

2020

HALLA CORPORATION SUSTAINABILITY REPORT

HALLA CORPORATION 2020 SUSTAINABILITY REPORT

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ABOUT THIS REPORT

Introduction

Halla Corporation (hereafter "Halla Corp.") published its first sustainability report with the aim of communicating economic, social, and environmental values and performances created through management activities with various stakeholders in a transparent manner. We expect this report to play a role as a communication channel for sharing our sustainability management activities, performances, and plans with stakeholders going forward.

Reporting Guideline

This report was prepared in accordance with "Core Option" of the GRI (Global Reporting Initiatives) Standards, a reporting guideline for sustainability management, and also reflected the SASB (Sustainability Accounting Standards Board) Index as well as UN SDGs (Sustainable Development Goals) Index.

Reporting Period

This report presents our economic, social, and environmental performances and activities from January 1 through December 31, 2020. Reporting period of some data extends to the first half of 2021. As for quantitative performances, three-year data since 2018 are presented to show time-series trends.

Reporting Scope

Reporting scope covers both the head office and all business sites in Korea. Financial information was prepared in accordance with the K-IFRS-based consolidated financial statements. Some information that requires attention to the scope and boundary was annotated for better understanding.

Assurance

This report was verified by KMR (Korea Management Registrar Inc.) in order to ensure objectivity and transparency.

For more details or inquiries, please contact us through the following channel.



Future Strategy Team of Halla Corp. E. sustain.halla@halla.com T. 02-3434-5114

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Access to Online Management Information

Halla Corp. regularly discloses its management

information on the corporate website in a trans-

parent manner. Information on our sustainability

management is also provided through diverse

channels including Naver Post and Instagram.

Halla Corp.'s Sustainability Management

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COVER STORY



Halla Corp. pursues a sustainable corporation that creates new growth engines beyond the traditional construction business and shares values and happiness with stakeholders.

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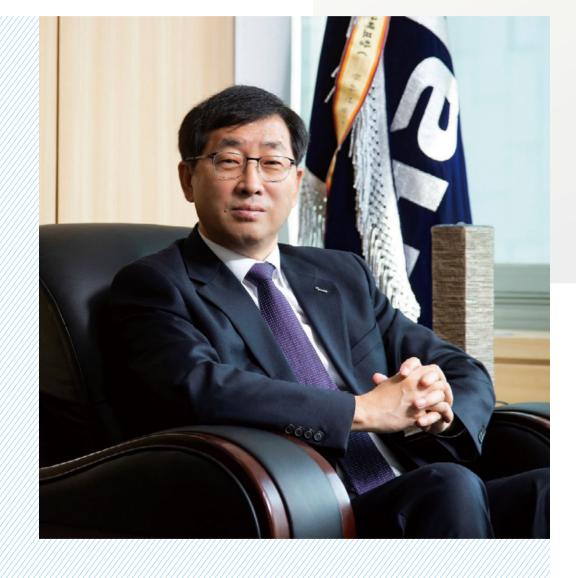
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CEO Message

Halla Corp. strives to achieve sustainable growth driven by future competitiveness and is committed to responsible management for the purpose of becoming a business that makes our employees, customers, partners, shareholders, and communities happy and healthy.



A Sustainably Growing Company

Since its establishment in 1980, Halla Corp. has led the construction industry through sustained innovation while serving as the backbone for the nation's economic growth. We have not only contributed to laying the industrial infrastructure by successfully completing a variety of SOC, environment, plant, and large-scale development projects, but also built prestigious landmark architectures featuring distinct design and state-of-the-art technology. We are growing into a company trusted by customers for top quality and competitiveness as we create quality residential space that is eco-friendly and innovative.

In the face of tough management environment brought on by COVID-19 and global trade disputes throughout the last year, we succeeded in completing large-scale planning proposal projects and achieved growth in every sector through companywide cost innovation efforts. This has allowed the company to enhance competitiveness, secure management stability, and recover credit ratings in the market.

We are poised to kick off new projects aimed at increasing our presence in the construction market and identifying future growth engines. For the construction sector, we are proactive in planning proposal projects, investment and development projects, remodeling, road management, and housing land development as well as promoting digital transformation. For the non-construction sector, we engage in logistics operation business while investing in promising technology-based start-ups and prop-techs in eco-friendly, green new deal, and hydrogen economy with the aim of securing the foundation for future growth.

A Company Loved by Stakeholders

As an affiliate of Halla Group, Halla Corp. is committed to realizing the vision of "a healthy and growing company" based on core values of "integrity," "frontier," and "work together." Our core values and vision represent not just economical goals but also social values as we run the company as a responsible member of the community we serve.

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Halla Corp. will work towards realizing ESG values with the conviction that delivering stakeholders' values forms the basis for the company's sustainable growth. To that end, in February 2021, we launched the Integrity Management Committee under the BOD to ensure stricter financial and non-financial management for long-term company values. Furthermore, the newly established ESG Office is dedicated to establishing quality, safety & health, and environment strategies in a systematic manner. We announced our strong will to practice ESG management through the declaration of human rights management with the Group.

Respected stakeholders, Halla Corp. wholeheartedly appreciates your support and encouragement. We promise to secure the solid foundation for sustainable growth by innovating business models and reshaping the management paradigm. The economic and social values we generate will be shared with stakeholders. We will compile those activities in the sustainability report in a transparent manner for our stakeholders to review.

We look forward to your unwavering support as we make progress on our sustainability journey.

Thank you.

June 2021

CEO of Halla Corp., Lee Seok-min







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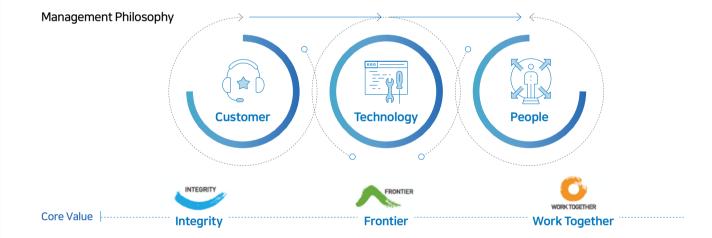
ABOUT HALLA



Halla Group, established when Hyundai International was first founded in 1962, was the first company in Korea to produce heavy equipment, setting a milestone in Korean history of heavy industry ranging from shipbuilding, construction to automobiles. With the rich expertise and technology, Halla Group has led many different industries including construction, automobile, distribution, service, investment, education, sports, and more. Today, Halla Group is growing into a global corporation by expanding its presence in the US, China, Asia, Europe, and Southern America.

Profile

Establishment	Homepage	Affiliates	Sales	Employees
October 1962	www.halla.com	45 companies (domestic: 13, overseas: 32)	KRW 8.6 trillion	14,873 persons



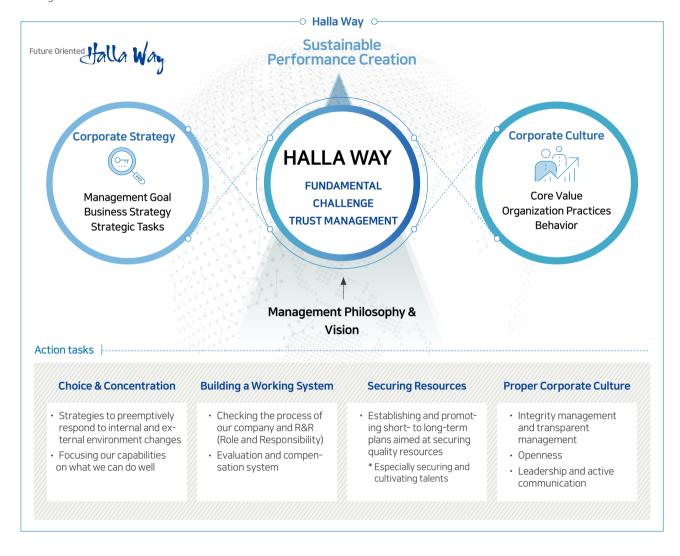
Affiliates by Business Sector

Holding Sector	Auto Parts	Construction	Education & Sports	
Halla Holdings Halla REITs Management	Mando Mando Hella Electronics Mando Brose	Halla Corp. Mokpo New Port Terminal Halla OMS Halla GLS	J.J. Halla Halla Ceragio Halla University Anyang Halla Ice Hockey Club	

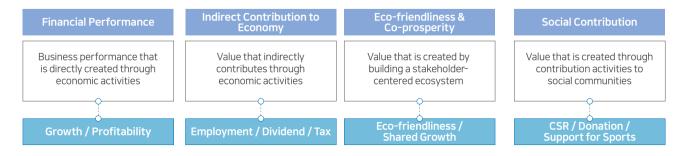
Management Principles -

Halla Group introduced the holding company system led by Halla Holdings in 2014, setting forth the principles and rules on sustainability management.

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Sustainability Management Directions



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Halla Corporation Halla Corp.

Since the establishment in 1980, Halla Corp. has carried out a number of construction projects at home and abroad, serving as the backbone for Korea's economic growth. Halla Corp.'s outstanding capabilities are well recognized in civil engineering, construction, housing, plant, and environment projects. From the national industrial infrastructure project to architectures built in distinct designs and state-of-the-art technology, different industrial and environmental plants, and the prestigious residential space "Halla Vivaldi," Halla Corp. has grown into a company respected by customers for its top quality and competitiveness. We will concentrate our core capacity on SOC, turn-key, and major proposal projects, while striving to transform ourselves in pursuit of delivering customer values.

Corporate name	Halla Corporation
Establishment	May 2, 1980
CEO	Lee Seok-min
Headquarters	289, Olympic-ro, Songpa-gu, Seoul
Major businesses	Construction (architecture, housing, civil engineering, plant), non-construction (distribution logistics, leisure, new business, etc.)
Sales & order backlogs (consolidated)	KRW 1.57 trillion / KRW3.92 trillion
Number of employees	1,192 persons (as of Dec. 31, 2020, including local recruits)

Subsidiaries

We enhance profitability through the growth of subsidiaries and non-construction sector and strive to create long-term and stable cash flows.





1980's~1990's

1980	Established Halla Resources Corp. (sp off from Resources Development Dep of Hyundai International Inc.)
1981	Acquired government permission for
	overseas investment
	Extract the second

- 1989 Established labor union 1990 Changed company name to Halla Engineering & Construction Corp.
- 1991 Started construction of Wonju Halla Engineering College 1993 Started construction of Jamsil Sigma Tower
- Acquired ISO 9001 certification 1995 Acquired ISO 14001 certification 1997 Introduced apartments, branded "Halla Vivaldi"

2000's

2000	Started construction of Uljin Airport
2001	Started construction of East Dock o
	Pyeongtaek Port
2004	Declared the Vision 2010 and busine
	strategies

Started construction of Western Dome 2005 Started construction of Suin Line (Suwon~Incheon) double-track railway area 5 Established a local corp. in Tianjin, China Halla Vivaldi in Hopyeong District,

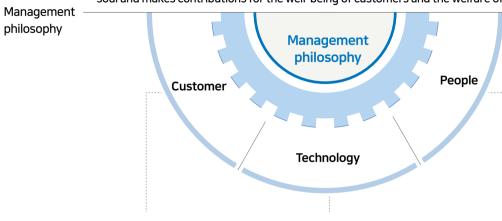
Namyangju awarded Hankyung Housing

Halla Vivaldi, Ochang awarded overall Hankyung Housing Culture grand prize Halla Vivaldi, Paju Unjeong awarded Seoul Economy advertising grand prize Started construction of Pyeongtaek~Siheung Awarded Hankyung Housing Culture grand prize in apartment category (Cheonan Yonggok Halla Started widening work for Dongbu Expressway area 2 Culture grand prize in apartment category Over 1 trillion won in sales and 2 trillion won in contracts 2009 Acquired OHSAS 18001 certification

2006 Started construction of Pyeongchang-

Jeongseon national highway area 2

Halla Corp. designs products and services based on talents and technology with its heart and soul and makes contributions for the well-being of customers and the welfare of mankind.



status

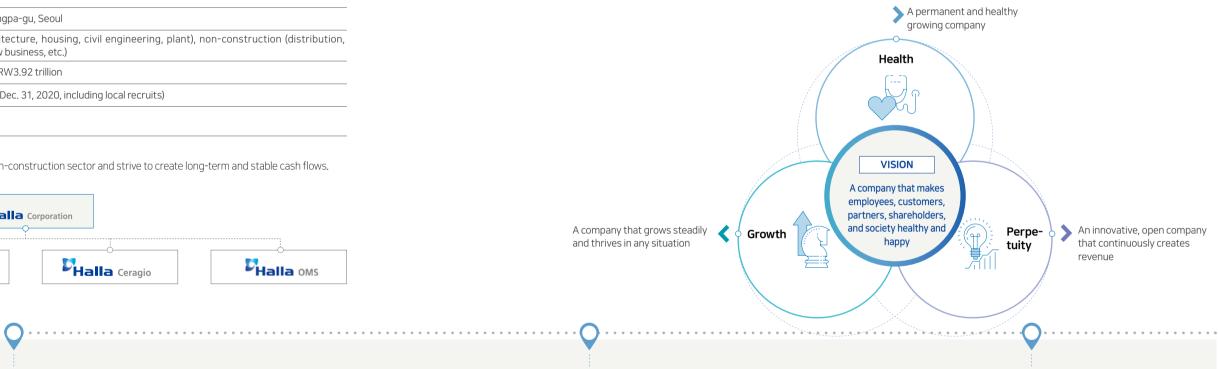
Respond quickly to market demand and persistently win customers'

Create future growth power by securing core competencies

Discover and nurture talents to create the future with the view, that "the customer is the workforce"

OVERVIEW

Vision



2010's

- 2010 Started construction of Onemount Sports Mall Halla Vivaldi amusement facilities Cheonan Yonggok-dong, nominated for 2010 Good Design Award by Ministry of Knowledge Economy
- 2011 Hyundai Department Store Daegu Branch awarded the Minister Prize of Land, Transport and Maritime Affairs Won the Presidential Citation for model taxpayer from the Ministry of Strategy and Finance Selected as one of "Top 50 promising companies in Asia" by U.S. business magazine Forbes Started construction of the 2nd Yeongdong Expressway
- 2012 Started construction of Incheon Gimpo Expressway Halla Vivaldi, Wonju #2 awarded Hankyung Housing Culture grand prize in brand category
- 2013 Received the Presidential Citation for labormanagement cooperation from the Ministry of Employment and Labor Changed company name and CI to Halla Corp.
- Signed contract for development of Baegot New Town and completed sales of 6,700 apartment units Started construction of Hyundai Department Store
 - Outlet Songdo Branch Pulmuone Forest Center Won the Minister Award of Land, Infrastructure and Transport at the Korean Architecture Awards
- 2016 Declared new company Vision (healthy, growing, permanent company)
- Started construction of Bongdam-Songsan Expressway

- 2018 Started construction of Pyeongtaek Parking Building for Samsung Electronics Converted to ISO 45001 certification (first in the construction industry)
- 2019 Started construction of Siheung Smart Campus for Seoul National University
- 2020 Signed an agreement on R&D for railway infrastructure lifecycle management BIM Celebrated the 40th anniversary of Halla Corp.
- Established Integrity Management Committee and ESG Office Set the human rights management principle

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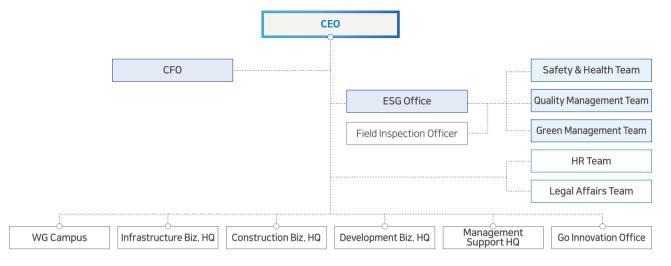
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Organizational Structure

Halla Corp. has been establishing an agile organizational structure to preemptively respond to future changes in a rapidly changing business



Major Financial Performance

In 2020, Halla Corp. achieved stable growth in both sales and operating profit. Net profit increased sharply compared to the previous year, which was mainly resulted from unwavering growth in housing and architecture business and focus on high value-added sectors such as development projects based on thorough risk management. Order backlogs have been constantly increasing since 2017.









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Major Business

Halla Corp. builds prestigious architectures that satisfy everyone with its distinct engineering capabilities and sophisticated technology. Halla Corp., the value creator, will reinforce the business portfolio ranging from traditional construction businesses to non-construction and new businesses.



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Subsidiaries



Halla GLS

> — **CEO**: Kang Rak-won

> — Establishment:

Dec. 2006

305, Dongtan

Gyeonggi-do

> — **Employees:** 15 persons

Mulyu-ro 69, Hwaseong-si,

KRW 7.7 billion in 2020

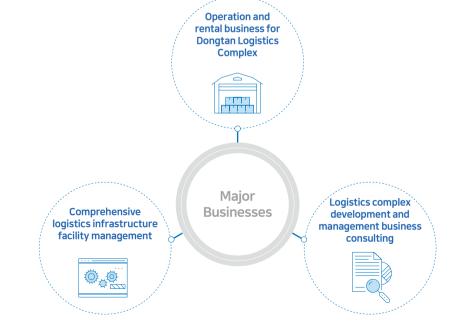
(as of Dec. 31, 2020)

HALLA GLS

We run the Hwaseong Dongtan Logistics Campus, a green logistics hub in the southern capital region. It is a large-scale logistics complex with a floor space of 892,562 square meters that allows smaller facilities scattered around the country to be integrated for better efficiency.

