special audit   | Ea.     | 6     | 6     | 5     |
|                                | Percentage of units evaluated for corruption risk   | %   | 13.8    | 13.3  | 9.7   |       |
| Violation reports and handling | Total number of reports   | Ea.   | 93      | 141   | 61    |       |
|                                | Number of audits processed  | Ea.   | 5       | 8     | 3     |       |
|                                | Number of cases transferred to relevant teams   | Ea.   | 43      | 38    | 43    |       |
|                                | Number of cases closed  | Ea.   | 45      | 95    | 15    |       |
|                                | Total number of reports received via Cyber Reporting System   | Ea.   | 85      | 91    | 95    |       |
|                                | Total number of reports received via Compliance System  | Ea.   | 0       | 2     | 0     |       |
| Violation Cases and Actions    | Number of internal ethics regulation violations   | Ea.   | 10      | 7     | 9     |       |
|                                | Actions taken for internal ethics regulation violations (actions for confirmed cases of corruption) | Number of disciplinary actions                          | Persons | 16    | 17    | 25    |
|                                |   | Dismissal   | Persons | 3     | 3     | 4     |
|                                |   | Suspension  | Persons | 0     | 1     | 4     |
|                                |   | Salary reduction  | Persons | 3     | 4     | 5     |
|                                |   | Reprimand   | Persons | 3     | 3     | 1     |
|                                |   | Caution/warning   | Persons | 7     | 6     | 11    |
| Ethics and Compliance Training | Employee  | Total no. of training participants                      | Persons | 1,707 | 1,938 | 1,944 |
|                                |   | Completed by employees                                  | Persons | 1,629 | 1,889 | 1,865 |
|                                |   | Completion rate   | %       | 95.4  | 97.5  | 95.9  |
|                                | Partner Companies   | Total no. of new partner companies subject to training  | -       | 172   | 123   | 103   |
|                                |   | Number of new partner companies that completed training | Ea.     | 170   | 90    | 79    |
|                                |   | Completion rate   | %       | 98.8  | 73.2  | 76.7  |

### Legal actions and lawsuits resulting from compliance violations

| Category   | Unit        | 2022 | 2023 | 2024 |
|--|-------------|------|------|------|
| Total legal actions taken against anti-competitive practices, monopolies, and other unfair trade practices <sup>1)</sup> | Ea.         | 0    | 0    | 0    |
| Total amount of fines and settlement payments due to corruption, unfair trade practices, etc <sup>1)</sup>               | Million KRW | 0    | 0    | 0    |

1) Based on cases with legally binding judgment

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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, 2024, there are no confirmed corporate fines or penalties imposed for violations of environmental regulations.   | -              |
|   | EN-160a.2    | Discussions of processes to assess and manage environmental risks associated with project design, siting, and construction                           | From the pre-construction phase onward, we apply an ISO 14001-based Environmental Management System to proactively identify and manage environmental impact factors that may arise during the construction process, such as pollutants, waste, noise and vibration, and biodiversity loss. We regularly monitor the achievement of environmental goals, and to raise environmental awareness among on-site employees and stakeholders, we conducted a total of 182 community environmental cleanup activities and 166 environmental training sessions. Through these efforts, we are strengthening joint environmental responsibility with all employees and our partner companies. | 72-79          |
| 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   | Safety management indicators are included on page 130 of this report and are transparently disclosed.   | 130            |
| 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 | As of 2024, 13 buildings have received green building certifications, including Green Building Certification, Zero Energy Building Certification, and Building Energy Efficiency Ratings. Among all completed building projects, 86.7% have obtained sustainability management certification.   | 124            |
|   | IF-EN-410a.2 | Discussion of process to incorporate operation phase energy and water efficiency considerations into project planning and design                     | To improve energy efficiency, we operate a digital-based energy management system, switches for bathroom ventilation fans, and solar louver windows linked to outdoor unit rooms. Additionally, to reduce dust emissions, we have completely revised construction site permitting and management guidelines and distributed them to all sites. On-site, water recycling systems are applied, and wastewater and sewage are strictly managed in compliance with discharge standards.   | 75             |
| 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 2024, no related projects have been canceled.  | -              |
|   | IF-EN-410b.3 | Amount of backlog for non-energy projects associated with climate change mitigation  | As of 2024, the order backlog for non-energy projects related to climate change mitigation amounts to KRW 525.7 billion.  | -              |
| Business Ethics                                 | IF-EN-510a.1 | Number of active projects and backlog in countries that have the 20 lowest rankings in Transparency Internationals Corruption Perception Index       | As of the end of 2024, there were no projects in the 20 lowest-ranking countries of the Transparency Internationals 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 2024, there are no financial losses such as fines, fines and settlements due to bribery, corruption and anticompetitive behavior.   | 134            |
|   | 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).  | 64             |
| Activity Metric                                 | IF-EN-000.B  | Number of Commissioned Projects  | As of 2024, 15 sites have been completed.   | -              |
|   | IF-EN-000.C  | Total Backlog  | As of the end of 2024, the total order backlog stands at KRW 31.3144 trillion.  | 6              |

