

2022 HL D&I Halla Sustainability Report

HL D&I Halla Corp. 2022 Sustainability Report



About this report

HL D&I Halla discloses the relevant materials for investors and other stakeholders.

Information on sustainability management can be found on the website of HL D&I Halla,

YouTube, Naver Blog, Naver Post, and Instagram.



Website of
HL D&I Halla



YouTube



Naver Blog



Naver Post



Instagram



About this Report

HL D&I Halla publishes its third Sustainability Report. With the publication of this Sustainability Report, HL D&I Halla intends to transparently communicate the realization of economic, environmental, and social value, and detail its efforts to create a better future for its internal and external stakeholders. To this end, HL D&I Halla has included information focusing on the ten key areas for sustainability management in this report and going forward, HL D&I Halla will continue to share its ESG activities and achievements by publishing these Sustainability Reports.

Reporting Period and Scope

This report presents our activities and performances from January 1 through December 31, 2022. The reporting period of some data extends into the first half of 2023; and as for quantitative performances, three-year data from 2020 to 2022 are presented. Reporting scope covers both the head office and all workplaces of HL D&I Halla, except for its subsidiaries.

Reporting Cycle

Every year (Previous Report published: in July 2022)

Reporting Guidelines

This report was prepared in accordance with the GRI 2021 (Global Reporting Initiatives) Standards as well as UN SDGs, UNGC, TCFD, and SASB.

Assurance

To secure the reliability and impartiality of this report, it has been duly verified through BSI Group Korea, a third-party assurance company. The assurance statement of this report can be found in page 96-98 of this report.

Inquiries

For further inquiries, please contact us via the following channels:

Department : HL D&I Halla / Green Management Team (sustain.halla@hlcompany.com)

Address : 289 Olympic-ro, Songpa-gu, Seoul, Republic of Korea

TEL : +82-2-3434-5114

Homepage : www.hldni.com

CONTENTS

CEO Message 4

OVERVIEW

• About the Group	7
• About the Company	8
• Major Business	10

HL D&I Halla ESG SYSTEM

• ESG Management Strategy	13
• Stakeholder Engagement	14
• Materiality Assessment	16
• 2022 HIGHLIGHT	18

HL D&I Halla ESG FOCUS

• Focus 1. Creation of the Safest and Healthiest Work Environment	20
• Focus 2. Creation of Sustainable Eco-friendly Workplaces	28
• Focus 3. Development of Smart New Technology through Technology Innovation	36
• Focus 4. Realization of Value Growth through Win-win Management	42
• Focus 5. Strengthening Company-Wide Integrated Risk Management	47

HL D&I Halla ESG TOGETHER

• WITH PEOPLE	52
• WITH GREEN	59
• WITH PARTNER	64
• WITH GOVERNANCE	72

APPENDIX

• ESG DATA CENTER	80
• Sustainability Management KPIs	88
• GRI 2021 Index	89
• SASB	92
• TCFD	93
• UN SDGs	94
• Major Association Memberships and Awards	95
• Independent Assurance Statement	96
• Greenhouse Gas Verification Statement	99

CEO Message

Last year was tougher than ever. For example, various crises—such as the triple distress of exchange rates, interest rates, and inflation, and rising raw material prices—have imposed a heavy burden across the economy; and the construction/real estate industry also started to experience recession. Despite these challenges, however, HL D&I Halla focused on increasing orders, expanding new businesses, and managing risks under the management policy of ‘STRIDE toward a Better Tomorrow.’ This has enabled the company to maintain a credit rating of BBB+, and establish a solid financial structure by securing 3.3 years of orders based on current sales.

Based on these achievements, HL D&I Halla has been continuously promoting ESG management to advance toward a better tomorrow, and has been committed to realizing the value expected by customers, shareholders, and other stakeholders, and growing into a sustainable company.

HL D&I Halla has firmly established the ESG management system to lay the groundwork for sustainable growth. The company has set ESG goals of ‘Preparing the basis for responding to climate change, enhancing stakeholder satisfaction, fair trade and win-win management’ to enhance ESG management execution power. In addition, we are fulfilling our responsibilities for the sustainable development of society through ten key strategies.

In the environment area, we have established SBTi-based greenhouse gas emission reduction targets and have been strengthening emissions management under the strategic goal of creating a sustainable low-carbon and eco-friendly workplace. We have also expanded our investments in eco-friendly business by 400% to secure eco-friendly technologies for low-carbon eco-friendly management.

In addition, in the area of safety, under the safety and health management goal of achieving the core values of ‘safety and health as core values & engagement of all employees,’ we have held a convention to eliminate severe accidents, led by the CEO, CSO and COO once per month—creating a corporate culture that prioritizes eradication of serious accidents, initiated by the management. In addition, we are operating a mobile risk reporting center to quickly identify harmful risk factors, and totally eliminate them to realize a safe workplace. HL D&I Halla is creating a safety and health culture in which all members, including subcontractors as well as management, participate and implement it together.