The five blocks are organically placed to ensure maximum synergy between different companies of different functions by sharing information and expertise. Ramps and separate docks were installed on the natural soil so that logistics vehicles can access to unload cargo independently.

Located in the 2nd Dongtan New Town, which is adjacent to other new towns in Suwon, Singal, and Giheung, the Hwaseong Dongtan Logistics Campus has access to rich human resources in the logistic complex. Also, accessible from the non-stop interchange connected to the No.23 express road, the Campus ensures guick and convenient access.



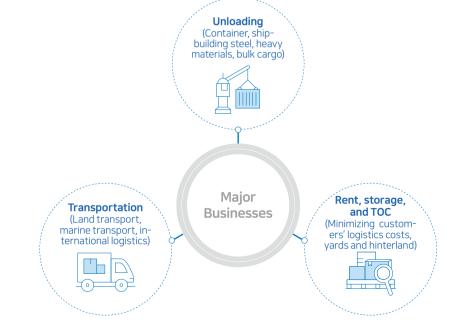


Mokpo New Port Terminal

Mokpo New Port Terminal is a strategic port for sea-borne trade where the central axis and the main sea route of Korea, China, and Japan cross. This is also where Korea's transportation map begins. As a hub port in the southwestern region, Mokpo New Port Terminal is the first private-invested port in Korea. This multi-purpose port can accommodate up to three 30,000-ton vessels at the same time. The large piers have unloading equipment and workforce which can handle 5 million tons of general cargo and containers of 360,000 TEU.

Mokpo New Port Terminal boasts ideal location which allows for a 24-hour access and a vast swath of hinterland. Its optimal infrastructure which is adjacent to neighboring industrial complex ensures best-in-class land, sea, and air transportation service. The port also offers premium-level incentives to customers in partnership with the government and local authorities.

Mokpo New Port Terminal strives to recover the past glory of Halla Group as it works to contribute to increasing cargo volume and carry out continuous CSR activities as a company respected by the local communities it serves.





> — Establishment: Nov. 1997

> — Location: 45, Sinhang-ro 294beon-gil, Mokpo-si, Jeollanam-do

Sales: KRW 25.2 billion in 2020

> — **Employees:** 46 persons (as of Dec. 31, 2020)

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Halla Ceragio

Halla Ceragio Country Club, located in Yeoju-si, allows golfers to comfortably enjoy rounding on the courses built in a way that leaves the natural geography in the most pristine condition.

The clubhouse reflects the needs of golfers who want to get away from everyday life and get closer to nature, so that they can relax and play in peace with its short dynamics and functional design.

Each hole on the course features natural hills, greens and bunkers created by valleys and ridges, eight ponds, and course mounds. The holes were designed independently with the whole course representing male and female characteristics to embody strategy, challenge, patience, and mildness. The name "Ceragio" was coined with "Cera" meaning the local specialty of Yeoju and Icheon, and "Gio" meaning "land."



Opening of courses: Apr. 2011

530, Yeoyang-ro, Yeoju-si, Gyeonggi-do

KRW 15.4 billion in 2020

> — **Employees:** 31 persons (as of Dec. 31, 2020)





Halla oms

Halla OMS

Halla OMS engages in construction and management of environmental facilities. Halla OMS offers a onestop service ranging from the optimal design and construction to operation of waste and water treatment system. The company has an extensive expertise in environmental pollution prevention facilities, general construction, civil engineering, eco-friendly equipment in construction. Also, by integrating the technology and the abundant know-how with the Group's stable and advanced management technic, Hall OMS is growing into an eco-friendly construction company in waste recycling, water treatment, consigned management, power generation plant, renewable energy, and more.

Halla OMS holds a number of patents and proprietary technology in environment area through consistent technology investment and R&D efforts, while providing consigned management service of environment plant. Halla OMS promises to deliver richer life for the human beings with the technology that preserves environment.



(as of Dec. 31, 2020)



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Regional Specialization Project of Siheung Baegot New City

Halla Corp. was selected as one of the private companies to join the regional specialization project of Siheung Baegot New City in September 2013. Since then, we have built 6,700-household apartment complexes and Seoul National University Siheung Smart Campus on the special district in Baegot New City. This is a mega project which consists of Seoul National University Siheung Smart Campus, a cluster for education and medical businesses, and residential & commercial complexes on the space of 4.9 million square meters. in Jeongwang-dong, Siheung, Halla Corp, will reinforce planning proposal type development projects based on the expertise and know-how we obtained from the successful completion of Baegot New City.

Milestones in Baegot New City construction

Sep. 2013

Halla Corp. was selected as a private builder for regional specialization project

• Jan. 2016

Completed the sale of 6,700 households in Halla Vivaldi Campus Complex #1, 2, & 3

Aug. 2016

Signed a concession agreement among Siheung-si, Seoul National University, and Baegot Net City

May 2017

Siheung-si

Started construction of Siheung Campus phase #1 (complex construction)

Halla Corp. (private builder)

Halla

New City

Specializa-

• Dec. 2017

Held a proclamation ceremony for Seoul National University Siheung Campus

• Feb. 2020

Completed construction of Education Cooperation Building

• Jul. 2020

Complected construction of Future Mobility Center

Sep. 2020

Completed construction of faculty accommodation

Oct. 2020

Completed construction of Unmanned Vehicle Research

Dec. 2021

Plan to complete construction of Siheung Campus phase #1

Premium housing brand, Halla Vivaldi

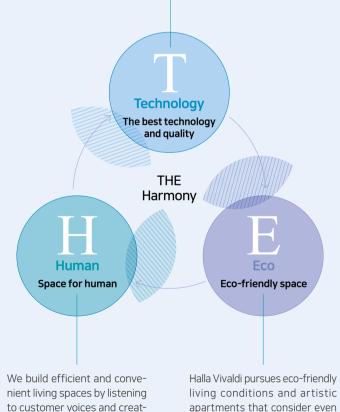


The letter "V" in Halla Vivaldi represents the strength and sturdiness of an apartment building. "V" also embodies the infinite trust on Halla Vivaldi's technology, philosophy, and quality. The letter "H" in a smooth curve emphasizes Halla Vivaldi's commitment for customer satisfaction.

Halla Vivaldi was the leading player in the history of Korean branded apartments and a premium brand that has been leading the Korean residential culture through luxury residential spaces since 1997. With continuous R&D and advanced technology, we are opening up an era of eco-friendly low-energy apartments, and implementing world class residential masterpieces by applying innovative designs to a unique sense of art. Halla Vivaldi is the symbol of a livable house, a home where human beings, nature and technology co-exist and various values create synergy.

Brand Essence of Halla Vivaldi

Demonstrating a long tradition and distinguished technology, Halla Vivaldi provides customers with the highest quality and satisfaction.



ing unit design optimized for

them

emotional value

Halla Vivaldi's Specialized Facilities



Education



Halla Corp.'s specialized resident-only convenience space that combines learning space and resident con-



A Resident-only education facility that provides education services

venience facilities



EDU Garden

Vegetable garden and theme-based playground for residents



Air Purification System and Air Washer An indoor fine dust elimina-





Increasing convenience of residents by linking smart home appliances control through IoT system and



Healthy Garden

Providing spaces for exercise and rest through a 100-meter track, walking trail around the complex, and health shelters















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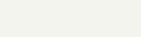
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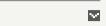
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Kintex Onemount Sports Mall Summary: Gross floor space of 161,603m, B2-9F



Hyundai Department Store Pangyo

Period: Jan. 2013 ~ Jul. 2015

Summary: Gross floor space of 237,09m², B7~13F, commercial facility, culture & assembly facility, office facility



Period: May 2010 ~ Feb. 2013 Ulsan Songjeong Halla Vivaldi Summary: Gross floor space of 100,659m, B1~F25,

> 676 households **Period:** Oct. 2016 ~ Feb. 2019



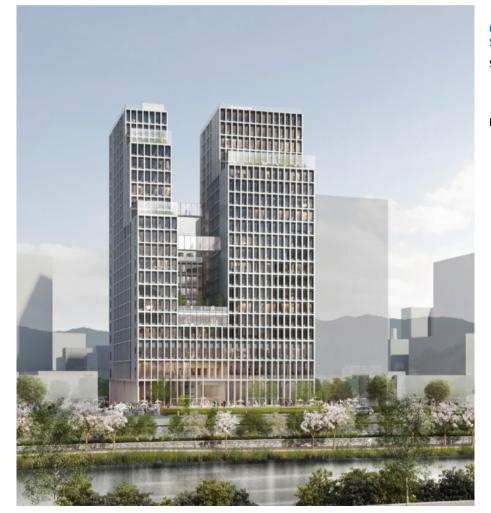
Seoul Station Halla Vivaldi Central

Summary: Gross floor space of 32,605m, B2~14F, 4 buildings, 199 households **Period:** Dec. 2015 ~ Jan. 2018



Halla Ceragio CC

Summary: Gross floor space of 8,785m, B1-2F Club House, Two tea houses, security office, two warehouses **Period:** May 2008 ~ May 2011



Office Building in Sungin-dong, Jongno-gu

Summary: Gross floor space of 35,622m², B5~21F, 547 rooms, offices, stores **Period:** Sep. 2019 ~ May 2022



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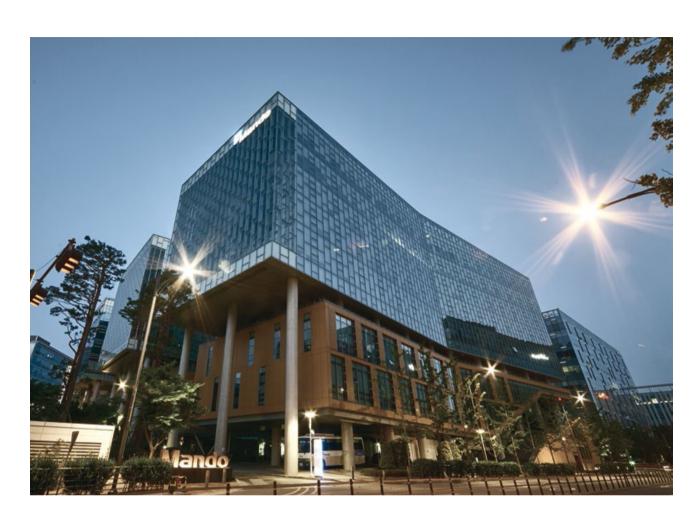
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Mando R&D Center

Summary: Gross floor space of 56,690m, B3~9F

Period: Jan. 2011 ~ Aug. 2012



Dongtan Logistics Complex

Summary: Gross floor space of 627,763m, B2~4F, logistics center

Period: Mar. 2016 ~ Dec. 2018



Parking Building at Samsung Electronics Pyeongtaek Campus

Summary: Gross floor space of 125,007m, 1F~6F **Period:** Jul. 2018 ~ Aug. 2020





Summary: Gross floor space of 20,178m, B3-5F

Period: Jul. 2016 ~ Jul. 2018



Summary: Gross floor space of 20,178m², B3-5F

Period: Dec. 2018 ~ Oct. 2020





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Extension of Expressway No. 451 from Seongseo to Okpo (phase 1)

Summary: Extension of 3.86km-length expressway,

two ICs, 6 lanes to 10 lanes

Period: Dec. 2005 ~ Dec. 2010

Construction of Apron Facility B & C for Incheon International **Airport Construction Project** Phase #2 (Zone 2A~6)

Summary: Apron of 546,248m **Period:** Aug. 2004 ~ Jun. 2008



New Roadbed and Other Works for Wonju~Gangneung Railroad (Zone 9)

Summary: Length 12.7km **Period:** Jun. 2012 ~ Jan. 2018



Summary: DOCK construction (1 million ton-class vessel×1 berth, 0.5 million ton-class×1 berth)

Period: Mar. 1994 ~ Dec. 1996

Samho Shipyard

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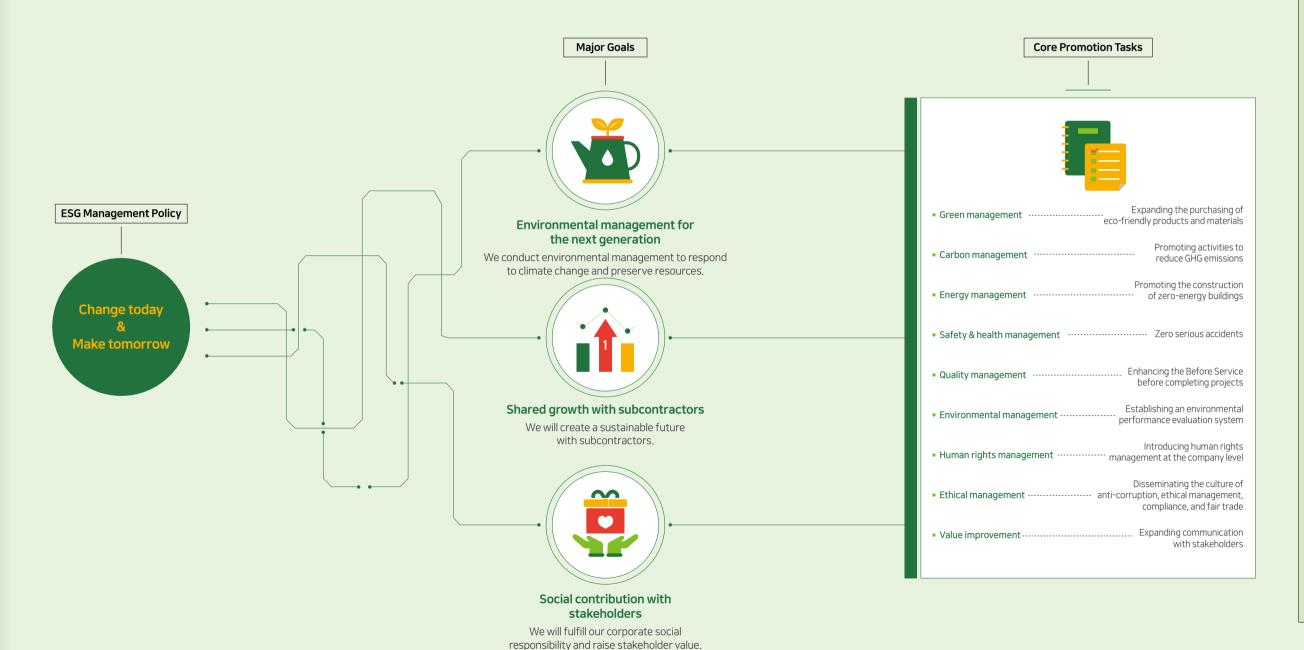
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Start of Journey

ESG Management Policy: "Change Today & Make Tomorrow"

Halla Corp. has set forth the ESG management policy of "Change today & Make tomorrow" which is aimed at delivering sustainable growth of our society. To that end, we established the ESG management system by organizing the Integrity Management Committee and ESG Office under the CEO. Halla Corp. promises to become a company that fulfills its social responsibilities by preserving resources for the next generation and seeking shared prosperity with the society.



Campaign for Encouraging Company-wide ESG Management

Halla Corp. announced a slogan poster "Let's build up our value for ESG" aimed to help all employees understand the ESG management and distributed the poster to all construction sites as well as the head office.



Sustainability Management

Building

a Better Future

Environment Thinking about the environment!

Social

Contributing to the society!

Governance Managing transparently!

Building a Better Life

Governance





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Establishment of ESG Management System

Establishment of the Integrity Management Committee

In February 2021, Halla Corp. renamed the Internal Transaction Committee, into the Integrity Management Committee which was formed to raised management transparency and expanded its roles. The Integrity Management Committee, which inherited the roles of the former Internal transaction Committee, will review ESG management strategy and feasibility of implementation tasks, and resolve other non-financial management affairs.

ESG Office

The ESG Office was set up under the direct control of the CEO on May 1st, 2021 to further improve ESG management by seeking "co-prosperity," "growth," and "harmony." The Green Management Team, which was launched together with the ESG Office, will establish the culture of eco-friendly management group-wide, thus laying the groundwork to realize our long-term goal of "sustainable company that is eco-friendly and future-oriented."



Operation of ESG Office



Human Rights Management

Under the vision of "global company that is respected, sound, and healthy," Halla Group contributes to the welfare of our customers and the human beings with our products and services. We also comply with labor laws and customers' demand in regions and countries where we operate and support the Universal Declaration of Human Rights (UDHR1)) and the Guiding Principles on Business and Human Right (UNGPs2)). In support of the rules of human rights management, Halla Corp. and Halla Group established the principles of human rights management in order to grow with our stakeholders and seek sustainable development rooted upon the respect for human rights.

Human Rights Management Policy of Halla Corp.