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# TCFD Index

(IFRS S2) Climate-Related Disclosures

| Category          | Details   | Report Page(s) |
|-------------------|---|----------------|
|                   | Governance processes, controls, and procedures used by the company to monitor, manage, and oversee climate-related risks and opportunities  |                |
| Governance        | 1. Identification of the decision-making body responsible for overseeing climate-related risks and opportunities.   | 25             |
|                   | 2. Whether internal reporting processes, controls, and procedures are established and agreed upon to monitor, manage, and oversee climate-related risks and opportunities.  | 25             |
|                   | Corporate strategy for managing sustainability-related risks and opportunities, and the impact of these risks and opportunities on the business model, value chain, strategy and decision-making, financial planning, financial performance, and cash flows over the short, medium, and long term |                |
| Strategy          | 1. Description of climate-related risks and opportunities from short-, medium-, and long-term perspectives.   | 26-30          |
|                   | 2. Explanation of the current and anticipated impacts of climate-related risks and opportunities on the company's business, strategy, and financial planning.   | 28-30          |
|                   | 3. Description of the organization's response strategy under climate scenarios, including a scenario limiting global warming to below 2°C.  | 32             |
|                   | Processes the company uses to identify, assess, prioritize, and monitor sustainability-related risks and opportunities, and the processes established to evaluate the company's strategic decision-making   |                |
| Risk Management   | 1. Description of the processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities and risks  | 31             |
|                   | 2. Explanation of procedures for managing climate-related risks   | 31             |
|                   | 3. Description of how and to what extent the processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into the company's strategy and decision-making processes  | 31             |
|                   | The company's performance related to sustainability risks and opportunities, including progress toward targets set by the company or required by laws and regulations   |                |
| Metrics and Goals | Disclosure of the indicators the company uses to assess climate-related risks and opportunities according to its strategy and risk management procedures  | 33             |
|                   | Detailed disclosure of Scope 1 (direct emissions), Scope 2 (indirect emissions), and Scope 3 (other indirect emissions) greenhouse gas emissions and the measurement approaches used  | 33, 126        |
|                   | Explanation of the targets the company uses to manage climate-related risks and opportunities and its performance against those target  | 33             |

# GRI Index

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| Statement of Use   | GRI 1 Used             | Applicable GRI Sector Standards  |
|--|------------------------|--|
| We report on sustainability management for the period from January 1, 2024, to December 31, 2024— including some performance data from 2025— in accordance with the GRI Standards 2021 reporting principles. | GRI 1: Foundation 2021 | As of the publication date, the industry sector standards applicable to HDC Hyundai Development Company's core industries have not yet been issued and, therefore, were not applied. |

GRI 2: General Disclosures 2021

| Category                            | GRI Standard                    | Topic   | Report Page(s)      | Remarks   |
|-------------------------------------|---------------------------------|---|---------------------|---|
| Organization and reporting practice | 2-1                             | Organizational details  | 2                   |   |
|                                     | 2-2                             | Entities included in the organization's sustainability reporting            | 2                   | Refer to the business report.                   |
|                                     | 2-3                             | Reporting period, frequency and contact point                               | 2                   |   |
|                                     | 2-4                             | Restatements of information   |                     | Separate notes are included within the data.    |
|                                     | 2-5                             | External assurance  | 144                 |   |
| Activities and workers              | 2-6                             | Activities, value chain and other business relationships                    | 8-12                |   |
|                                     | 2-7                             | Employees   | 127                 |   |
|                                     | 2-8                             | Workers who are not employees   | 127                 | Refer to the Employment Type Disclosure System. |
|                                     | 2-9                             | Governance structure and composition  | 108-113             |   |
| Governance                          | 2-10                            | Nomination and selection of the highest governance body                     | 108                 |   |
|                                     | 2-11                            | Chairperson of the highest governance body                                  | 109                 | Current business report, p. 348                 |
|                                     | 2-12                            | Role of the highest governance body in overseeing the management of impacts | 25, 35, 45, 108     |   |
|                                     | 2-13                            | Delegation of responsibility for managing impacts                           | 25, 35, 45, 111-113 |   |
|                                     | 2-14                            | Role of the highest governance body in sustainability reporting             | 111                 |   |
|                                     | 2-15                            | Conflicts of interest   | 110                 |   |
|                                     | 2-16                            | Communication of critical concerns  | 111                 |   |
|                                     | 2-17                            | Collective knowledge of the highest governance body                         | 110                 |   |
|                                     | 2-18                            | Evaluation of the performance of the highest governance body                | 114                 |   |
|                                     | 2-19                            | Remuneration policies   | 114                 |   |
|                                     | 2-20                            | Process to determine remuneration   | 114                 |   |
| 2-21                                | Annual total compensation ratio | 114, 133  |                     |   |