In addition, we have adopted the Corporate Governance Charter and established and evaluated the Board of Directors’ evaluation system to strengthen the sustainable system for transparent governance and to implement ESG management. This has allowed us to develop sound and transparent governance, and more clearly implement a responsible management centered on the Board of Directors.

HL D&I Halla has set ‘Growth in Intrinsic Value’ as its management policy for 2023. Despite the tough external environment, HL D&I Halla will strive to increase sales and profits, overcome crises through efforts to continue business, and secure competitiveness by investing in new eco-friendly businesses and new technologies considering future values to become a sustainable company. Furthermore, we have set our strategic direction for sustainability management and a mid- to long-term roadmap aligned to our management policy. Going forward, we will continue to strengthen our ability to execute ESG management by establishing short-term, mid-term, and long-term goals for our ten key strategies.

HL D&I Halla will further expand communication with stakeholders through the publication of the sustainability report. Most of all, we will strive to create intrinsic value that can grow together with all our stakeholders. We welcome for your continued interest and encouragement so that HL D&I Halla can continue its growth.

Thank you!

“ HL D&I Halla will continue to strengthen its ability to implement ESG management to ‘Create Intrinsic Value’ so that can grow together with stakeholders.”



CEO of HL D&I Halla Corp.

Hong Suk-Hwa

A handwritten signature in black ink, which appears to read 'Hong Suk-Hwa', written in a cursive style.





OVERVIEW

- About the Group
- About the Company
- Major Business

HL GROUP

The HL Group, which started from Hyundai International Inc., founded in 1962, has played a leading role in the production of heavy machines, ship-building, heavy industries, construction and automobile sectors, and has led Korea's economic development. It is currently expanding its growth in various business areas through its holding company, HALLA Holdings, to the construction, automobile, and education/sports fields. Furthermore, with the vision "Innovator Today, Pioneer Tomorrow," it has entered the world's main regions, from North America to Europe, China, Japan/Southeast Asia, the Middle East, and South America, and is growing to become a global company. Going forward, HL Group will enrich the world by taking bold strides to transform how people live, move, and imagine.

Introduction of Affiliates

Holding company 	HL Holdings	Business holding company that creates value for HL Group
	HL REITs Management	A real estate asset management company based on development business capabilities
Automobile sector 	HL Mando	HL Mando Corp. A world of cutting-edge automotive parts!
	HL Klemove	A company specializing in autonomous driving technology that promises comfortable driving
	Mando Brose	A prepared company thinking about the future and the environment
Construction sector 	HL D&I Halla	Customer Satisfaction, the true value pursued by HL D&I Halla
	Mokpo New Port Terminal	The logistics hub port for Northeast Asia, the new center of global logistics
	HL Echotech	A company that thinks about people and the environment first
	HL Logis & Co.	Center of Green and High-Tech logistics
Education and sports sector 	Halla University	Halla University, leading the world
	HL Anyang Ice Hockey Club	Ice Hockey Champions in Asia League

Mission

HL D&I Halla enriches the world by taking bold strides to transform how people live, move and imagine.

Vision

Innovator Today, Pioneer Tomorrow

Core values



Integrity Management INTERGRITY

Work fair and square by complying with the basics and principles

Sincerity

Work with sincerity while complying with the basics and principles.

Honesty

Avoid words and deeds that are contrary to one's conscience and act straight and honestly.

Transparency

Share work processes and results openly with relevant personnel.



Frontier FRONTIER

Be the best by taking on challenges and innovating with an indomitable will

Challenge

Set high targets and boldly take risks.

Innovation

Pursue newness with differentiated ideas, free from stereotypes.

Best

Learn passionately to become an expert in one's field.



Work Together TOGETHER

Seek coexistence through consideration and communication

Consideration

Respect each other's personality and diversity and give compliments even for small matters.

Communication

Have conversations with an open mind and truly empathize with each other's opinions.

Trust

Trust and rely on one another and fulfill responsibilities without fail.

Brand identity

STRIDE / STRIDE CHALLENGE

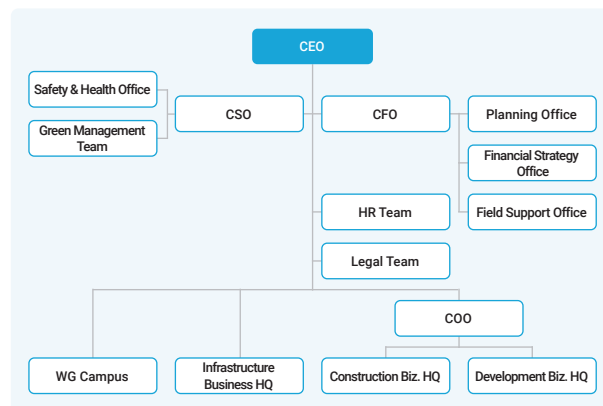
HL D&I Halla

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

Company Overview

Corporate name	HL D&I Halla Corp.
Date of establishment	May 2, 1980
Date of stock listing	August 12, 1994
CEO	Lee Seok-min
Head office	289, Olympic-ro, Songpa-gu, Seoul, Republic of Korea
Major businesses	Construction (architecture, housing, civil engineering, plant) Non-construction (distribution, logistics, leisure, smart research, etc.)
Annual sales	KRW 1 trillion and 472.1 billion (as of 2022)
Number of employees	1,165 persons (as of December 31, 2022 based on business report)