1 Respect for Human Rights

We shall respect all stakeholders as humans and strive to prevent physical and mental abuse. All forms of sexual harassment, physical punishment, slurs, or abuses reported shall be dealt with strict measures.

17 Prevention of Discrimination

We shall not discriminate against employees' gender, age, race, skin color, nationality, birthplace, disability, religion, political values, family relations, pregnancy, or birth for hiring, wage, promotion, and respect diversity.

13 Prevention of Forced Labor and Child Labor

We shall not force labor which may restrict mental or physical liberty such as assault, intimidation, threatening, detention, service charge, cost, slavery, human trafficking in exchange for promotion or employment retention. We shall not demand transfer of identifications issued by government, passport, or work permit in exchange for employment. We shall comply with the minimum working age rules in the regions where we operate.

14 Responsible Supply Chain Management

Affiliates and all subcontractors of Halla Corp. shall operate businesses in compliance with Halla Corp.'s human rights management policy and support and practice human rights management in compliance with all laws applied in regions where they operate businesses.

05 Compliance with Working Conditions and Labor Laws

We shall comply with all labor rules in all countries or regions including regular work hour. overtime, leave, and wage. Furthermore, all employees shall have equal opportunity to communicate and express their opinions.

06 Safety and Health

We shall abide by the safety and health stands stipulated in laws in all countries or regions. We shall offer education that meets legal requirements and manage operations and facilities to provide employees with safe and clean workplace.

17 Protection of Personal Information

Halla Corp. shall take extra caution to ensure that our products and services do not pose harm to stakeholders' life, health, and safety, and take appropriate measures for the protection of consumers' information obtained from management activities.

18 Ensuring Environmental Rights

We shall establish and maintain an environmental management system to uphold the principle of a preventive approach to environmental problems. We shall set a plan to prevent serious environmental damage and disasters, and disclose information related to the environment.

19 Human Rights for Local Communities

As a member of the local community, we shall recognize corporate's responsibility on social development, engage in social contribution activities, and protect freedom of residence.

Halla Corp. implemented the ethical management process to prevent human rights violations that may arise from business activities. As part of the process, we run a cyber reporting center which is open to all stakeholders. Please report any incidence of human rights violation you witness or experience firsthand via the website at https://ethics.halla.com/. Halla Corp. will continue to enhance human rights policies and protect human rights as "a global company that is respected, sound, and healthy."

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BEYOND CONSTRUCTION

Investing in New Businesses to Go beyond Construction

Halla Corp. has materialized a new business strategy aimed at securing future growth engines. For new business, we will seek collaboration with a variety of areas, invest in promising start-ups, and promote M&A to generate synergy in finance and ICT business. To that end, we launched "WG Campus (or, Wungok Campus)" in April 2020. WG Campus held the "growth story workshop" in order to share the group's long-term vision, where we adopted the new business strategy of "Go beyond Construction!"





+ Finance

Collaboration

Investment in

Startups and

M&A

We are proactive in developing and promoting the convergence of IT to existing smart port and data center construction and new businesses based on related solutions and platforms.

By capitalizing on capital raised from increased profits, we are seeking new areas that can create synergy with existing businesses and the Group and promoting investments in startups and M&A.





Expanding Collaboration with Financial Sector

Halla Corp. has been expanding networks with financial institutions and building a swift internal decision-making process, thus securing the foundation for promoting profitable projects. As part of it, we agreed to invest KRW 3 billion in the KRW 12 billion worth of real property blind fund operated by MPlus Asset Management, a subsidiary of the Military Mutual Aid Association in the first half of 2020. We will continue to expand our business domain to the construction-linked financial sector that invests in real estate and development projects.



Launch of the Group's R&D center, WG Campus

WG Campus is an in-house research center whose mission is to identify new businesses by applying new digital technology. Under the long-term vision of "Space Solution Provider," WG Campus focuses on seeking new businesses that integrate traditional construction, IT, and FinTech by developing a platform with higher value of space.



Investing in Eco-friendly Technology

Halla Corp. advanced into eco-friendly technology market in December 2020 with the investment in AIRRANE, a gas membrane specialist for separation. AIRRANE is the only company to succeed in mass producing gas separation membrane in Korea. We will conduct joint projects such as hydrogen production at biogas plant, semiconductor chemical recycling, and CO2 capture and storage technology.



Investing in Startups

Halla Corp. invested KRW 2 billion in acquiring a real property information platform "Disco," securing 10.9% stake, expecting generation of new values in business across asset management, finance, and development projects.





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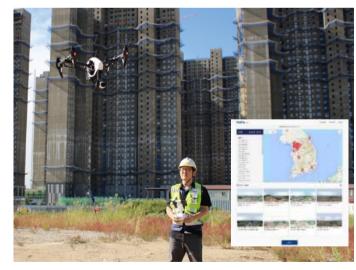
Investment in Developing New Construction Technologies

Halla Corp. secures future growth engines by investing in R&D of new construction technologies. We proactively explore new business in digital transformation such as smart construction and spatial platform business in the era of the 4th Industrial Revolution. We put effort in supporting new technology development, talent training, and new innovation.



The company will introduce drones on all our sites as part of smart construction project. In 2020, all field staff dedicated to drone operation obtained professional certification and were provided with practical trainings. A total of 65 employees have obtained four kinds of drone licenses, operating drones on 49 construction sites.

The 360-degree VR drone oversight system minimizes the hassles for the HQ to visit actual sites, contributing to work efficiency by analyzing and sharing the status of construction sites.



360-degree VR drone oversight system

Halla Drone Day

At the 2019 Halla Drone Day event, drone experts of Halla Corp. and over 100 students of Halla University took drone education and drone flight training. Halla Drone Day was organized to expand new technology of smart construction and nurture drone experts which will be the key technology of smart construction industry in the future.



2019 Halla Drone Day



Halla Corp. strives to secure bid-winning competitiveness and improve profitability through smart construction technology such as smart construction safety management system1), internalization of BIM2) operation, and drone-based process management. The smart construction safety system monitors dangerous factors in real time by acquiring information such as location of workers in tunnel and work site conditions (oxygen, carbon monoxide, carbon dioxide, temperature, and humidity) via communication devices (wifi, BLE3). The technology was introduced to the 3rd construction site of the 2nd phase Janghang Line construction.

Halla Corp. is also exploring IT-based new business opportunities as a smart construction company in the 4th Industrial Revolution by applying efficient solutions to worksites such as VR process management and measurement by drones, safety and process management through IoT sensors, mobile-based measurement, and information sharing platform.



Smart construction safety management system



Halla Future Day

Halla Future Day is the program held annually to carry out IT-based work innovation and identify new projects. It was first held in 2015 and celebrates the 6th year. In the 2020 event, 12 teams made the final. The grand award in the new business category went to "Goddeal" who proposed the "God Deal" app., a platform for direct trade of construction supplies among the nearest construction sites.



2020 Halla Future Day

- 1) Smart construction safety management system: A new construction technology jointly developed by Halla Corp., Doosan E&C, and GSIL that was designated as the Construction New Technology No. 828 by the Ministry of Land, Infrastructure and Transport in 2017.
- 2) BIM (Building Information Modeling): Technology to produce and manage all information that occurs during the entire life cycle of construction, from the initial conceptual design to the maintenance stage
- 3) BLE (Bluetooth Low Energy): Bluetooth technology capable of transmitting and receiving low-power, low-capacity data





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SPECIAL REPORT

Response to COVID-19 and Support for Recovery

safely respond to socio-economic crisis due to COVID-19. We also have in place the workflow for other emergency situations while extending practical support to employees, construction sites, and local communities as a corporate citizen. Halla Corp. will secure the foundation for sustainable growth by overcoming the crisis and creating greater corporate values.



Construction Site



Employees



Donation to Korea Disaster + with Halla Group



Delivery of relief meal kits to low-income families and

Over 100 persons

Local Communities







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Sustainability Management Section 01



BUILDING A BETTER FUTURE

Halla Corp. is committed to creating a sustainable world where humans and nature coexists by creating beautiful, safe, and practical space with a philosophy that human and nature are put before everything.













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Safety & Health Management

MANAGEMENT APPROACH

Building the safest workplace that respects people

We are strict in safety and health management to ensure that all members are safe based on the spirit of human respect.

2020 KEY FIGURES

Number of supervisors who completed safe and health trainings



Won the award for industrial accident prevention in 2020

Iron Tower Order of Industrial Service Merit



Death rate in industrial accidents per ten thousand employees



Safety and Health Management System

Under the management philosophy of "customer, technology, and people," Halla Corp. is committed to promoting safety and health management system in all our construction sites. Also, to comply with the safety and health management policy of "accident-free worksite through change and practice" and achieve the goal of "zero serious accident," we have established and implemented detailed action plans, through which we respond to serious accidents and safety accidents in an effective and positive manner.

Vision for Safety & Health Management Safe As a n



Safety and Health Organization

As a newly launched organization dedicated to safety and health under ESG Office in 2021, Safety and Health Team is reinforcing onsite inspection with the recruitment of experts in technology and structural safety management. We appointed worksite groups per region and hold council meetings on a monthly basis to facilitate communication between safety managers. Best practices in safety management presented during the meeting are applied to other worksites while dangerous cases are managed to prevent recurrence.

- Metropolitan Area 1
- Metropolitan Area 2Metropolitan Area 3
- Metropolitan Area 4
- Central AreaGyeongsang Area



Safety and Health Management System

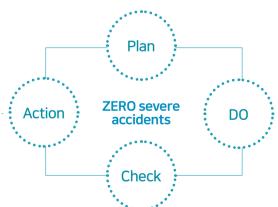
In May 2018, Halla Corp. shifted the safety and health management system from OHSAS 18001 to ISO 45001 for the first time as a construction company. All employees, subcontractors, and laborers are working hard to establish safety and health culture in the company.

Award System

- Safety evaluation on excellent sites and subcontractors
- Award accident-free sites
- Support participation in external safety and health contests

Technology

- Establish a safety standard system
- Improve and develop safety facilities
- Pre-inspection on equipment and machinery
- Introduce smart safety and health system



Education

- Specialize safety training
- Nurture autonomy safety mind
- Utilize diverse training methods (video, face-to-face training at sites, etc.)
- Conduct a monthly resolution event in which the management attend

Management

- Establish practical safety activities
- Conduct site inspection and evaluation
- Activate the operation of joint management sites
- Support the autonomous safety management of subcontractors

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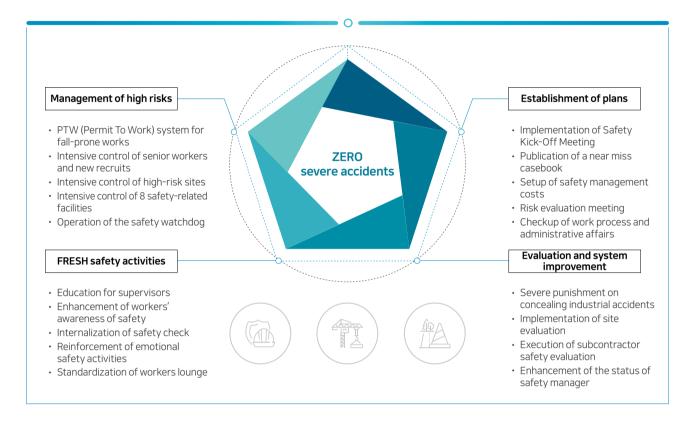
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Establishing a Safety Culture at Construction Sites

To ensure safety at worksites, Halla Corp. has set a goal of managing occupational mortality rate and accident rate and conducts onsite inspection by organizing a specific accident audit team when any accident occurs. Moreover, we execute the 2-Way analysis to solve fundamental causes and strive to share accident cases, thereby preventing reoccurrence.



Implementation of Permit To Work (PTW)

Halla Corp. implements Permit to Work system by selecting hazardous and dangerous work prone to accidents. PTW system stipulates that construction manager and safety managers inspect and permit safety plans before beginning hazardous and dangers work. The system aims to raise the safety manager's awareness of safety and to encourage their voluntary participation.

Regular Safety Inspection

Halla Corp. conducts safety and health inspections on all worksites with external agency twice a year. The inspection results are categorized into blue, yellow, and red according to work difficulty. Worksites with high score are awarded to improve employee's safety awareness. We also conduct safety and health activity evaluation of subcontractors. Subcontractors with high scores receive a variety of incentives.

Management of Risk Factors at Worksites

We run the "Near Miss Detection Awarding System" to encourage employees' participation in safety activities. Under this system, supervisors give scores to employees who report potential risk factors and those who receive the highest scores can get awarded. All near miss cases are compiled and analyzed before coming up with prevention measures. They are published in the book titled 'All risk factors that we should delete' and are distributed to all work sites. Halla Corp. takes preemptive measures against potential risks and implements standardized safety and health system.

Pre-inspection of Construction Equipment Safety

It is essential to take thorough safety measures on construction equipment and machinery as they may cause serious accident. Halla Corp. conducts safety inspections more frequently than required by the Industrial Safety and Health Act. In case there is a critical failure, we limit work and take intensive management group-wide to prevent disasters caused by construction equipment.

Number of pre-inspections on construction equipment safety in 2020 (99 times in 2019)

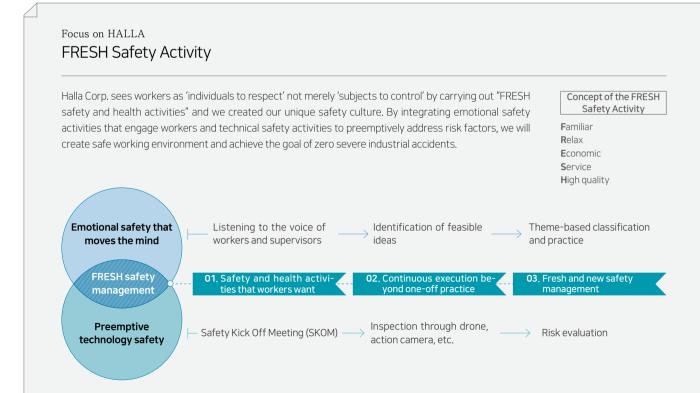
193 times



Management of Employee Health

As aged workers increase in number and health risks rise due to outdoor work, systematic health management and training are becoming more important for workers on construction sites. Halla Corp. set the standards for worker break time during vulnerable seasons and runs break time system during heat wave. Also, by managing the medical history of aged workers and worker with existing conditions, we monitor workers' health status to improve the working environment.





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Safety & Health Education for Employees

Halla Corp. holds workshops twice a year to reinforce job competency and facilitate communication between work sites. The workshops feature education and discussion on both internal and external issues and law amendment. We hold online training with Korea Occupational Safety and Health Agency for all supervisors and the yearly leadership and communication training for worksite mangers. We also created safety and health contents to help all employees and managers to understand HALLA's safety and health criteria. The contents come with the implementation of the Industrial Safety and Health Act, critical points in assembling and disassembling tower cranes, excellent safety cases, and other 14 topics. We will add 10 contents in 2021 for all safety managers to comply with.

Safety & Health Education Policy and Goal



safety & health managers

Completion of Safety & Health Education (Unit: persons)

Classifica-	2018		20	19	2020	
tion	1H	2H	1H	2H	1H	2H
Workshop	50	54	70	73	80	-
e-learning		378		470		504
Subcon- tractors		69		128		209

Safety & Health Education Programs

Course	Target	Time	Effect	
Workshop for safety & health managers	Safety & health managers at all sites Feb. and Oct.		Sharing of major business plans and specific tasks Improvement of professional technologies	
Safety training for subcontractors' site managers	Subcontractors' site managers at all sites	Sep.	Understanding of our safety and health management goals and policy Increase of the will to practice accident prevention	
Specialized education by Korea Occupational Safety and Health Agency	Safety & health managers	Year-round	 Improvement of professional technology skills 	
E-learning education by Korea Occu- pational Safety and Health Agency	All supervisors of Halla Corp.	Apr. ~ Jun.	Enhancement of safety and management competence of supervisors	
Field education for risky construction works	Safety managers	Twice semiannually	Offering of hands-on trainings for risky construction works	

Safety and Health Management for Subcontractors

Safety Kick Off Meeting (SKOM) System

Halla Corp. implements Safety Kick Off Meeting (SKOM) system in order to ensure that new subcontractors are familiar with our safety and health standards, to establish practical measures regarding dangerous work, and to address fundamental risk factors. The meeting invites presidents and construction managers of subcontractors, Halla Corp.'s site manager and construction manager, and safety managers. They discuss problems that may arise from work, set up practical measures regarding dangerous works, and address fundamental risk factors.

Safety and Quality Campaign

The CEO of Halla Corp. holds safety and quality campaign participated by the management and CEOs of subcontractors to review safety and health activities and to listen to the voices of workers at sites. Also, by holding meetings with subcontractors, we share safety and health policies once again and encourage them to take anti-disaster measures proactively.