| Category                         | GRI Standard           | Topic  | Report Page(s)                     | Remarks                        |
|----------------------------------|------------------------|--|------------------------------------|--------------------------------|
| Strategy, policies and practices | 2-22                   | Statement on sustainable development strategy      | 5, 14                              |                                |
|                                  | 2-23                   | Policy commitments                                 | 91                                 | Refer to the website           |
|                                  | 2-24                   | Embedding policy commitments                       | 92-94                              |                                |
|                                  | 2-25                   | Process to remedy negative impacts                 | 92-94                              |                                |
|                                  | 2-26                   | Mechanisms for seeking advice and raising concerns | 93                                 |                                |
|                                  | 2-27                   | Compliance with laws and regulations               | 134                                | Current business report, p.394 |
|                                  | 2-28                   | Affiliated association                             | 142                                |                                |
|                                  | Stakeholder Engagement | 2-29   | Approach to stakeholder engagement | 21-22                          |
| 2-30                             |                        | Collective bargaining agreements                   | 88                                 |                                |

GRI 3: Material Topics 2021

| Category       | GRI Standard | Topic                                | Report Page(s) | Remarks |
|----------------|--------------|--------------------------------------|----------------|---------|
| Material Topic | 3-1          | Process to determine material topics | 18             |         |
|                | 3-2          | List of material topics              | 19             |         |
|                | 3-3          | Management of material topics        | 20             |         |

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Topic Standards Disclosures

| Category   | GRI Standard               | Topic  | Report Page(s)  | Remarks |  |
|--|----------------------------|--|---|---------|--|
| Topic 1: Climate Change Mitigation                     | 3-3                        | Management of material topics                              | 20, 25  |         |  |
|  | 305-1                      | Direct (Scope 1) GHG emissions                             | 32, 125   |         |  |
|  | 305-2                      | Indirect (Scope 2) GHG emissions                           | 32, 125   |         |  |
|  | Emissions 2016             | 305-3  | Other indirect (Scope 3) GHG emissions  | 32, 125 |  |
|  |                            | 305-4  | GHG emissions intensity   | 125     |  |
|  | 305-5                      | Reduction of GHG emissions                                 | 33, 125   |         |  |
| Topic 2: Energy  | 3-3                        | Management of material topics                              | 19-20, 27-30  |         |  |
|  | Energy 2016                | 302-1  | Energy consumption within the organization  | 125     |  |
|  |                            | 302-2  | Energy consumption outside the organization   | 125     |  |
|  | 302-3                      | Energy intensity   | 125   |         |  |
| Topic 3: Eco-friendly and High-efficiency Construction | 3-3                        | Management of material topics                              | 20, 30, 80  |         |  |
|  | Materials                  | 301-1  | Materials used by weight or volume  | 124     |  |
|  |                            | 301-2  | Recycled input materials used   | 124     |  |
| Energy 2016  | 302-5                      | Reductions in energy requirements of products and services | 80  |         |  |
| Topic 4: Quality and Safety                            | 3-3                        | Management of material topics                              | 20  |         |  |
|  | Customer Health and Safety | 416-1  | Assessment of the health and safety impacts of product and service categories                 | 44-47   |  |
|  |                            | 416-2  | Incidents of non-compliance concerning the health and safety impacts of products and services | 51, 131 |  |