SUSTAINABILITY MANAGEMENT BUILDING A BETTER FUTURE







Focus on HALLA

Order of Industrial Service Merit in 2020

Manager Park Sung-il of Infrastructure Technology Team won the Order of Industrial Service Merit in June 2020 for his contribution to achieving 'zero industrial accidents'. Working at the site #10 of West Sea Line, Manager Park had previously led original anti-disaster campaigns such as "FRESH" and "HAHAHA HOHOHO." Thanks to his efforts, his sites were selected as the good health promotion sites in 2019. He also contributed to achieving the 'zero industrial accident' goal since 2015 by setting up convenience facilities like relaxation rooms and shower rooms and implementing COVID-19 countermeasures at worksites.







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Environmental Management

MANAGEMENT APPROACH

Responding to the changing trend of global environmental management

Halla Corp. continuously strives to minimize environmental impact by responding to climate change and establishing a resource circulation system.

2020 KEY FIGURES

Monthly "Environment Day" Campaign

Purchasing of eco-friendly materials in 2020 (KRW 7.53 billion in 2019)

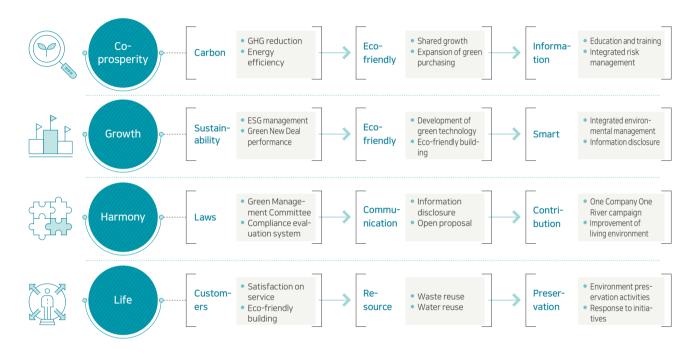
One Site One Green Activity





Environmental Management System

Halla Corp. organized the Green Management Team under the ESG Office in May 2021, setting the environmental management goals of 'sustainable and shared growth for the future.' We not just comply with global environmental regulations but also strictly control construction wastes at home and abroad, noise, dust, and wastewater. We keep abreast of international environmental management by training experts on environment.



Mid and Long-term Environmental Management Strategy

Since 1997 when we introduced ISO 14001, Halla Corp. has been implementing environmental management. We will implement more advanced and systemized environmental management under the mid and long-term environmental management strategy in accordance with the 2021~2030 roadmap. Halla Corp. has been controlling GHG emission since 2015 to cope with climate change. Starting from 2021, we will implement a variety of environmental energy management activities such as GHG verification by a 3rd party, increase rate of waste recycling, energy efficiency enhancement, and increase in water recycling.



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Minimizing Environmental Pollutants

Eco-friendly Green Technology

Halla Corp. invests in developing new construction technology and new methods to lead construction business while striving to explore new business and securing new growth engine. We are growing as the leader of construction industry by developing eco-friendly construction technology.

Eco-friendly construction

- Method of strengthening shear head by using real panel processed in "=" shape
- Small caliber steel pipe pile attached with screws for boring and installation at the same time
- Development of layered construction of exterior insulation for public housings
- Modular method and plant productivity improvement technology

Research for green materials

- Temporary bridge laying method by placing road decking panels and continued all-in-one floor beams in perpendicular direction (CAP method)
- Bridge construction and its construction method
- Recycled blocks for civil engineering and its manufacturing method
- Post-tensioned soil nailing system using stiff front panel and pre-fab soil nailing method

Resources/ energy

- System for collecting heat of wastewater
- Small hydro power generation system



Small hydro power generation system and its control

Water treat ment/management

Water treat- • Acid mine wastewater disposal system

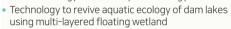
 Purification method of soil polluted with heavy metal through integrated process of using biological dissolution and electrodynamic technology



- Improved electrodynamic soil treatment technology by metal-reducing bacteria
- Purification method of slurry in fine soil polluted with heavy metal using magnetic field
- Polluted sediment soil treatment and disposal system to increase the recycle of dredged sediment

Aquatic ecology

 Induction of riparian line using vegetation crib work and technology to revive aquatic ecology



- Riparian induction and creation of ecological space along river fronts using independent crib work
- Technology of creating floating wetland to promote limnologic biodiversity
- Floating waterfront and spawning ground for aquatic life

Recycling Construction Wastes

We have increased the use of recycled waste concrete and waste asphalt, actively promoting resource recycling policy. Our waste management systems have been running in connection with the "Allbaro" system since 2020 in an integrated manner to further control waste emissions and recycling by worksites. We will keep trying to build a resource recycle system the save, reuse, and recycle waste.

Internal Environmental Management Control System

Halla Corp. conducts internal environment inspection on a biannual basis to confirm that we meet stakeholders' requirements. At the same time, we offer education on environment designed for worksites to prevent environmental risks in advance. Worksites carry out individual environment impact assessment and identify environmental factors for intensive management to reinforce anti-pollution activities. Major worksites consult outside professional agencies to proactively respond to compliance risks.

Eco-friendly Procurement

Halla Corp. strives to provide a clean residential environment and water and energy-saving architectures. We minimize the emissions of harmful substances such as formaldehyde and VOCs that affect indoor air quality by using eco-friendly materials. Also, we protect water resources through water-saving water supply system. Furthermore, we increase the budget to procure eco-friendly materials to reduce the environmental impact from construction and civil engineering materials.

Purchasing of eco-friendly materials (KRW in billions)



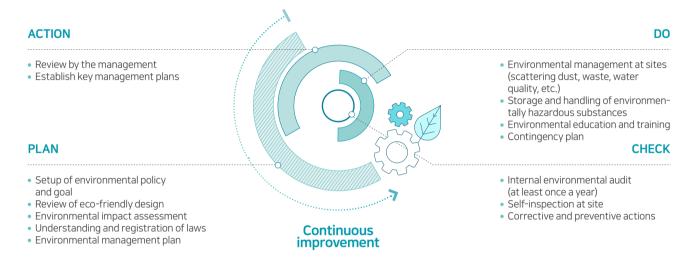
Number of eco-friendly materials (Units)



※ Purchasing of environmental labelling materials, eco-friendly readymixed concrete and recycled aggregate

Internal Evaluation of Environmental Management

We conduct internal evaluation of environmental management more than once a year on areas where environmental pollution is likely. We inspect the compliance with regulations such as ISO 14001, dust scattering, wastes, noise, vibration, water quality, and soil. We practice environmental management under the founding philosophy of delivering the life of the co-existence between human being and nature.



Reduction of Environmental Load at Construction Sites

Smart Construction System

Halla Corp. introduced automated measuring system in the construction site of Busan New Port in 2019 and is expanding its application. The automated measuring system monitors key environment indicators such as scattered dusts, noise and vibration. Halla Corp. strives to minimize the environmental impact not just on our worksites but also on surrounding areas.

Early Assessment of Environmental Impact

We conduct environmental impact assessment in the early stage of construction to either remove factors which may influence surrounding area during construction or to identify intensive management issues.

Environment Preservation Activities

Halla Corp. cleans worksites and the vicinity on the Environment Day that is held on a monthly basis. We also cooperate with local government and local residents to clean rivers, mountains, streets, and parks around our worksites through the "One Site One Green Activity" campaign.

Preservation of Eco-system

Halla Corp. introduced drone measurement system to minimize environmental degradation on eco-system. All sites first survey protected species before starting construction and carry out eco-system protection activities such as tree transplanting or securing alternative habitat. We also operate facilities such as wastewater treatment facilities, grit chamber, and wheel washer to minimize pollutants emission.

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Climate Change Risk Control

Halla Corp. recognizes that climate change can affect the company's qualitative and quantitative achievement of targets. We thus comply with the framework of Task Force on Climate-Related Financial Disclosures (TCFD) to analyze climate change risks and to respond to and opportunity factors.





Potential incentives from the government by participating

• Increase of infrastructure projects necessary to adapt to

in decarbonization projects

climate change



Zero-energy building, zero-carbon city

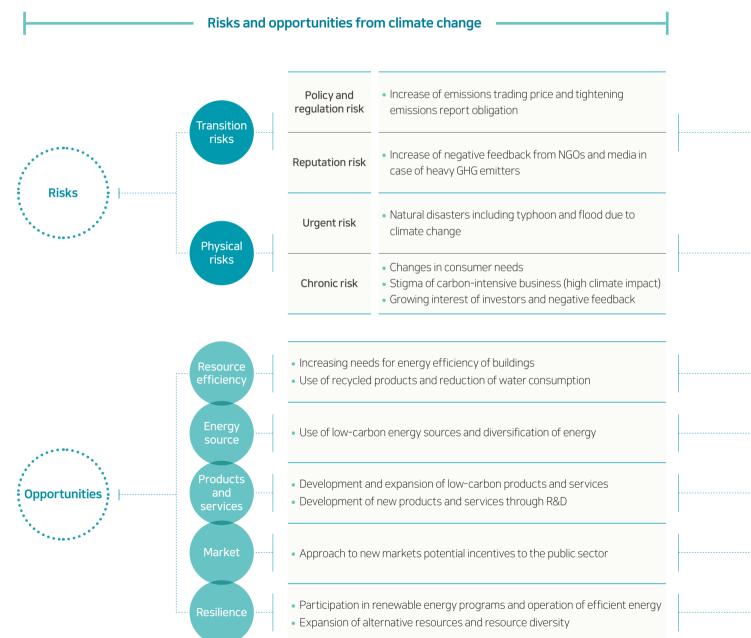
• Zero-energy building, zero-carbon city

building energy efficiency

• Development of eco-friendly technology to enhance

SUSTAINABILITY MANAGEMENT BUILDING A BETTER FUTURE

ntial financial impact ————	Our responses and plans
-----------------------------	-------------------------



Increasing compliance in terms of carbon regulation	 Reduction of GHG emissions and third-party assurance of GHG emissions
Difficulties in external fundraising in case of heavy GHG emitters	Reduction of GHG emissions and participation in domest and overseas governance
Increase of construction costs due to damages from natural disasters	Enhancement of workplace safety management in preparation for natural disasters and abnormal climates
Decrease of productivity due to growing disease incidence caused by changes in climate pattern	Enhancement of safety and health management system for better employee health
Increase of rebuilding projects aimed at reducing energy consumption	 Development of eco-friendly technologies to increase building energy efficiency Expansion of green purchasing and improvement of water and waste recycling
Reduced sensitivity to rising fossil fuel prices	 Development of eco-friendly technologies to increase building energy efficiency
Eco-friendly building and renewable energy related business	 Expansion of eco-friendly building certification and energefficiency rating





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Quality Management

MANAGEMENT APPROACH

Realizing the best customer satisfaction with perfect quality

Based on the firm quality philosophy of "No Compromise on Quality", Halla Corp. is committed to promoting quality management at all domestic and overseas business sites.

2020 KEY FIGURES

Introduction of HMAS (Halla Mobile After Service) System

(Halla Mobile After Service, HMAS)



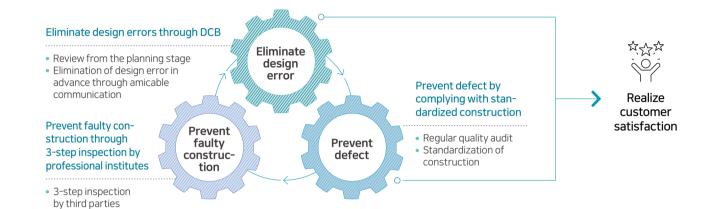
Implementation of quality inspection in 2020 (Architecture and infrastructure sites)

41_{time}



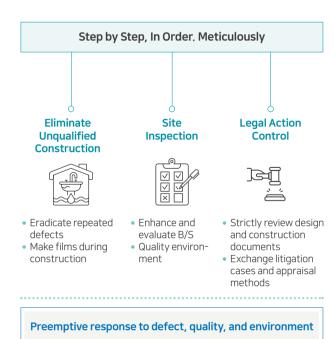
Quality Management System

Halla Corp. pursues quality management under the goal of "3-zeros - zero construction errors, zero design errors, zero defects." CEOs and presidents of subcontractors carry out a variety of campaigns on quality and safety and health. We also strive to reinforce Before Service to win higher brand recognition, customer satisfaction, and reliability.



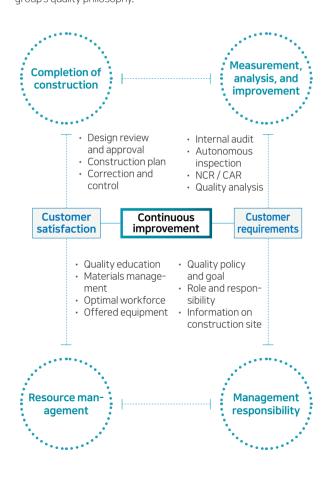
Quality Management Plan

All constructions are completed precisely according to procedures. Professional appraisal agency conducts quality inspection of design book and construction status, or B/S (Before Service), three to four times before construction completion in order to ensure construction quality and customer satisfaction.



Quality Management System

Halla Corp. obtained the global quality management certificate ISO9001 and implements quality management based on the group's quality philosophy.



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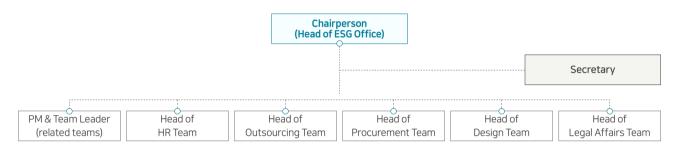




Continuous Quality Improvement Activities

Safety and Quality Evaluation Committee

Halla Corp. runs the Safety and Quality Evaluation Committee in order to establish quality evaluation system and raise employees' awareness of quality management. The Safety and Quality Evaluation Committee reviews and reports sites' safety and quality inspection results and executes independent rights to resolve matters. The Committee reviews safety, quality, environment, and operation of sites and convenes a meeting within 15 days should an issue involving those areas arises.



Quality Audit

In accordance with the internal rules on quality and environment and the inhouse construction evaluation system enforced in 2016, Halla Corp. conducts quality audit and construction evaluation. All sites are reviewed for compliance during the first half of the year and, in the second half, we conduct compliance reviews for management system to support training and management system for sites in early stage. In 2020, we con-



2020 Defect Casebook

ducted audits on 28 construction sites and 13 infrastructure sites. We supported site training and early system establishment for six sites including Gyeryong Daesil apartment. Also, we trained site workers and managers of subcontractors on quality rule violations and improvement tasks. Defect casebook is published every year to prevent the recurrences of similar defect cases.

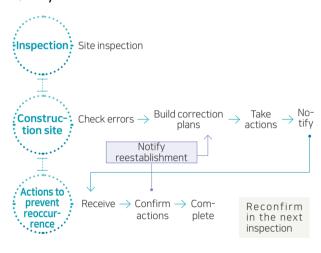
Publishment of Standards on Construction Management

We published the general standards on construction management. The standard is updated and revised on a continued basis to secure trust in quality management.



Job guide for construction sites

Quality Audit Result Correction Process



Quality Management Education

Site managers and engineers are educated on defect cases, regulations, and construction methods to ensure construction quality and compliance with laws. Also, they share information on quality, regulations, construction guidelines, defect cases, and more online.



Quality information sharing website for Halla employees

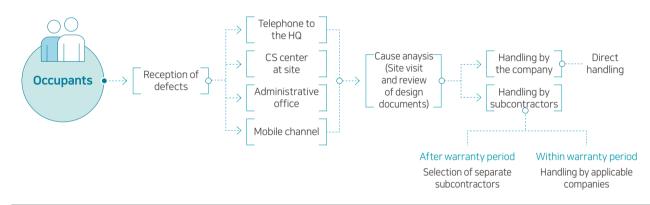
Improve Customer Satisfaction

Raise Brand Value

Launched in 1997, HALLA Corp.'s apartment brand 'Halla Vivaldi' signaled the start of apartment brand in Korea. Ever since, Halla Vivaldi had led the residential culture of Korea, delivering innovations in design, landscape, marketing, and service for the past 24 years. HALLA Corp.'s proprietary 'Hello Lounge' features community services such as unmanned parcel service, laundry room, study caf, and more. The facilities come with 'air washer (fine dust remover) developed by HALLA Corp., improving residents' living satisfaction. Halla Corp. satisfies customers with its exclusive service and quality.

Establishment of Defect Management Process

Halla Corp. improves customer satisfaction by managing defects through the defect management system. The Construction Business Management Team handles defect issues for a certain period after the completion, after which the Quality Management Team provides thorough defect management service for another 10 years.