| Category                             | GRI Standard    | Topic   | Report Page(s)   | Remarks |  |
|--------------------------------------|-----------------|---|--|---------|--|
| Topic 5: Employee Working Conditions | 3-3             | Management of material topics   | 20, 84   |         |  |
|                                      | Employment 2016 | 401-1   | New employee hires and employee turnover   | 128     |  |
|                                      |                 | 401-2   | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 88      |  |
| Occupational health and safety       | 401-3           | Parental leave  | 89, 129  |         |  |
|                                      | 403-1           | Occupational health and safety management system  | 36   |         |  |
|                                      | 403-2           | Hazard identification, risk assessment, and incident investigation  | 37   |         |  |
|                                      | 403-3           | Occupational health services  | 38   |         |  |
|                                      | 403-4           | Worker participation, consultation, and communication on occupational health and safety                       | 39-42  |         |  |
|                                      | 403-5           | Worker training on occupational health and safety   | 43   |         |  |
|                                      | 403-6           | Promotion of worker health  | 39   |         |  |
|                                      | 403-7           | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 42   |         |  |
|                                      | 403-8           | Workers covered by an occupational health and safety management system  | 35   |         |  |
|                                      | 403-9           | Work-related injuries   | 130  |         |  |
| Training and Education               | 403-10          | Work-related ill health   | 130  |         |  |
|                                      | 404-1           | Average hours of training per year per employee   | 130  |         |  |
|                                      | 404-2           | Programs for upgrading employee skills and transition assistance programs                                     | 89-90  |         |  |
|                                      | 404-3           | Percentage of employees receiving regular performance and career development reviews                          | 129  |         |  |
| Diversity and Equal Opportunity      | 405-1           | Diversity of governance bodies and employees  | 86, 127  |         |  |
|                                      | 405-2           | Ratio of basic salary and remuneration of women and men   | 129  |         |  |

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| Category                                       | GRI Standard | Topic   | Report Page(s) | Remarks |
|--|--------------|---|----------------|---------|
| <b>Topic 6: Mutual Supply Chain Management</b> |              |   |                |         |
|  | 3-3          | Management of material topics   | 20, 55         |         |
| Supplier                                       | 308-1        | New suppliers that were screened using environmental criteria                   | 55, 58, 132    |         |
| Environmental Assessment 2016                  | 308-2        | Negative environmental impacts in the supply chain and actions taken            | 58-59, 132     |         |
| Supplier Social Assessment 2016                | 414-1        | New suppliers that were screened using environmental criteria                   | 55-58, 132     |         |
|  | 414-2        | Negative environmental impacts in the supply chain and actions taken            | 58-59, 132     |         |
| <b>Topic 7: Integrity Management</b>           |              |   |                |         |
|  | 3-3          | Management of material topics   | 20, 62         |         |
|  | 205-1        | Operation assesses for risks related to corruption                              | 64, 134        |         |
| Anti-corruption 2016                           | 205-2        | Communication and training about anti-corruption policies and procedures        | 67, 134        |         |
|  | 205-3        | Confirmed incidents of corruption and actions taken                             | 67, 134        |         |
| Anti-competitive behavior                      | 206-1        | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 134            |         |

Marked as Non-Core Topics

| Category   | GRI Standard | Topic  | Report Page(s) | Remarks  |
|--|--------------|--|----------------|--|
| Economic Performance 2016                        | 201-1        | Direct economic value generated and distributed  | 7, 122         |  |
|  | 201-2        | Financial implications and other risks and opportunities due to climate change                                 | 28             |  |
| Indirect Economic Impacts 2016                   | 203-1        | Infrastructure investments and services supported  | 95-100         |  |
|  | 303-1        | Interactions with water as a shared resource   | 75             |  |
| Water and wastewater 2018                        | 303-2        | Management of water discharge-related impacts  | 75             |  |
|  | 303-3        | Water withdrawal   | 75, 126        |  |
|  | 303-5        | Water consumption 85   | 75, 126        |  |
| Biodiversity 2016                                | 101-8        | Ecosystem services   | 78-79          |  |
|  | 304-3        | Habitats protected or restored   | 78-79          |  |
|  | 304-4        | IUCN Red List species and national conservation list species with habitats in areas affected by operations     | 79             |  |
| Waste 2020                                       | 306-1        | Waste generation and significant waste-related impacts   | 74, 81         |  |
|  | 306-2        | Management of significant waste-related impacts  | 74             |  |
| Freedom of Association and Collective Bargaining | 407-1        | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 57-58          | No such negative impacts occurred during the reporting period. |
| Local Communities 2016                           | 413-1        | Operation with local community engagement, impact, assessments, and development programs                       | 97, 119        |  |
| Customer Privacy 2016                            | 418-1        | Number of complaints proven to be in violation of customer privacy and loss of customer information            | 132            |  |

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## ESRS2. General Disclosures

| Indicator No. | Title   | Report Page(s)                     |
|---------------|---|------------------------------------|
| ESRS 2 BP-1   | General basis for preparation of the sustainability statement   | 2                                  |
| ESRS 2 BP-2   | Disclosures in relation to specific circumstances   | 137                                |
| ESRS 2 GOV-1  | The role of the administrative, management and supervisory bodies   | 15-16                              |
| ESRS 2 GOV-2  | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | 15                                 |
| ESRS 2 GOV-3  | Integration of sustainability-related performance in incentive schemes  | 25, 35, 45, 63                     |
| ESRS 2 GOV-4  | Statement on due diligence  | 59, 64, 91-93,<br>104-105, 116-120 |
| ESRS 2 GOV-5  | Risk management and internal controls over sustainability reporting   | 117-120                            |
| ESRS 2 SBM-1  | Strategy, business model and value chain  | 6-7, 12                            |
| ESRS 2 SBM-2  | Interests and views of stakeholders   | 21-22                              |
| ESRS 2 SBM-3  | Material impacts, risks and opportunities and their interaction with strategy and business model                                    | 18-20                              |
| ESRS 2 IRO-1  | Description of the processes to identify and assess material impacts, risks and opportunities                                       | 18                                 |
| ESRS 2 IRO-2  | Disclosure requirements in ESRS covered by the undertaking's sustainability statement   | 140-141                            |

## ESRS 2 GOV-4. Statement on Due Diligence

| Key Due Diligence Elements   | Report Page(s)                          |
|--|---|
| a) Embedding due diligence in governance, strategy and business model                | 63-66                                   |
| b) Engaging with affected stakeholders in all key steps of the due diligence process | 21, 39, 41, 52, 56,<br>65, 95           |
| c) Identifying and assessing adverse impacts on people and the environment           | 18-20, 26-27, 39, 59,<br>92, 117-118    |
| d) Efforts to mitigate adverse impacts   | 20, 30, 40-42, 56-57,<br>92-93, 119-120 |
| e) Tracking and communicating the effectiveness of efforts                           | 22, 42, 52, 56,<br>65-66, 89, 93        |

## ESRS E1. Climate Change

| Indicator No. | Title   | Report Page(s) |
|---------------|---|----------------|
| ESRS E1-1     | Transition plan for climate change mitigation   | 26-27          |
| ESRS E1-2     | Policies related to climate change mitigation and adaptation  | 70-71, 25      |
| ESRS E1-3     | Actions and resources in relation to climate change policies  | 26-33          |
| ESRS E1-4     | Targets related to climate change mitigation and adaptation   | 27, 32-33      |
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| ESRS E1-7     | GHG removals and GHG mitigation projects financed through carbon credits  | 33, 126-127    |
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ESRS S1. Own Workforce

| Indicator No. | Title  | Report page(s) |
|---------------|--|----------------|
| ESRS S1-1     | Policies related to own workforce  | 35, 84, 91     |
| ESRS S1-2     | Processes for engaging with own workers and workers' representatives about impacts   | 42, 89, 93     |
| ESRS S1-3     | Processes to remediate negative impacts and channels for own workers to raise concerns   | 93             |
| ESRS S1-4     | Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | 93             |
| ESRS S1-5     | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities   | 94             |
| ESRS S1-6     | Characteristics of the undertaking's employees   | 127-130        |
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| ESRS S1-11    | Social protection  | 88-90          |
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| ESRS S1-14    | Health and safety indicators   | 43, 131-132    |
| ESRS S1-15    | Work-life balance indicators   | 89-90, 130     |
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ESRS S2. Workers in the Value Chain

| Indicator No. | Title   | Report page(s) |
|---------------|---|----------------|
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| ESRS S2-2     | Processes for engaging with value chain workers                           | 55             |
| ESRS S2-3     | Processes to remediate negative impacts and channels for raising concerns | 56             |
| ESRS S2-4     | Taking action on material impacts and managing risks and opportunities    | 55-56, 58-89   |
| ESRS S2-5     | Targets related to managing impacts and opportunities                     | 60             |

ESRS S4. Consumers and End Users

| Indicator No. | Title   | Report page(s) |
|---------------|---|----------------|
| ESRS S4-1     | Policies related to consumers and end-users   | 45             |
| ESRS S4-2     | Processes for engaging with consumers and end-users about impacts   | 52             |
| ESRS S4-3     | Processes to remediate negative impacts and channels for consumers and end-users to raise concerns                      | 52             |
| ESRS S4-4     | Taking action on material impacts   | 52             |
| ESRS S4-5     | Targets related to managing negative impacts, advancing positive impacts, and managing material risks and opportunities | 51             |