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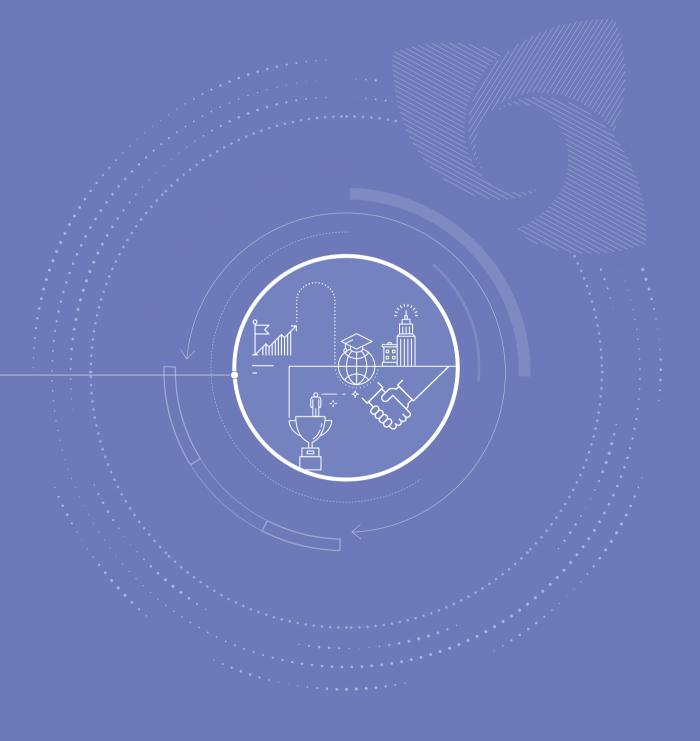


BUILDING A BETTER LIFE

Halla Corp. aims to become a sustainable company that makes employees, customers, partners, shareholders, and even the society healthy and happy. To this end, we will respect and communicate with stakeholders and fulfill our social responsibility, thereby contributing to the affluent and happy life of mankind.

Management

Management







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Talent Management

MANAGEMENT APPROACH

At Halla Corp., employees are our asset and the future.

Under the conviction that 'a company is like a human being,' Halla Corp. runs personalized talent recruitment and nurturing system to create workplace where employees can make their dreams come true. A true HALLA person works toward the goals and always tries best tenaciously to deliver a better and brighter future.

2020 KEY FIGURES

New recruits in 2020

182_{persons}



Satisfaction on working from home

73.4%



Union membership rate

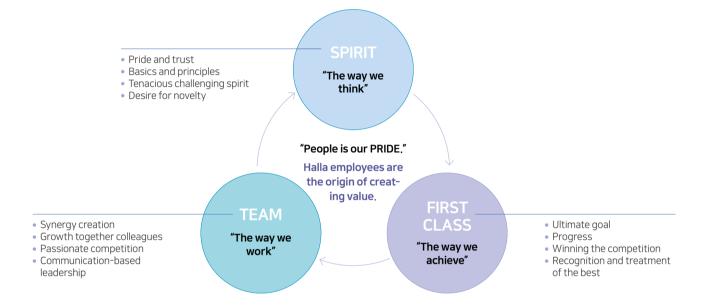
92.2%



Fair Recruitment and Reward

Halla Group's HR Policy and Strategy

Halla Corp.'s HR policy is founded upon the Group's key values and philosophy. We hire talents who are equipped with the ability to deliver "integrity management," "frontier," and "collaboration." Halla Corp.'s HR policy seeks to encourage employees to develop the "Spirit" of pride and aspiration, to generate synergy as "Team," and become "First Class" talents in the world.



Talents for Halla Corp.



- People who have new perspectives on objects and events
- People who present a new path for ceaseless development of the company
- People who achieve difficult goals using original ideas and strategies



- Pioneers who open a new future with thorough analysis and outstanding intuition
 People with strong willpower who achieve
- People with strong willpower who achieve challenging goals and creates positive outcomes

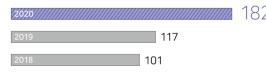


- Open-minded people who can work with anyone, anywhere
 People with a broad perspective,
- People with a broad perspective, consideration for others, and ethics for the development of all.

Fair Hiring Culture

Halla Corp. complies with regulations regarding employment to create fair hiring culture. Applicants are not required to provide personal information for document screening such as gender, birthplace, family, or any other information irrelevant to work. Interviewers are expected to sign the pledge to follow the fair regulations regarding employment. Interviewers are also educated in advance so as not to ask questions irrelevant to the job.





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Introduction of Nurture-oriented Performance Evaluation System

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언제나 평가하는 위치에 있는 착자 각후

2020 팀장 다면진단 결과

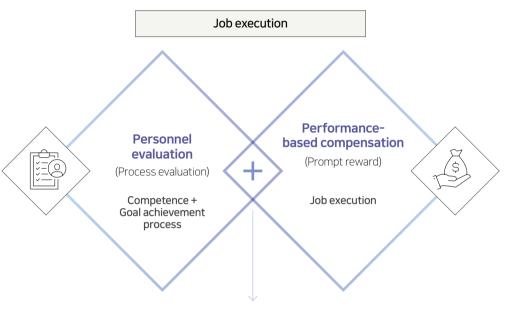
전단 기간/발발 77:50-425, 원인 대용기

전단 대상자 오 그룹의 당신 300년

전단 참매 4(조) - 신의, 등은, 논환, 문안 4,500년 본단 전에

다양한 사람들에게 강대되어 대한 때문역을 받아 명광의 라타성을 개발할 수 있는 개석 가장

We are updating performance evaluation and promotion system in 2021 to ensure that promotion is not perceived as a rise in position but getting assigned new roles. Performance evaluation will review the capacity and the process and result of target achievement based on a multi-faced data. For promotion system, we will introduce an evaluation system to secure competent employees by reinforcing promotion qualification and support individual goals and social growth by strengthening selection-type promotion.



Comprehensive assessment based on multifaceted materials

(Personnel evaluation, job competence, performance, etc.)

Suitable for job + Well-prepared + High potential

Promotion to upper positions by selecting talents in accordance with the goal and vision of organization

Result of multifaceted evaluation for Halla Group employees including Halla Corp. (ex. team leaders)





Employee Capacity Reinforcement

Education for Employee Competence Development

Halla Corp. is committed to training employees under the HR vision of "global Halla that inspires Halla people." We nurture professionals with excellent competency through the Halla HRD Center's Halla Business School. In 2020, we provided a total of 13,782 hours of training including various in-house operation education.

Time spent on education per employee in 2020





Team David: Leading Corporate Culture

Team David, first introduced in 2016, is a Group-level team that leads the creation of corporate culture to ensure "innovative and swift action free from bureaucracy." Team David, consisted of 50 employees, holds communication meetings every two months for the purpose of delivering our HR philosophy "Spirit, Team, First Class" and creating a new corporate culture.

Permanent Position Transfer System

Halla Corp.'s permanent position transfer system (application-based and recommendation-based) allows employees to have a chance to experience circulatory position. The entire system is kept confidential to ensure that employees have the freedom to build their career. Halla Corp. creates an environment where all employees can exert their potential to the fullest.

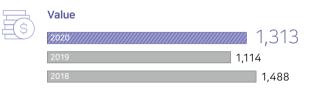
Work Smart Program

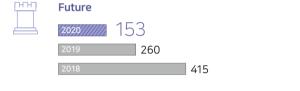
In 2020, Halla Corp. ran Work Smart program aimed at helping employees to develop critical business skills in the era of COVID-19 and to enhance digital transition capability for the future. A total of 164 employees took the 19 Work Smart Programs.

Training Curriculum for Employees

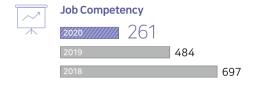
Training curriculum for employees are divided into two categories: administrative (executive, team leader, and team member), and technical. We strive to offer world-class employee training system to deliver sustainable corporate values of Value, Future, Global, and Job Competency.

Number of employees who completed educations by category (Unit: persons)









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The Hub of HR Training: Halla HRD Center

Halla Corp. builds the growth momentum as a long-lasting company with Halla Group. Under the conviction that people are the foundation for a company's growth and people is the utmost importance, Halla Group opened the Halla HRD Center in 2014. Halla HRD Center has trained a total of 73,716 employees for the past 20 years since its establishment.







People who have clear goals of becoming the best in their fields, desire to achieve them, and passion for challenge



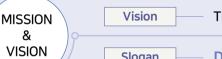
Honest and Moral Individuals

People with high morality combined and Competence



Individuals with Global Mind

with honesty, diligence, cooperation, Professionals with unmatched, good common sense, and ability to im- global expert knowledge and skills plement things to ensure contribution and abilities to apply them to given to society, content of community memassignments rending superior bers, satisfaction of customers, and performance, who will be able to survive cut-throat international competition and ensure continued survival and prosperity



The heart and the birthplace of Halla's knowledge

Slogan

Dream it! Believe it! and Just do it!

Mission

We respect employees and provide fulfillment. pride, and energy.

We cultivate the Halla spirit and outstanding competency.

We contribute to the development of our partners and the local community.



STRATEGY

Spreading of value

Leader cultivation



Internalize Halla Group's vision and values

- Spreading of the Group's vision and core values
- Training of new recruits and the newly promoted
- Competency training per grade (Staff ~ Senior Manager)

Communi-

cation and information

sharing

Cultivate leaders and global talents

- Strengthening leadership competency of executives and team leaders - Development of leadership
- pipeline and key talents Developing global leaders and
- regional experts - development of FSEs and regional experts



Communication

Support communication of affiliates and training of subcontractor

- Sharing best practices at the Group level
- Conference between automotive, construction, and logistics divisions
- Training support for co-prosperity with subcontractors

Freedom

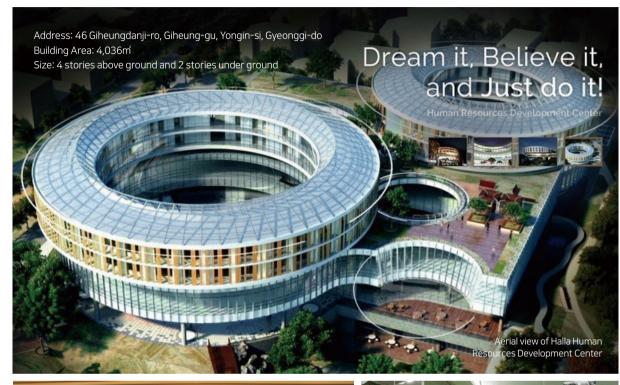


Newly

Differently

young organization Openness + Flexibility + Practicality + Creativity

Halla Human Resource Development Center







SUSTAINABILITY MANAGEMENT BUILDING A BETTER LIFE 067



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Horizontal Corporate Culture

Introduction of Horizontal Title System

Halla Corp. introduced a new job title system. Existing employees are now called "Junior Pro" while those above are called "Pro". This horizontal ranking system reflects the changing industrial trend and the nature of the MZ generation. We will strive to encourage employees' creativity and deliver flexible organization culture.

Trust-based Labor-management Relations

Halla Corp. guarantees workers' right to join or leave labor union in accordance with the Article 5 of the Trade Union and Labor Relations Adjustment Act. Also, when there is a critical change in business operation such as the reorganization or job readjustment, we immediately notify the matter to the labor union. The high rate of labor union membership of over 90% represents our favorable labor-management relations.

Union membership rate in 2020

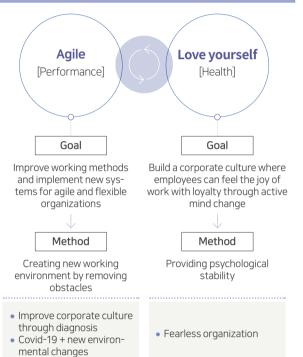
92.2%



Horizontal Corporate Culture - Agile System

We introduced the Agile system in December 2020 for the purpose of revamping the way we work in a swifter manner and becoming an organization that does not fear 'change.' To that end. we banned unnecessary paperwork and meetings, and introduced 'agile' practices such as leaving work on time, clear communication, and proactive attitude. We conduct a variety of activities to establish a desirable corporate culture.





Focus on HALLA Online Management Seminar

Halla Corp. holds Town Hall Meetings and the quarterly management seminars in the Halla Lounge. We are holding online management seminars due to COVID-19 to discuss the company performance and future plans. We will strive to win consensus from employees by reinforcing on- and off-line communication programs.



Benefits Packages

Halla Corp. offers welfare programs such as mortgage subsidy, checkup, and welfare credit card in five categories including, checkup, in order to ensure optimal working environment and to improve quality of life for employees. We also provide customized psychological consultation to help employees maintain balance between work and life and improve work efficiency.

Benefits Packages

stability

- **Support for housing** Housing fund loans
 - Accommodation subsidy
 - Moving expense



Support for health management

Health checkup

• Customized comprehensive health checkup

Family welfare

• Support for family events • Operation of a cooperative body

Support for living stability

Others

 Travel expense In-house welfare General expense card system School tuition

 Transportation expense

 Club activities ESOP operation One Heart Grand
 Anniversary event Festival

Improving Working Environment

Halla Corp. runs flexible working hour system to improve working environment and quality of life for employees. The working hours will be shortened by 30 minutes in 2021. Also, we promote remote working to ensure freedom in work scheduling and job efficiency and encourage employees to take monthly leave and vacation freely. The survey of employee's satisfaction on remote working found that 73.4% of workers are satisfied with remote work. Based on this result, Halla Corp. made the stable remote working top priority for infrastructure improvement. We will strive to improve working environment for our employees.

Average satisfaction level on telecommuting

73.4% (positive)





Focus on HALLA Halla Class

Halla Class supports diverse experiences and special experiences of employees' families by offering classes like handcraft or sports for employees who are selected on a daily basis. Halla Corp. helps employees to keep balance between work and life and have valuable memories with their families.







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Win-win Management

MANAGEMENT APPROACH

Delivering the value of co-existence by working and growing together

Halla Corp. pursues healthy partnership as we believe that our subcontractors are our partners who share the same dream and goals.

2020 KEY FIGURES

Evaluation on carrying out the fair trade agreement

(Selected as an exemplary company in subcontract transactions)

Excellent Grade



Investment in the shared growth fund in

Financial supports for subcontractors in 2020 (Direct support and special



Win-win Management System

Halla Corp, pursues win-win growth through cooperation with our partners that we believe we share the same dream and goals. We reinforce practical cooperation with and support for our subcontractors in four areas including order, education, finance, and others.



'excellent', 'general', and 'regional' for fair hiring. We create the co-prosperity cycle of fair bidding opportunity, transparent order placing, and support for business convenience. ucation.

We created the educational infrastructure for shared growth through meeting with new subcontractors education for employees at excellent partners and area-specific specialized ed-

We provide financial support for excellent subcontractors, early payment for subcontractors, and other programs to ensure management and financial stability for subcontractors.

Under the goal of shared growth with all members in society, we strive to create sound corporate culture and establish win-win management by supporting subcontractors' ethical management and social contribution activities.

Building Win-win Management Infrastructure

Hanwoolhoe (council for shared growth with subcontractors)

Halla Corp. runs the Hanwoolhoe, a council for shared growth with subcontractors, in order to listen to their voices and promote communication. The Hanwoolhoe conducts transparent and ethical management by sharing information with them. Membership is available to key subcontractors or those who have won excellent mark more than twice over the past three years or subcontractors recommended by the head of outsourcing or procurement department considering certain criteria including safety, health, and financial conditions. The Hanwoolhoe holds general assembly and subcommittee more than once a year to create stable foundation for shared growth.

Key supporting activities of the Hanwoolhoe

· Collect opinions from subcontractors and reflect them on shared growth strategy









In 2021, we plan to create a channel to identify partners on smart construction and ESG.

Halla Corp. has been holding subcontractor proposal competi-

tion since 2020 to collect their opinions and seek ways to ensure

practical collaboration. Key programs are technology proposal for

shared growth and support for technology development purposes.

Reward to subcontractor proposals in 2020 (Payment within the shared growth fund)

Subcontractor Proposal System





Contribution to Shared Growth Fund

Halla Corp. conducts a variety of supporting activities by contributing to the "shared growth investment resources" managed by the Fisheries and Farming Cooperation Foundation for Large and Small Companies. We seek genuine growth with subcontractors by providing pragmatic benefits and set aside KRW 1 billion for excellent proposal award, credit rating agency-linked management consulting, support for management activity by dispatching our professionals. We will continue to expand the amount of donation for the shared growth fund.

Hanwoolhoe outing in 1H 2020

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Win-win Management Activities

Early Payment to Subcontractors

We make early payment to subcontractors suffering from temporary financial difficulties to maintain stable partnership with them. In 2020, the sum of early payment we made amounted to KRW 13.9 billion to 79 mutual subcontractors and KRW 413.4 billion to 104 fair trade partners.

Encouragement of Proper Payment to Subcontractors

Halla Corp. protects not only major subcontractors but also 2nd-tier subcontractors. We monitor whether our subcontractors make payment to 2nd-tier subcontractors within proper number of days. If any operation disruption is expected due to delayed payment, we make payments by consulting with subcontractors to support 2nd-tier ones.

Meeting with New Subcontractors

Halla Corp. holds meetings with newly registered subcontractors on a yearly basis to promote mutual understanding and to strengthen future partnership. The topics include Halla Group and Halla Corp.'s management philosophy and business, dialogue with procurement managers, procurement process, risk management, and other matters related to maintaining favorable ties. 69 employees at 67 new subcontractors attended the meeting in 2019.



Meeting with new subcontractors

Support for High-performing Subcontractors

We select well-performing subcontractors in the fields of civil engineering, architecture, facility, electricity, and purchasing to give incentives such as reduction of contract performance deposit (50%) and preference in participation in our projects. In 2020, a total of 45 contracts received the reduction of contract performance deposits (KRW 63.1 billion). In 2021, we plan to expand the scope of this policy to the support of guarantee commission and management consulting, and welfare and training of their employees by capitalizing on the share growth fund.