ESRS G1. Business Conduct

| Indicator No. | Title   | Report page(s) |
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## Awards

| Award date | Award  | Host   |
|------------|--|--|
| May        | Housing Service Awards - Excellence Award in Living Infrastructure Category  | MoneyToday   |
| May        | Apartment Brand Awards - Customer Satisfaction Category  | The Asia Business Daily  |
| June       | Housing Brand Awards - Urban Renewal Category  | Newsday  |
| July       | Hankyung Residential Culture Awards - Housing Welfare Category   | The Korea Economic Daily   |
| July       | Livable Apartments Awards - Excellence Award in Large Apartment Complex Category   | Maeil Economy  |
| August     | Korea Premium Housing Awards - Grand Prize in Smart Category   | MoneyToday   |
| September  | Asia Construction Comprehensive Awards - Grand Prize in Landscaping Category   | The Asia Business Daily  |
| September  | Korea Representative Apartment Awards - Minister of Land, Infrastructure and Transport Award in Housing Welfare Category | The Korea Economic DailyTV   |
| September  | Good Design Award (GD) - Excellence Award in Environmental Design Category   | Ministry of Trade, Industry and Energy, Korea Institute of Design Promotion    |
| October    | Aju Economy Construction Awards - Grand Prize in Housing Innovation Category   | Aju Business Daily   |
| October    | Green Construction Awards - Winner in Floor Plan and Design Category   | Asia Today   |
| November   | Smart Construction Awards - Grand Prize in Developer Category  | EToday   |
| November   | Green Housing Awards - ESG Management Grand Prize  | Hankook Ilbo   |
| November   | Construction Industry Awards - Knowledge Industry Center Category  | EDaily   |
| December   | Korea Management Awards - Grand Prize in ESG Management  | Korea Management Association   |
| December   | Selected as a Certified Company under the Community Contribution Recognition Program                                     | Korea National Council on Social Welfare, Ministry of Health and Welfare       |
| December   | Corporate Innovation Awards - Minister of Industry Award   | Korea Chamber of Commerce and Industry, Ministry of Trade, Industry and Energy |
| December   | Livable Homes Awards - Grand Prize in the Officetel Category   | The Korea Herald   |
| December   | Civil Engineering and Architecture Technology Awards - Excellence Award in Civil Facilities and Road Traffic             | Maeil Economy  |
| December   | Hankyung Residential Culture Awards - Grand Prize  | The Korea Economic Daily   |

## Memberships

| Name of the association  |  |   |
|--|--|---|
| Construction Management Strategy Research Group                                | Private and Public Enterprise Council (Korea Overseas Resources Development Association) | Korea Facilities Technology Association                     |
| Korea Construction Technicians Association                                     | buildingSMART Korea  | Korea Fire Protection Facilities Association                |
| Construction Health Council  | Seoul Chamber of Commerce and Industry   | Korea Fire Protection Facilities Association                |
| Construction Safety Practitioners Council                                      | Smart City and Architecture Society of Korea   | Korea Smart Home Industry Association                       |
| Construction Safety Executives Council   | Senior Business Forum  | Korea Human Resources Management Association                |
| Construction Safety Council  | Korea Construction Management Association  | Korea Electrical Contractors Association                    |
| Construction Industry KOSHA-MS Council   | Korea Construction Management Society  | Korea Electric Railway Technology Association               |
| Construction Company HR Managers Council                                       | Korea Society of Construction Safety   | Korea Information and Communication Contractors Association |
| Construction Equipment Safety Council  | Korea Construction Quality Council   | Korean Society of Landscape Architecture                    |
| Kunwoo Group   | Korea Construction Defect Management Council   | Korean Society of Landscape Architecture                    |
| Korea Construction Association   | Korea Construction Environment Association   | Korean Institute of Lighting and Electrical Facilities      |
| Korea Construction Association - Infrastructure Investment Development Council | Korean Institute of Construction Engineering and Management                              | Korea Housing Association                                   |
| Korea Association of Mechanical Equipment Contractors                          | Korea Fair Competition Federation  | Korean Geotechnical Society                                 |
| Society of Air-Conditioning and Refrigerating Engineers of Korea               | Korea Management Association   | Korea Railway Construction Association                      |
| The Korean Institute of Electrical Engineers                                   | Korea Data Center Council  | Korea Railroad Association                                  |
| Korea Specialty Contractors Association  | Korea Road Association   | Korean Concrete Institute                                   |
| Korean Society of Civil Engineers  | Korea Private Investment Association   | Korea Port Association                                      |
| Maeil Safety & Environment Research Institute                                  | Korea Listed Companies Association   | Overseas Construction Association of Korea                  |

\* HDC Hyundai Development Company complies with the Political Funds Act and does not make contributions to lobbying activities, interest groups, or similar political organizations. The associations and organizations listed on this page are not related to political funding; they represent partnerships established solely for industry-related knowledge development and networking purposes.