Awards on Shared Growth and External Recognition

Halla Corp. won the Ministry of Land, Infrastructure and Transport Minister's award in the 16th "2020 Constructor Cooperation Promotion Award." The prize was given in recognition of our commitment to shared growth with subcontractors in many fronts such as placing order, education, and finance based on our key values of "ethical and transparent management." We were also included in the shared growth index for the first time in 2019 and obtained "good" grade ("excellent" in the agreement implementation evaluation by the Fair Trade Commission) in the "2019 shared growth index evaluation" announced by the Shared Growth Committee in the second half of 2020.



Won the "2020 Constructor Cooperation Promotion Award"

Financial Support

Since 2019 when we signed the agreement for mutual growth and fair trade with subcontractors, Halla Corp. has been providing a variety of financial support to help lower financial burden on subcontractors. Halla Corp. has shortened the settlement deadline to 27 days for the 104 partners of fair trade, and to 14 days for mutual growth partners. We expanded the financial support for subcontractors (special support added) in 2020.

Financial support for subcontractors in 2020 (Direct support and special support)





Education for Employees of Subcontractors

Halla Corp. provides employees at subcontractors with various practical educational programs. We support new technology and new method sharing, and site management capacity and leadership building for communication and trust through site directors and PM workshops. For site directors of subcontractors, we hold education on safety and health to prevent industrial accidents.

Focus on HALLA

Permanent Subcontractor Registration System and Co-up Report System

Halla Corp. runs a permanent subcontractor registration system and Co-up Report system to identify competent and efficient subcontractors. Subcontractors with excellent technological process but with relatively limited capacity in bidding planning or registering as a subcontractor may end up losing the chance to work with us due to limited registration window.

Under the permanent subcontractor registration system and Co-up Report system, we visit subcontractors, not just simply review the application document, to evaluate their capacity. We also collect their opinions on registration process and benefits to build mutually prosperous relations.







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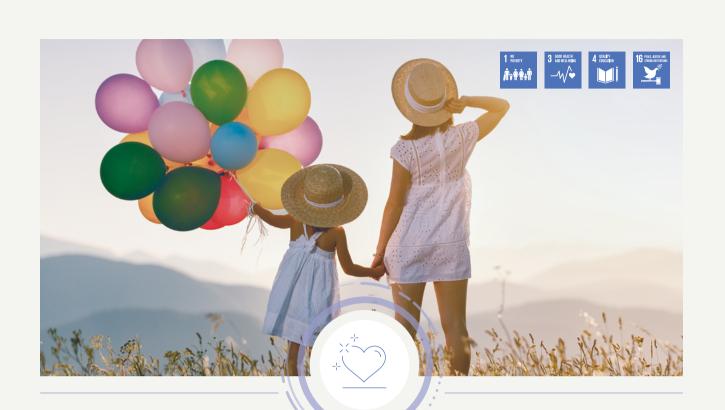
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Sharing Management

MANAGEMENT APPROACH

Sharing the Value of Love

A company is truly important when it grows with the community it serves. As a responsible member of society, Halla Corp. will contribute to delivering a sustainable community culture where corporates and society grow together.

2020 KEY FIGURES

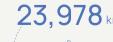
Halla Corp.'s donation in 2020

KRW **1,240** million

Halla Group's donation to Covid-19stricken areas in 2020 (Hope Bridge)

Corp. in 2020 (206 participants)





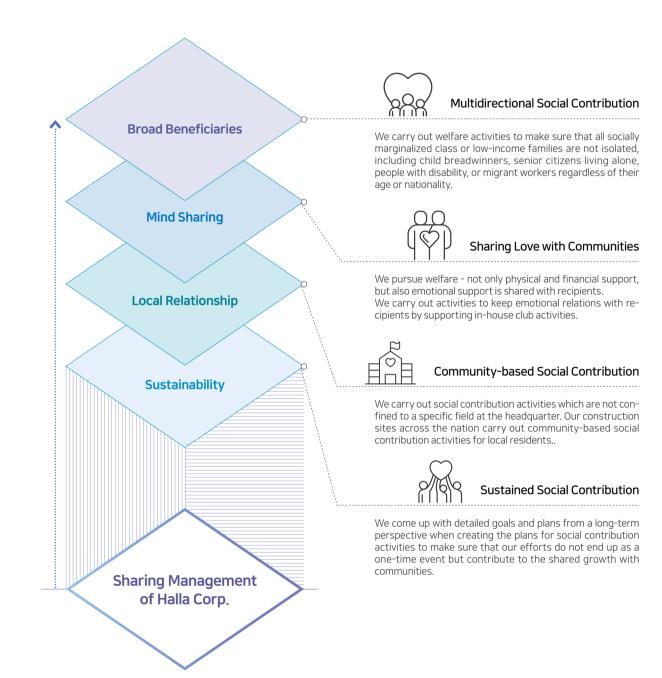


Walking distance through the

Work Together campaign of Halla

Sharing Management Strategy

Sharing Management Strategy



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Sharing Management Programs

Halla Corp. carries out social contribution programs with the Welfare Center for Senior Citizens in Wonju for low-income elderly living alone. The activities include briquette donation, Kimchi donation to Myeonjin Deulkkotsarang Maeul (children's welfare center), Jiguchon Sarang Naneum, Songpa General Social Welfare Center, Wonju Catholic General Social Welfare center, and scholarship program for Halla University. The programs were carried out in an untact manner in 2020 due to COVID-19.

Total amount of donation by Halla Corp.

KRW 1.240 million



Donation of Web Cam for Online Class

Halla donated 100 sets of webcams to the Office of Education of Siheung City in October 2020. The web cams were donated to support middle and high school students from low-income or single-parent family who are taking online courses at home due to social distancing measures. Our employees themselves packed and delivered the webcams to students in need and wished them luck.

Donation of School Supplies to Students in Community Childcare Center

We donated school supplies to independently run community childcare centers in Siheung. Also, we donated school supplies and masks worth KRW 3 million to the 1% Welfare Foundation in Siheung in February 2021. We sent 82 sets of crewneck t-shirts to single-parent families, grandparent-grandchildren families, multi-cultural families, and low-income families.

Moving Cost Support for Socially Vulnerable Class

We provided six low-income households in Siheung preparing to move out with KRW 500,000 in subsidy per household in March 2021 and sent the families congratulatory flowerpots.

Mokpo New Port, Wungok Scholarship

Mokpo New Port, one of Halla Corp.'s affiliates, donated KRW 15 million of Ungok Scholarship in cooperation with Mokpo Welfare Foundation and Jeonnam Social Welfare Joint Fund Association to the city of Mokpo and Yeongam on October 12th and 13th, 2020. Ungok Scholarship, named after the late president Jeong In-young's in commemoration of his contribution to society, is granted to students from low-income families every year since 2019.







+ with Halla Group

Walk Together Campaign

Halla Corp. employees are participating in "Walk Together Campaign" since 2015. One of the most well-known social contribution campaigns, Walk Together is a type of funding where employees can help socially isolated people via a walking app. Halla Group has raised about KRW 200 million through Walk Together Campaign for the past six years. In 2020, the campaign donated KRW 30 million won, a combined donation from both employees and the Group, to pay for artificial joint surgery for about 25 senior citizens.

bution certificate system for all employees to enhance the effectiveness of the activities.

We give social contribution award and reward to teams or construction sites on a yearly basis. We will disclose our social contribution performance, plan, and donation history through the group's social contribution council from 2020. We will also introduce social contribution

Goal of Love Fund

Halla Corp. supports ice hockey player training, playing competitiveness enhancement, and winter sports promotion by sponsoring "Anyang Halla Ice Hockey Team" as well as promotes healthy life for people. Although most of the hockey league was shut down due to COVID-19, our players invited children breadwinners and people with little access to sport activities to give them a chance to watch professional hockey games. Goal of Love Fund is a campaign where a player donates a certain amount of money every time he or she scores. The fund raised has been donated to children in need to help them become independent and to Anyang city's social programs since 2016. KRW 35.6 million raised from the campaign during the 2019-2020 season was donated to Anyang city.

One Company for One Barrack

Halla Group has signed sistership with the military in support of national defense. We visit the military base we signed sistership agreement with on a regular basis to donate money for support and carry out cultural activities. We appreciate Korean soldiers' sacrifice and their sense of responsibility serving for the national defense and reinforce relations with the military.

Seed School & VISCAT

Halla Corp. participates in the Seed School & VISCAT, the mentoring program between college student mentor and younger students, and the youth leadership camp. Seed School, meaning "seed of dream," is the career coaching programs aimed at helping younger generation to find their identify and strive to realize their dreams. The camps are carried out as an extracurricular activity at designated middle schools twice a year. Youth leadership camp VISCAT, the shortened version of Seed School, is held for three days where college student mentor and younger students team up to explore chances to find their dreams and identity by doing various activities.









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Sustainability Management SECTION 03

GOVERNANCE

Halla Corp. has established ESG governance to practice sustainable ESG management and create long-term value for our society. By ensuring a healthier, safer, and more responsible governance structure, we will help all stakeholders enjoy happiness and lead sustainable growth of the construction industry.

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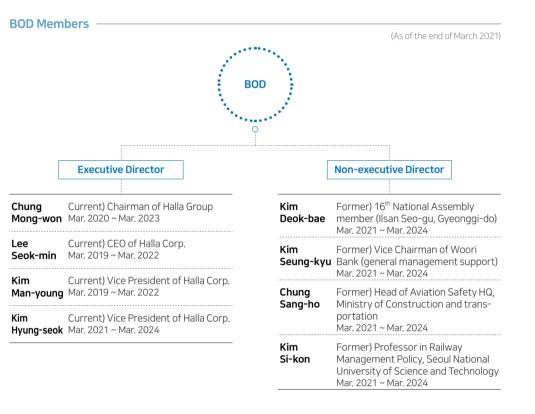
Corporate Governance



BOD Composition

BOD Composition

The Board of Directors (BOD) of Halla Corp. resolves matters stipulated in laws and articles of incorporation and important management issues and supervises the management's business execution. In accordance with Article 29 of the articles of incorporation (composing at least three directors including non-executive directors in compliance with laws), the BOD consists of 4 executive directors and 4 non-executive directors as of the end of March 2021. All directors are appointed at the general shareholders' meeting, and the BOD is chaired by the CEO who is aware of the company's situation in detail.

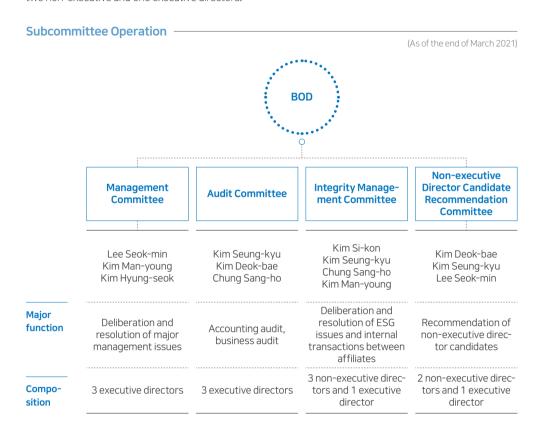




Standing Committee Operation

At Halla Corp., four standing committees of the Management Committee, Audit Committee, Integrity Management Committee, and Non-executive Director Candidate Recommendation Committee are operated under the BOD. The Audit Committee in charge of accounting and business audit is composed of only non-executive director to ensure transparency, while the Management Committee dedicated to deliberating and resolving critical management agendas consists of three executive directors. The Integrity Management Committee responsible for ESG management and internal transactions consists of three non-executive and one executive directors. The Non-executive Director Candidate Recommendation Committee members are two non-executive and one executive directors.

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BOD Operation

Appointment of Directors

Halla Corp. appoints non-executive directors who have no significant interest in the company according to related laws including Commercial Act to ensure their independence. Non-executive directors demonstrating deep expertise and rich experience in diverse fields not only advise on important decisions but also monitor our ESG management activities. They are appointed at the general shareholders' meeting after the review and recommendation by the Non-executive Director Candidate Recommendation Committee.

Activities and Performances (Deliberation of Agendas)

The BOD is convened every quarter according to the BOD regulation and ad-hoc meeting is also held when necessary. The proposed agenda is decided by the attendance of a majority of directors and the consent of a majority of attendees., and minutes are made at each meeting. In 2020, the BOD meeting was held 11 times to resolve a total of 25 agendas. The directors' attendance rate has maintained over 95%.

BOD Meeting and Attendance Rate (As of the end of December 2020) BOD meeting (Unit: times) 2020 11 2020 25 2019 23 2019 35 2018 62 Directors' attendance rate (Unit: %) 2020 97.7 2019 97.0 2018 97.9

Evaluation and Remuneration

Directors are paid monthly based on the director remuneration payment standards and incentives are provided considering their performances within the limit approved at the general shareholders' meeting.

Directors' Remuneration

Classification	Members	Total compensation (KRW in thousand)	Average compensa- tion per director (KRW in thousand)
Registered directors (excluding non-executive directors and Audit Committee members)	4	2,596,500	649,125
Non-executive directors (excluding Audit Committee members)	1	54,520	54,520
Audit Committee members	3	164,360	54,787

 $[\]ensuremath{\mbox{\%}}$ The average compensation: Total compensation / number of members

Independence of Directors

The directors of Halla Corp. are appointed at the general shareholders' meeting after being nominated by the BOD and Non-executive Director Candidate Recommendation Committee. Personal data of candidates including name, date of birth, term of office, and careers are disclosed through the notice two weeks before the general shareholders' meeting. Directors are able to present their opinions at the BOD meeting in an independent way.

SUSTAINABILITY MANAGEMENT GOVERNANCE

Shareholders

Ownership Structure

Halla Corp. is operating business under the holding company system led by Halla Holdings, laying a foundation for independent management based on stable corporate governance. The largest shareholder (17.06% common share ownership) of Halla Corp. is Chung Mong-won, the Chairman, and the ownership of affiliate persons including the largest shareholder is 45.1% (common shares).

Increase of Shareholder Value

Halla Corp. pays dividends in accordance with the articles of incorporation in consideration of investment plan for sustainable growth, increase of shareholder value, and business environment in a balanced way within the amount of profits available for dividends.

Online IR Conference

In March 2021, we disclosed operating performances in the fourth quarter of 2020 and held an online IR conference to present the result and business plan for 2021. Non-face-to-face video conference was first introduced in order to solve the information asymmetry of individual investors, contributing to transparently announcing our corporate information and increasing corporate value.

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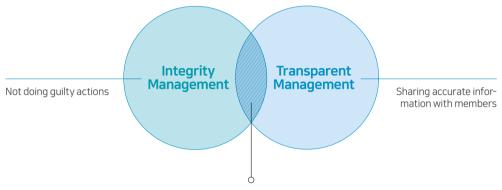
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Integrity Management



Philosophy of Integrity Management

Integrity management is Halla Corp.'s founding spirit and pride. Halla Corp. is committed to fulfilling its corporate responsibilities and obligations through integrity management, going beyond the basic corporate responsibility of generating profits and complying with laws and systems. By doing so, we will further build customer trust, improve the interest of shareholders, pursue co-prosperity with subcontractors, and provide employees with happiness.



A culture where principles and basics are accepted

Anyone can make a mistake, but it must not violate the principle of Integrity Management and transparency.

Standards must be established, adhered to, and constantly monitored.

Integrity Management Promotion System

Halla Corp. conducts Integrity Management in a systematic manner based on the four principles of transparent management, risk prevention, global standard, and compliance. Integrity Management Office leads the execution of Integrity Management at the Group level, contributes to securing profitability through strict risk analysis, and supports the improvement of non-financial values.

4 Principles for Integrity Management



Internal Policy for Integrity Management

Halla Corp. established the Code of Ethics to be observed by all stakeholders including employees and sub-contractors in order to leap forward as a sustainable company that helps the society. We also announced detailed ethics guidelines that stipulate permissible scope and standards of employee behavior, utilizing them as the criteria for ethical decision-making and behavior. Particularly, the "job rotation" system is operated to prevent the person in charge of Integrity Management from conniving or helping external stakeholders to deal with unfair business practices or violating the Code of Ethics and ethical behavior on their own. The job rotation is a system in which employees who have performed the same job for 3 years or up to 5 years are sequentially transferred regardless of the period of service, thereby preventing business frauds in advance.

Practice of Integrity Management

In accordance with Halla Group's Integrity Management policy, we send a letter to employees and subcontractors before national holidays to prevent the receipt of money and valuables and improper solicitation in advance. Our employees agree and cooperate with the Group's continuous practice of the Code of Ethics and commitment to Integrity Management. We will continue to encourage employees to raise the will to practice Integrity Management by carrying out diverse campaigns such as pledge to Integrity Management.