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# Greenhouse Gas Verification Statement

EVC-25-012

## 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**  
Korean Standards Association conducted limited guarantee level verification Scope1, Scope2 for HDC Hyundai Development Company's Greenhouse Gas declaration.  

- Reporting Target : HDC Hyundai Development Company's Headquarter, 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, 2024 to December 31, 2024

**3. Verification Criteria**  
Korean Standards Association conducted verification according to the procedures stipulated in ISO 14064-3 : 2019.  

- Calculation criteria
  - KS I ISO 14064-1 : 2018
  - Verification Guidelines for the Operation of the Greenhouse Gas Emissions Trading System (Recent Issue, Ministry of Environment Notice No. 2024-169)
  - Guidelines for Reporting and Certification of Emissions from Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2024-155)
  - 2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines
  - WRI (World Resources Institute) Greenhouse Gas Protocol

**4. Level of assurance verification and Responsibility**  
Korean 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 Headquarter
- 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.

KSA IAF 국립환경과학원

1/2

Headquarters / Assets

**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 <sub>2</sub> e) |              |               | Energy consumption(TJ) |
|------------------|-----------------------------------|--------------|---------------|------------------------|
|                  | Scope1                            | Scope2       | Subtotal      |                        |
| Headquarter      | 198                               | 544          | 742           | 15                     |
| I-Park Kondo     | 16                                | 147          | 163           | 3                      |
| Park Rosh        | 772                               | 1,892        | 2,663         | 53                     |
| Park Hyatt Seoul | 836                               | 2,520        | 3,356         | 69                     |
| Park Hyatt Busan | 1,493                             | 3,729        | 5,222         | 107                    |
| <b>Total</b>     | <b>3,315</b>                      | <b>8,832</b> | <b>12,146</b> | <b>247</b>             |

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

March 11, 2025

*Rongmin Moon*

KOREAN STANDARDS ASSOCIATION

KSA IAF 국립환경과학원

2/2

MOC-25-005-1

## GHG Emission Verification Opinion

HDC Hyundai Development Company

☑ Verification Scope  
Korean Standards Association has conducted verification for GHG emissions based on GHG report provided by HDC Hyundai Development Company's Construction Sites which includes Scope1 and Scope2 emissions.

☑ Verification Standards and Guidelines  
To conduct verification activities, verification team applied verification standards and guidelines. The standards and guidelines are as follows.  

- Guidance for reporting and verification of GHG emissions trading scheme (No. 2024-155 provided by Ministry of Environment, Republic of Korea)
- Verification Guidelines for the Operation of the Greenhouse Gas Emission Trading System (No. 2024-169 provided by Ministry of Environment, Republic of Korea)
- For matters not specified in other guidelines, refer to 2006 IPCC Guidelines, KS I ISO 14064-1: 2018 and KS I ISO 14064-3: 2019

☑ Level of Assurance  
HDC Hyundai Development Company's Construction Sites GHG emissions satisfies the under Reasonable Assurance (less than ±5.0% of total emissions).

☑ Verification Conclusion  
As a result of verification activities, verification team has found no significant errors, omissions, and misstatements. Therefore, Korean Standards Association confirms that following emissions data are adequately quantified.

• GHG Emissions(Scope1, Scope2) (Unit : tCO<sub>2</sub>e)

| Year | Scope 1   | Scope 2    | Total  |
|------|-----------|------------|--------|
| 2024 | 1,786,539 | 22,854,729 | 24,641 |
| 2023 | 2,403,264 | 20,872,779 | 23,276 |
| 2022 | 3,708,516 | 18,276,504 | 21,985 |
| 2021 | 3,800,860 | 22,646,832 | 26,447 |

※ This emission is based on the March 2024 and the final emission value is subject to change.  
 ※ Decimal place is not considered when calculating the emission of each workplace.

March 16, 2025

*Rongmin Moon*

KOREAN STANDARDS ASSOCIATION

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# Independent Assurance Statement

To: The Stakeholders of HDC HYUNDAI DEVELOPMENT COMPANY

## Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the HDC Hyundai Development Company Sustainability Report 2025 (hereinafter referred to as the "Report"). The Assurer is independent of the HDC HYUNDAI DEVELOPMENT COMPANY and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the HDC HYUNDAI DEVELOPMENT COMPANY report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the HDC HYUNDAI DEVELOPMENT COMPANY and the assurance was carried out under the assumption that presented the information and data was complete and accurate. HDC HYUNDAI DEVELOPMENT COMPANY is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to HDC HYUNDAI DEVELOPMENT COMPANY only. The Assurer is responsible for providing HDC HYUNDAI DEVELOPMENT COMPANY management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of HDC HYUNDAI DEVELOPMENT COMPANY. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than HDC HYUNDAI DEVELOPMENT COMPANY in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

## Scope

The scope of engagement agreed upon with HDC HYUNDAI DEVELOPMENT COMPANY includes the following:

- Reporting contents during the period from January 1st to December 31st 2024 included in the report, some data included first half of 2025.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material topics determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the Report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the Report.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

## Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

## Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by HDC HYUNDAI DEVELOPMENT COMPANY.