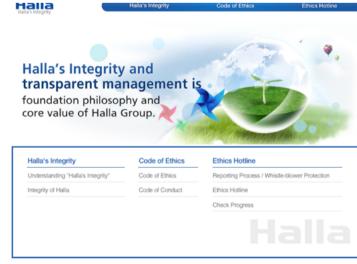


Message to encourage Integrity

Management practice

Integrity Management Training Programs

Various online and offline trainings are conducted to enhance the awareness of Integrity Management and prevent risks in advance. The online training contents are made into videos so that employees can easily and efficiently understand Integrity Management. Offline trainings for new employees and managers include the necessity of Integrity Management and case study on violations. In 2021, we plan to expand training programs to subcontractors to further enhance the culture of Integrity Management.



Halla Group's Integrity Management website



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Human Rights Management



Human Rights Management Process

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At Halla Corp., human rights management is promoted in accordance with the human rights management system of the Group. The institutes and organizations regarding human rights management comply with the Group's human rights management process and fulfill their roles and responsibilities. Halla Group's human rights management system was stipulated in 2020 and is planned to be implemented in earnest from 2021.

				Major i	ssues		
Human rights man- agement process	Detailed process	Group ESG plan- ning	Group HR	HR of each affili- ate	Integ- rity Man- age- ment Office	Legal Af- fairs Of- fice	Humar Re- sourc- es Devel- op- ment Center
01.	Establish human rights declaration	•					
Establishment and declaration of human rights charter	Review the establishment and amendment of human rights charter	•	•		•		
02.	Develop assessment indicators	•					
Human rights impact assessment	Evaluate risks	•					
03.	Build an operation plan based on assessment results		•	•			•
Human rights execution	Prevent risks in vulnerable areas and worksites		•	•			
04.	Disclose activity results						
Communication	Conduct education and report the result to the management		•	•			•
05.	Institutionalize the relief procedure						
Operation of grievance handling channels	Receive and handle grievances and conduct relief procedure			•	•	•	

Human Rights Impact Risk **Evaluation Process** Halla Group has established a human rights impact risk evaluation process for major affiliates, including Halla Corp., with a schedule to conduct evaluation by worksite from 2021. Evaluation results will be used for planning specific activities aimed at protecting and promoting human rights.

Classification	Issue	Human rights assessment method
	Anti-corruption	Identification of issues based on regular assessment
Child labor and forced labor		results and establishment of countermeasures
Employees	Human rights violation	Operation of employee grievance handling channels and counseling systems
	Safety issues at worksite	Risk management and worksite inspection
Subcontractors	Labor rights and safety of subcontractor employees	Reflection of ESG factors when evaluating subcontractors
Customers	Leakage of private information	Customer information protection process

Risk Evaluation Process

STEP 1.

Risk evaluation

Development of evaluation indicators

- Reflection of the Human Rights Charter and inter-
- national principles Development of human rights risk evaluation indicators

STEP 2.

Identifica-

tion and

consulta-

tion of im-

provement

plans

evaluees

- **Selection of** Selection of the application scope of Human Rights Charter
 - Provision of evaluation indicators and guidelines to evaluees

Document-based inspection

- Execution of self-diagnosis by evaluee
- Establishment of independent improvement plans for vulnerable items

On-site due diligence

- · Interview and due diligence to check human rights risks
- · Establishment and execution of prompt improvement plans for "high risk" and "insufficient" items

STEP 3.

Disclosure of status and results

SUSTAINABILITY MANAGEMENT GOVERNANCE

 Evaluees are required --> Report to to identify substantial improvement plans for human rights risks identified through the

 Report of important risks identified through human decision makers

rights impact assessment, improvement plans, and implications to the human rights management council and management meetings

Disclosure

 Disclosure of evaluation results, human rights violation cases, risk improvement and mitigation measures through corporate website and sustainability report



evaluation

Execution of risk improvement

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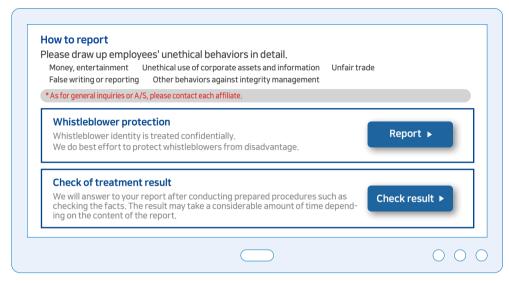
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Employee Communication

The company operates an internal reporting center and standardized system to protect the identity of employees who feel grievances or whistleblowers who report irregularities and to effectively resolve them.



Unethical behavior report system of Halla Group

Communication on Human Rights Issues

Halla Corp. operates a regular communication channel led by the labor union and HR Team to prevent human rights violations among employees. We also have a system to protect employees who have been subjected to human rights violations and to prevent human rights accidents in advance.

Major Internal Human Rights Management Activities

Prevention of Sexual Harassment and Abuse in Workplace

Halla Corp. strictly prohibits sexual harassment, abuse, and discriminatory treatment in work-place. To this end, internal investigations are conducted on a regular basis. In particular, to prevent sexual harassment in workplace, we opened the Sexual Harassment Report Center site on the website and established guidelines for handling sexual harassment cases in 2018. Moreover, banners are presented on the groupware system to raise awareness of sexual harassment prevention.



Sexual Harassment Report Center





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Fair Trade



Establishing a Fair Trade Culture

Halla Corp. fulfills its obligations as a general contractor and protects the rights of subcontractors by fully applying the "Standardized Subcontract Agreement for Construction Business" of the Fair Trade Commission without alteration or modification to all transactions with subcontractors. Any amendments in the clauses are immediately reflected to the subcontract agreement to satisfy the government's policy.

Cyber Reporting Center

Integrity Management Office is dedicated to handling unfair business activities and violations of the ethical behavior guidelines reported through the "Cyber Reporting Center" on the Integrity Management website. The "Gift Receipt Report Center" helps employees eliminate unnecessary business practices and voluntarily promote Integrity Management, while the whistleblower protection system encompasses reporting methods and procedure, whistleblower protection, and compensation. In 2020, five cases were reported and resolved through due process.

Subcontract Internal Deliberation Committee

At Halla Corp., the Subcontract Internal Deliberation Committee deliberates on the fairness and legality in subcontract transactions. The committee is held once a month on a regular basis and frequently when necessary. The committee is chaired by the executive in charge of subcontract and members consist of heads of each business division and related departments. If there is a possibility of violating subcontract-related laws, the committee takes corrective measures immediately, while executives and employees who committed intentional or gross negligence are referred to the HR Committee.

Introduction of the 4 Major Practices of the Fair Trade Commission

Halla Corp. introduced the 4 major practices of the Fair Trade Commission and announced them on our website and electronic procurement system to express our will to comply with fair trade related laws and pursue win-win cooperation with subcontractors.

Signing contracts in an advisable manner	We strive to establish reasonable and fair trade practices with medium and small subcontractors and to conclude desirable contracts.	Fairly se- lecting and operating sub- contractors	Halla Corp. contributes to building a fair subcontracting culture by strengthen- ing transparency and fairness in trans- actions with subcontractors
Subcontract Internal Deliberation Committee	The Subcontract Internal Deliberation Committee was organized to deliber- ate on the fairness and legality of the subcontract transaction in advance.	Issuing and preserving documents in an advisable manner	We clarify matters regarding the issuance of documents in the process of subcontracting transactions. By facilitating the exercise of rights and fulfillment of obligations, we promote the spread and settlement of desirable and advanced documentation culture.

Introduction of Electronic Bidding System

Since January 2020, Halla Corp. has been implementing electronic bidding system to ensure transparency in selecting subcontractors and to reinforce a fair corporate image both internally and externally. Making it possible to disclose the entire procedure of submitting and opening bids and selecting bidders for construction, service, and materials ordered from each worksite, the electronic bidding system contributes to ensuring transparency in selecting subcontractors and strengthening partnerships in a virtuous cycle for win-win growth.

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Risk Management



Risk Management System

Halla Corp. operates a company-wide risk management system to efficiently respond to various risks that may arise in the course of business implementation. Major risks are managed in an integrated and efficient manner by dividing them into investment risk and operation risk according to the characteristics of the construction industry. Financial risks are regularly monitored and reported to the CFO. Major issues by risk type are frequently reported to the CEO and the BOD to ensure a careful and prompt response.



Investment Risk

For a project that requires investment over a certain size, it is decided whether to proceed after reviewing all risk factors through the investment (order) deliberation operation process. In addition, we strengthened the integrity and transparency of decision-making process by ensuring that only projects that have passed the practical deliberation can be submitted to the investment deliberation process. Collecting opinions from external experts such as financial institutions is also conducted to enhance expertise. Meanwhile, a separate process is applied for investment in startups and initial investment in development projects to execute rapid risk review in line with changing business environment.

Operation Risk

Operation risks are identified and responded by dividing into sales, construction, and support categories for more efficient management. In particular, considering the characteristics of the construction business that operates a lot of worksites at home and abroad, Infrastructure & Architecture Team is dedicated to managing risk factors in an integrated manner to ensure swift communication between the head office and construction sites.

Launch of Internal Accounting Management Team

As the certification level of internal accounting management system was raised from "review" to "audit" with the enforcement of the amendment to the External Audit Act in November 2018, Halla Corp. launched Internal Accounting Management Team in December 2019 to promote accounting transparency. The team encourages the transparent preparation of financial information so that accounting users can have confidence and conducts internal control and related evaluation and monitoring.

Information Protection



Information Security Management Organization

Halla Corp. conducts information security diagnosis and improvement activities in collaboration with Information Security Team of Halla Group. We also independently monitors information security risks to minimize them.

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Enhancement of Employees' Awareness of Security

We provide employees with online training programs every year to raise employees' awareness of security. Moreover, employees make a pledge on complying with security every year.

Number of employees who completed information security trainings (Unit: persons)

Employee and Customer Privacy Protection

We continuously check the level of employee and customer privacy management to comply with the Personal Information Protection Act. In addition, we endeavor to cultivate experts in personal information management internally.

IT System Security Management

The company strives to improve the management level of safety and reliability of information assets through internal security diagnosis led by the Information Security Team of Halla Group. We are also proactive in preventing IT system security risks in advance.

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Summarized Consolidated Financial Information

Financial Position

Classification	Unit	2018	2019	2020
Total assets		1,793.8	1,588.2	1,653.6
Current assets	_	1,029.2	687.1	786.7
Non-current assets	_	764.3	901.0	866.8
Total liabilities	-	1,528.1	1,327.1	1,279.4
Current liabilities	_	1,271.6	986.1	875.3
Non-current liabilities	_	256.5	341.0	404.1
Total equity	KRW in billions	265.7	261.1	374.2
Capital stock	_	245.2	245.2	245.2
Capital surplus	-	149.0	148.9	148.9
Other components of equity	-	(6.9)	(6.9)	(6.9)
Accumulated other comprehensive income	_	5.4	3.5	1.7
Retained earnings	_	(137.4)	(129.8)	(21.7)
Non-controlling interest	-	10.3	-	6.8
Current ratio		80.9	69.7	89.9
Debt-to-equity ratio	%	575.1	508.3	341.9
Equity-to-asset ratio		14.8	16.4	22.6

Income Statement

Classification	Unit	2018	2019	2020
Sales		1,299.7	1,304.9	1,565.3
Cost of sales		1,133.3	1,132.5	1,375.3
Gross profit		166.4	172.4	190.0
Operating profit		59.9	67.7	96.7
Net profit before tax	KRW in billions	8.6	1.9	131.9
Corporate tax		30.2	0.8	22.0
Profit from continuing operation		(21.6)	1.1	109.9
Profit from discontinued operation		9.5	1.6	-
Net profit	_	-12.1	2.7	109.9





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Economy

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Order Backlogs

Cl	assification	Unit	2018	2019	2020
Order backlogs -	Consolidated basis	KRW in trillions	2.7	3.0	3.9
	Non-consolidated basis		2.6	2.9	3.8

R&D

Classification	Unit	2018	2019	2020
R&D workforce	Persons	11	14	13
R&D investment	KRW in millions	2,284	4,808	1,222
R&D-to-sales ratio	%	0.20	0.40	0.08

Intellectual Properties

Classification	Unit	2018	2019	2020
Patent rights		69	70	77
Construction new technology		3	5	5
Environmental new technology and green technology	Items	2	1	1
Design patent rights		-	1	1
Trademark		5	5	6

Environment

Energy Consumption

Classification	Unit	2018	2019	2020
Head office		9	17	13
Worksite	TJ	123	176	168
Total		132	193	181

Greenhouse Gas Emissions¹⁾

Classification	Unit	2018	2019	2020
Head office		416	1,061	781
Scope 1		-	644	415
Scope 2		416	417	366
Worksite	tCO ₂ eq	5,990	9,813	8,767
Scope 1		-	2,884	1,986
Scope 2		5,990	6,929	6,781
Total		6,406	10,875	9,547

¹⁾ Scope 1 data in 2018 was not managed.

Waste Discharge and Recycling

Classification	Unit	2018	2019	2020
Waste discharge (construction waste)	Tons	130,790	153,447	347,500
Waste recycling	Tons	129,353	153,427	347,492

^{*}The increase of waste in 2020 resulted from finding 160 thousand tons of landfilled waste during the construction of Goyang Starfield Parking Lot.

Eco-friendly Purchasing

Classification	Unit	2018	2019	2020
Amount of purchasing	KRW in billions	5.43	7.53	9.33
Number of eco-friendly products	Units	5	7	7

Environmental Audit

Classification		Unit	2018	2019	2020
Execution of S environmental audit	First half of year	Cases	38	9	38
	Second half of year		41	28	34
	Total		79	37	72

Social

Employee Diversity

Classification		Unit	2018	2019	2020
	Regular position		734	671	674
Employment type	Non-regular position	_	136	187	264
	Total	-	870	858	938
Male Gender Female	Male	Persons –	791	793	865
	Female	_	79	65	73
	Total	_	870	858	938
Ratio of female emplo	yees	%	9.1	7.6	7.8
	Female executives	Persons	0	0	0
Female managers ²⁾	Female managers	Persons	11	11	20
	Ratio of female managers	%	1.9	1.9	3.2
Number of employees with disability		Persons	4	3	5

²⁾ Manager and above positions

Average Term of Continual Servicee

Classification	Unit	2018	2019	2020
Term of office	-	11 years and 8 months	11 years and 5 months	11 years

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New Recruitment and Retirement

Classification		Unit	2018	2019	2020
	New employees		18	14	0
New recruitment	Experienced employees		83	103	182
	Total	Persons	101	117	182
	Male		58	131	99
	Female		9	22	5
	Total		67	153	104

Employee Education

Classification	Unit	2018	2019	2020
Time spent on education per employee	Hours	33	30	15
Total time spent on employee education	Hours	28,510	25,304	13,782
Total education expenses (including training center operation expense)	KRW in millions	1,055	984	817
Number of education programs completed	Courses	2,927	2,031	1,830

Welfare Benefits

	Classificatio	n	Unit	2018	2019	2020
		Male		7	3	4
	Use of childcare leave	Female		5	3	3
	er macare reave	Subtotal	Persons	12	6	7
	_	Male	- Fersurs -	4	6	2
Childcare leave	Return to work	Female		3	4	3
		Subtotal		7	10	5
	Rate of return to work	Male		100	67	100
		Female	%	100	100	100
		Subtotal		100	80	100

Labor Union Membership

Classification	Unit	2018	2019	2020
Employees eligible for labor union membership	Davasas	706	660	663
Number of union members	Persons	668	610	611
Labor union membership rate	%	94.62	92.42	92.16

Employees Who Completed Regular Performance Evaluation

Classification	Unit	2018	2019	2020
Employees eligible for regular performance evaluation	Persons	781	767	817
Ratio of employees who completed regular performance evaluation	%	100	100	100

Social Contribution

Classification	Unit	2018	2019	2020
Total time spent on volunteer works	Hours	606	585	702
Number of participants	Persons	202	195	234
Amount of donations	KRW in millions	170	1,148	1,241

Industrial Safety and Health

Classification	Unit	2018	2019	2020
Death rate in industrial accidents per ten thousand employees ³⁾	‰	0	2.1	0

³⁾ Number of deaths/number of full-time workers x 10,000

Safety and Health Training⁴⁾

Classification	Unit	2018	2019	2020
Workshop		104	143	80
E-learning	Persons	378	470	504
Subcontractors		69	128	209

⁴⁾ Workshop in the second half of 2020 was not held due to the Covid-19 pandemic.

Inspection on Construction Machinery

Classification	Unit	2018	2019	2020
Number of inspections on construction machinery	Times	48	99	193
Worksites eligible for inspection	Places	12	16	29

Governance

Board of Directors

Classification	Unit	2018	2019	2020
BOD meetings held	Times	62	23	11
Agendas resolved	Items	64	35	25
Attendance rate	%	97.9	97	97.7

Director Remuneration

Classification	Members	Total compensation (KRW in thousand)	Average compensation per director (KRW in thousand)
Registered directors (excluding non-executive directors and Audit Committee members)	4	2,596,500	649,125
Non-executive directors (excluding Audit Committee members)	1	54,520	54,520
Audit Committee members	3	164,360	54,787

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Stakeholder Engagement & Communication

Halla Corp. defines customers, shareholders and investors, subcontractors, employees, local communities, and government as major stakeholders and operates a variety of communication channels with them. To reflect their opinions in management activities, we are proactively identifying and managing major issues and expectations in economic, environmental, and social aspects.