### [Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies, and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

### [Topic Standards]

101-8, 201-1~2, 203-1, 205-1~3, 206-1, 301-1~2, 302-1~3, 302-5, 303-1~3, 303-5, 304-3~4, 305-1~5, 306-1~2, 308-1~2, 401-1~3, 403-1~10, 404-1~3, 405-1~2, 407-1, 413-1, 414-1~2, 416-1~2, 418-1

## Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material topics through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the HQ to confirm the data collection processes, record management practices.

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To: The Stakeholders of HDC HYUNDAI DEVELOPMENT COMPANY

## Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

## Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with HDC HYUNDAI DEVELOPMENT COMPANY. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

## Opinion Statement

The assurer was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that HDC HYUNDAI DEVELOPMENT COMPANY's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environmental performance indicators are accurate and are supported by robust internal control processes.

## Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

### [Inclusivity: Stakeholder Engagement and Opinion]

HDC HYUNDAI DEVELOPMENT COMPANY defined customers, partner companies, employees, government agencies/related agencies, shareholders/investors and local communities as Key Stakeholder Groups. In order to collect opinions by each stakeholder group in the context of sustainability, operated the stakeholder engagement process. HDC HYUNDAI DEVELOPMENT COMPANY conducted a review of the stakeholder engagement process at the governance level in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. HDC HYUNDAI DEVELOPMENT COMPANY disclosed the results related to the process in the Report.

### [Materiality: Identification and reporting of material sustainability topics]

HDC HYUNDAI DEVELOPMENT COMPANY implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. HDC HYUNDAI DEVELOPMENT COMPANY conducted benchmarking and media analysis of similar companies and institutions at home and abroad, identified financial impact and social/environmental impact, and determined key issues for the reporting year through expert review of the impact. HDC HYUNDAI DEVELOPMENT COMPANY derived 7 material topics through the relevant process, and disclosed GRI topic standards disclosures related to material topics in the Report.

### [Responsiveness: Responding to material sustainability topics and related impacts]

HDC HYUNDAI DEVELOPMENT COMPANY operated a management process for material topics in the context of sustainability derived from the materiality assessment. The HDC HYUNDAI DEVELOPMENT COMPANY established mid- to long-term sustainability plans and goals according to the management methodology established to effectively reflect the expectations of key stakeholders. HDC HYUNDAI DEVELOPMENT COMPANY disclosed the process including policy, indicator, activity and response performance on material topics in the Report.

### [Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders]

HDC HYUNDAI DEVELOPMENT COMPANY identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the reported material topics. HDC HYUNDAI DEVELOPMENT COMPANY established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material topics, disclosed mid- to long-term plans and strategic system in the Report.

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# Independent Assurance Statement

To: The Stakeholders of HDC HYUNDAI DEVELOPMENT COMPANY

## Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, the following disclosure were carried out in a assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the report were not found in the assurance processes. The reporting organization manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.

- GRI Topic standards: 201-2, 205-1~3, 206-1, 301-1~2, 302-1~3, 302-5, 303-3, 303-5, 305-1~5, 308-1~2, 401-1~3, 403-1~10, 404-1~3, 405-1~2, 414-1~2, 416-1~2

## Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- It may be helpful to advance sustainability management systems by segmenting stakeholder identification criteria within the value chain and establishing sustainability strategies and objectives based on the requirements of key stakeholders.
- It may be helpful to advance sustainability management systems by integrating and operating major operating systems such as quality management systems and sustainability performance indicator management systems.
- In addition to performance related to material topics, It may be helpful to advance sustainability management systems by identifying negative impacts and disclosing their management systems, mid- to long-term strategies and directions.

## GRI-reporting

HDC HYUNDAI DEVELOPMENT COMPANY provided us with their self declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by HDC HYUNDAI DEVELOPMENT COMPANY and the sector standard was not applied.

Issue Date: 23/06/2025

For and on behalf of BSI (British Standards Institution):

**bsi.**

BSI representative

Jungwoo Lee, Lead Assurer, LCSAP

Seonghwan Lim, Managing Director of BSI Korea

**HDC** HYUNDAI  
DEVELOPMENT  
COMPANY



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