Stakeholder	Communication channels		Major issues and expectations			
Stakerioider	Communication channels	Economic aspect	Environmental aspect	Social aspect Carry out customer satisfaction activities Secure quality competitiveness Stakeholder engagement and communication Win-win cooperation with subcontractors Tighten the control of construction workers' safety accident Respect employee diversity and ensure equal opportunities Cultivate talents Manage safety and health and prevent industrial accidents Implement sharing with local communities Enhance Integrity Management and transparent management		
Customers	Customer center on Halla Corp. website Online community	Enhance brand competitiveness Secure quality competitiveness	Use eco-friendly materials			
Shareholders and investors	Shareholders' meeting Report (business, audit, sustainability) IR meeting	Stably create operating performance Strengthen new business promotion competence	Develop eco-friendly technologies and invest in renewable energies	ness • Stakeholder engagement		
Subcontractors	Hanwoolhoe (subcontractors' council for autonomous co-prosperity) Discussion meeting with new subcontractors	Support shared growth with subcontractors by capitalizing on the shared growth fund	Hold workshops for subcontractors' environ- mental management	subcontractors Tighten the control of construction workers'		
Employees	Online IR conference Town Hall meeting	Stably create operating performance Pursue labor-management common interests	Develop eco-friendly technologies and invest in renewable energies Reduce environmental impacts from worksites	and ensure equal opportunities Cultivate talents Manage safety and health and prevent industrial		
Local communities	Halla Corp. website Social contribution activities	Conduct donations for the development of local communities	Conduct environmental protection activities for local communities			
Government, media and aca- demia	Report (business, audit, sustainability) Diverse councils Industrial discussion meeting	Establish fair trade	Comply with environmental laws	Management and		

Distribution of Economic Value to Stakeholders

(Unit: KRW in millions)

Shareholders	Subcontractors	Employees	Local communities	Government
Dividend	Domestic construction	Annual salary	Donation	Corporate tax

28,467

819.557

120,750

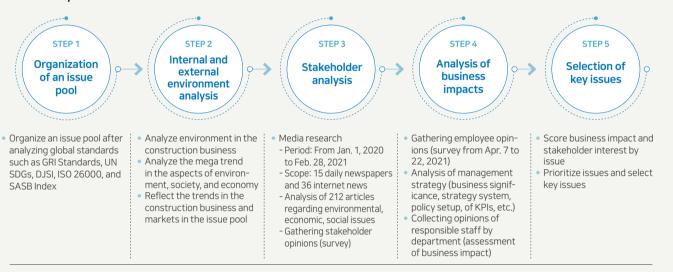
1,241

20,472

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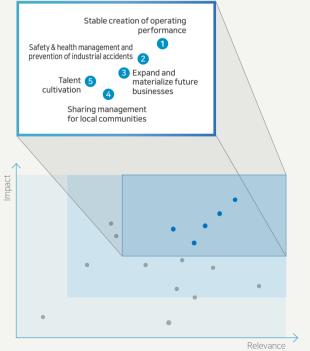
Halla Corp. carried out materiality test that identifies major issues regarding business activities and stakeholder interest in economic, environmental, and social aspects and prioritizes them. We organized an issue pool in consideration of global sustainability initiatives (GRI, UN SDGs, and ISO 26000), guidance (SASB and TCFD), external evaluation (KCGS best practices), and mega trend in the construction business. And then, media research, peer review, and survey were conducted to analyze the importance of issues. Halla Corp. will continue to identify and manage issues in terms of our business activities.

Materiality Test Process



Materiality Test Results

We selected five material issues to be reported by analyzing stakeholder interest and business impacts.



Materia	lity	Issue	GRI Standards	Page
	0	Stable creation of operating performance	201	93~94
Material	2	Safety & health management and prevention of industrial accidents	403	44~49
issues	3	Expand and materialize future businesses	-	36~39
	4	Sharing management for local communities	413	74~77
	6	Talent cultivation	404	62~67
-	6	Develop eco-friendly technologies and invest in renewable energies	302	36~37
	7	Win-win cooperation with subcontractors	308, 414	70~73
	8	Enhance new business promotion competence	-	36~39
	9	Enhance Integrity Management and transparent management	205	84~85
Re-	10	Stakeholder engagement and communication	102-40	98
porting	11	Secure quality competitiveness	301	56~59
issues	12	Response to climate change	305	50~55
	13	Establish sustainability management strategy system	-	32~35
	14	Reduce environmental impacts from worksites	306, 307	52~53
	15	Compliance management	205, 206	84~85,89
	16	BOD composition and transparent operation	102-18	80~82

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UN SDGs

Based on a deep sympathy with the SDGs (Sustainable Development Goals) presented by the UN in 2015, Halla Corp. has been implementing detailed goals. We will contribute to achieving the SDGs by promoting additional activities as well as practices in the construction business in which we are engaged.

SUSTAINABLE GALS DEVELOPMENT GALS

The SDGs are common goals of the United Nations and the international community to be implemented from 2016 to 2030 so that everyone can enjoy happiness. The SDGs consist of 17 main goals and 169 detailed targets.

No Poverty

1.2 1 NO POVERTY

"End poverty in all its forms everywhere."

Our employees participate in "sharing briquettes of love" program to help senior citizens living alone keep warm in winter and donate Kimchi to children welfare centers. Since 2020, we have run a social contribution council to encourage all employees to engage in volunteer works.

Good Health and Well-Being

3.8

3 GOOD HEALTH AND WELL-BEING

"Ensure healthy lives and promote well-being for all at all ages."

Halla Corp. systematically implements safety and health management and runs "blood pressure check day" and "intensive management of vulnerable workers" programs to build a culture of safety at construction sites. Furthermore, we rapidly built the Covid-19 response system to ensure the safety of workers

Industry, Innovation and Infrastructure

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9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



"Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation."

Halla Corp. has been developing SOC projects to contribute to the revitalization of the national economy. In 2020, we won new orders for a variety of construction projects including Sejong New Government Office Building, Gwangju subway (2-4 section), sewer pipeline maintenance, Honam high-speed railway (2-4 section).

Sustainable Cities and Communities

11,1

11 SUSTAINABLE CITIES AND COMMUNITIES



"Make cities and human settlements inclusive, safe, resilient and sustainable."

By being selected as a private builder of the regional specialization project of Baegot New City in 2013, has successfully constructed 6,700-household apartment complex and Siheung Smart Campus of Seoul National University. Baegot New City pursues a region specialized in education and medical business in the era of 4th Industrial Revolution.

Responsible Consumption and Production

12.5



"Ensure sustainable consumption and production patterns."

In order to reduce environmental impacts from construction materials, Halla Corp. has been continuously increasing the purchasing of recycled materials and eco-friendly products such as waste concrete and waste asphalt concrete.

Quality Education

4.1 / 4.8

4 EDUCATION



"Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all."

We offered scholarships to Halla University and Seoul National University to help equitable and quality education. Mokpo New Port Terminal, a subsidiary of Halla Corp., also delivered "Wungok Scholarship" of KRW 15 million to Mokpo City and Youngam-gun.

Affordable and Clean Energy

7.1 / 7.3

7 AFFORDABLE AND CLEAN ENERGY

8.5 / 8.8 / 8.9 8 DECENT WORK AND ECONOMIC GROWTH



"Ensure access to affordable, reliable, sustainable and modern energy for all."

"Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all."

Halla Corp. has focused on developing new construction technologies and methods through continuous investment and developing new businesses and growth engines. Recently, we invested in "AIRRANE," a pioneer in eco-friendly business to promote joint projects for hydrogen production by using biogas plants and semiconductor chemical recycling.

Halla Corp. strives not only to create decent jobs in the construction business but also to promote programs for improving working environment such as support for psychological counseling, flexible work system, and

elimination of inequality in treatment.

Decent Work and Econimic Growth

Climate Action

13,3





"Take urgent action to combat climate change and its impacts."

Halla Corp. has developed eco-friendly construction technologies and signed an MOU for voluntary GHG reduction and eco-friendly worksite with the Ministry of Land, Infrastructure and Transport, thereby efficiently managing GHG emissions and energy consumption. In 2021, we will promote multifaceted climate change response activities such as the third party assurance on GHG emissions and higher energy efficiency.

Peace, Justice and Strong Institutions

16.5



"Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels."

Based on Integrity Management, Halla Corp.'s founding spirit and pride, we are committed to treating customers honestly, increasing the rights of shareholders, pursuing co-prosperity with subcontractors, and providing happiness to employees, thereby fulfilling our social responsibility and obligation

Partnerships for The Goals

17.14 / 17.16





"Strengthen the means of implementation and revitalize the global partnership for sustainable development."

Based on the firm belief that subcontractors are companions moving together toward the future, Halla Corp. is running a variety of programs for shared growth such as "Hanwoolhoe," a voluntary co-prosperity council for subcontractors, direct financial support by raising KRW 1 billion worth shared growth investment fund every year, and educational support.





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Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metric	Category	Page and Answer
Environmental Impacts of Project Development	IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	Quantita- tive	One punishment case in 2020 (Article 63-3 of the Construction Waste Recycling Promotion Act)
	IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	Discus- sion and Analysis	Preventing pollutants by understanding envi- ronmental risks before construction though working-level meetings and receiving environ- mental consulting from external professional institutions
Structural Integrity & Safety	IF-EN-250a.1	Amount of defect- and safety-related rework costs	Quantita- tive	Maintenance costs of KRW 4.38 billion as of 2020
	IF-EN-250a.2	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	Quantita- tive	Lawsuit costs of KRW 4.65 billion in terms of defect and safety as of 2020°
Workforce Health & Safety	IF-EN-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantita- tive	Disclosure of industrial safety and health performances on page 97 (0%00 death rate)
Lifecycle Impacts of Buildings & Infrastructure	IF-EN-410a.1	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	Quantita- tive	10 certifications on green building
	IF-EN-410a.2	Discussion of process to incorporate operation- al-phase energy and water efficiency consider- ations into project planning and design	Discus- sion and Analysis	Making a concerted effort to preserve natural resources and water environment by developing innovative technologies for river ecology recovery and green construction
Climate Impacts of Business Mix	IF-EN-410b.1	Amount of backlog for (1) hydrocarbon-related projects and (2) renewable energy projects	Quantita- tive	No project as of the end of 2020
	IF-EN-410b.2	Amount of backlog cancellations associated with hydrocarbon-related projects	Quantita- tive	No project as of the end of 2020
	IF-EN-410b.3	Amount of backlog for non-energy projects associated with climate change mitigation	Quantita- tive	No project as of the end of 2020
Business Ethics	IF-EN-510a.1	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Percep- tion Index	Quantita- tive	No project as of the end of 2020
	IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices	Quantita- tive	No penalty and settlement money payment with regard to unfair trade in 2020
	IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	Discus- sion and Analysis	Integrity management is Halla Corp.'s founding spirit and pride. We fully apply the "Standardized Subcontract Agreement for Construction Business" without alteration or modification and operate the Subcontract Internal Deliberation Committee to prevent unfair behaviors in advance. We also introduced the electronic bid system to ensure transparent contract.

Activity Metrics

Topic	Code	Accounting Metric	Category	Page and Answer
Activity Metrics	IF-EN-000b.A	Number of active projects	Quantita- tive	83 projects were underway as of the end of 2020.
	IF-EN-000b.B	Number of commissioned projects	Quantita- tive	No commissioned project as of the end of 2020
	IF-EN-000b.C	Total backlog	Quantita- tive	Total backlog amounted to KRW 3.9 trillion on a consolidated basis and KRW 3.8 trillion on a non-consolidated basis in 2020.

Awards and Association Memberships

Awards in 2020

Time	Award Name	Awarded by
Jan.	Excellent workplaces for employee health promotion activities	Occupational Safety and Health Agency
Sep.	"Good" grade in the shared growth index	Shared Growth Committee
Nov.	Excellent prize at the Construction Safety Innovation Award	Korea Expressway Corporation
Nov.	Best award at the health management presentation for construction business	Ministry of Employment and Labor
Nov.	Minister citation at the Construction Cooperation Promotion Award	Ministry of Land, Infrastructure and Transport
Dec.	Excellent award at the Contest for Creating a Safe Site Together	Korean Land and Housing Corporation
Dec.	Grand prize in the civil engineering sector of safety management award	Ministry of Employment and Labor
Dec.	Excellent award at the KR Railway Safety Competition	Korea Rail Network Authority

Association Memberships

Association	Association	Association
Korea Construction Defect Management Council	Korea Construction and Transportation New Technology Association	Korea Construction Environment Association
The Korea Railway Association	Korea Mech. Const. Contractors Association	Korea Environmental Damage Prevention Association
Korea Ports & Harbors Association	Korea Engineering & Consulting Association	Korea Listed Companies Association
Korea Road Association	Korea Disaster Prevention Association	Seoul Chamber of Commerce and Industry
Korea Railway Construction Engineering Association	Korean Professional Engineers Association	Korea Proptech Forum
Construction Association of Korea	Korea Housing Association	Korea Personnel Improvement Association
Korea Faculties Maintenance Association	Korea Developer Association	Korea International Trade Association
Korea Fire Facility Association	Smart Modular Forum	Constructors' Legal Workers' Council
Korea Electrical Contractors Association	Construction Safety Manager Committee	Korea Federation of Construction Contractors
Korea Information & Communication Contractors Association	Construction Safety and Health Manager Council	International Contractors Association of Korea

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Third Party's Assurance Statement

To the Readers of 2020 Halla Corporation Sustainability Report:

Foreword

Korea Management Registrar Inc. (hereinafter "KMR") has been requested by of Halla Corporation to verify the contents of its 2020 Halla Corporation Sustainability Report (Hereby referred to as "the Report"). Halla Corporation is responsible for the collection and presentation of information included in the Report. KMR's responsibility is to carry out assurance engagement on specific data and information in the assurance scope stipulated below.

Verification Methodology

Halla Corporation describes its efforts and achievements of the corporate social responsibility activities in the Report. KMR conducted based on SRV1000 from KMR Global Sustainability Committee and SRV1000 from KMR Global Sustainability Committee as assurance standards. The assurer's assurance team (hereinafter "the assurance team") evaluated the adherence to Principles of Materiality, Understandability, Reliability and the reliability of specified sustainability performance information. In addition, the assurance team checked whether the Report satisfied the 'Core Option' requirements of GRI Standards Guidelines.

The team checked whether the Report has been prepared in accordance with the 'Core Option' of GRI Standards which covers the followings.

- GRI Standards Reporting Principles
- Universal Standards
- Topic Specific Standards
- Management approach of Topic Specific Standards
- GRI 201: Economic Performance
- GRI 403: Occupational Health and Safety
- GRI 404: Training and Education
- GRI 413: Local Communities

This Report excludes data and information of joint corporate, contractor etc. which is outside of the organization, i.e. Halla Corporation, among report boundaries.

Our approach

In order to verify the contents of the Report within an agreed scope of assurance in accordance with the assurance standard, the team has carried out an assurance engagement as follows:

- Reviewed overall report
- Reviewed materiality test process and methodology
- Reviewed sustainability management strategies and targets
- Reviewed stakeholder engagement activities
- Interviewed people in charge of preparing the Report

Our conclusion

Based on the results we have obtained from material reviews and interviews, we had several discussions with Halla Corporation on the revision of the Report. We reviewed the Report's final version in order to confirm that our recommendations for improvement and our revisions have been reflected. When reviewing the results of the assurance, the assurance team could not find any inappropriate contents in the Report to the compliance with the principles stipulated below. Nothing has come to our attention that causes us to believe that the data included in the verification scope are not presented appropriately.

Materiality

The Report includes all important reporting boundaries under Halla Corporation operation and presents specific and long-term CSR strategy and targets. Halla Corporation is determining the materiality of issues found out through stakeholder communication channels through its own materiality evaluation process, and the assurance team could not find any critical issues nor any critical stakeholder group left out in this

Understandability

Being prepared in sustainability context, the Report specifies the targets on sustainability issues which are identified through the materiality evaluation process, and presents the backgrounds of selection of the critical issues and the management approach. And the Report explains the performance indicators in more detail and comparable way.

Reliability

The assurance team identified errors in some data and information, and Halla Corporation completed the modification before finishing the final version of the Report. We judge the data and information in the Report to be correct and reliable, and the assurance team could not find any evidence that Halla Corporation counter measures to critical stakeholder issues were inappropriately recorded in the Report.

Recommendation for improvement

We hope the Report is actively used as a communication tool for stakeholders and we recommend the following for improvements.

Halla Corporation incorporated qualitative data and images into the report to improve readability and provide data-driven description of key performances to help readers understand them better. Positive changes observed include environmental management strategies, KPIs, and quality report before and after the construction, the establishment of the information management committee within the Board of Directors to strengthen governance. We recommend that Halla Corporation report key performances using quantitative data in the context of sustainability and manage the results of risk responses so that it can further enhance its sustainability system.