Organization Status



Management Philosophy

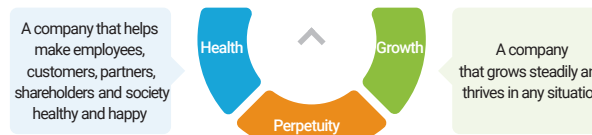
MISSION

Put humans and nature first, design beautiful, safe and practical spaces, and contribute to a richer and happier life for humanity

Pursue coexistence of humans and nature • Create convenient and comfortable spaces • Improve quality of life of humanity

VISION

A permanent and healthy growing company



An innovative, open company that continuously creates revenue

HL D&I Halla provides products and services with soul based on talent and technology to contribute to the welfare of customers and humankind.



Clients

It's about winning the hearts of clients continuously by quickly responding to market demands.



Technology

It's about creating future growth engines by securing core competencies.



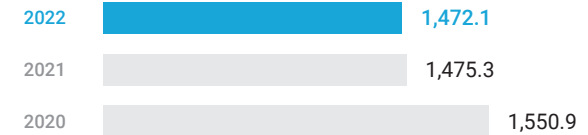
Humans

It's about creating the future by discovering and nurturing talent with the belief that 'a company is a person.'

Major Financial Performance

Sales

(Unit: KRW billion)



Operating profit



Net profit



Order backlog

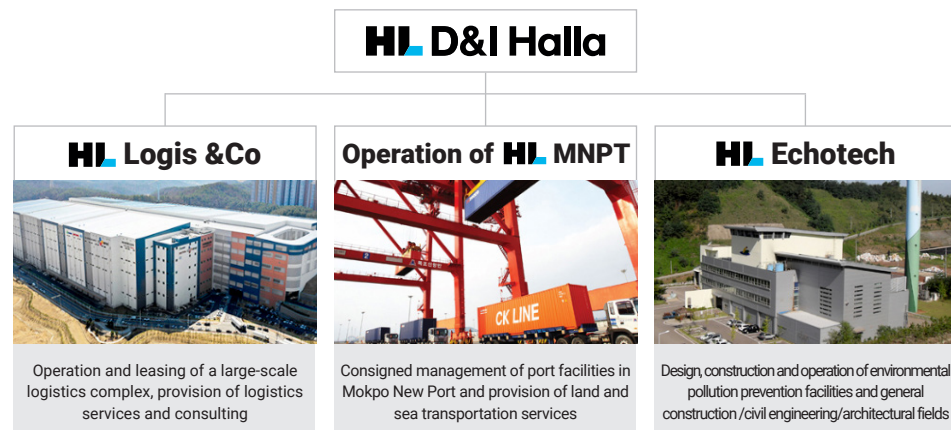
(Unit: KRW trillion)



HL D&I Halla

Introduction of Major Subsidiaries

HL D&I Halla has subsidiaries in various business fields such as logistics, ports, and the environment – and strives to enhance profitability by building a diversified business portfolio and securing long-term and stable cashflow.



History

1980s~1990s	2000s	2010s~2020s
1980 • Established Halla Resources Corp. (Spinoff from Resources Development Dept. of Hyundai International Inc.) 1989 • Established a labor union 1990 • Changed company name to Halla Engineering & Construction Corp. 1993 • Started construction of Jamsil Sigma Tower 1995 • Acquired ISO 9001 certification 1997 • Acquired ISO 14001 certification • Introduced apartments, branded "Halla Vivaldi"	2000 • Started construction of Ulsan Airport 2001 • Started construction of East Dock of Pyeongtaek Port 2004 • Declared the Vision 2010 and business 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 • Awarded Hankyung Housing Culture grand prize in apartment category (Halla Vivaldi in Hopyeong District, Namyangju)	2010 • Acquired certification for the Korea's highest 1.54 liter passive house (Elderly home in Incheon Cheongna District/ German Passive Institute) 2011 • Awarded Minister prize by Ministry of Land, Transport and Maritime Affairs (Hyundai Department Store Daegu Branch) • Received presidential citation from the Ministry of Strategy and Finance for being model taxpayer • Selected as one of "Top 50 promising companies in Asia" by U.S. business magazine Forbes 2012 • Awarded Hankyung Housing Culture grand prize in brand category (Wonju Halla Vivaldi 2-Cha) • Received presidential citation for labor-management cooperation from the Ministry of Employment and Labor 2013 • Changed company name and CI to Halla Corp. 2014 • Signed contract for Baegot New Town Local Characterization Business and parceled out 6,700 units 2014 • Korea Housing Culture grand prize 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) 2018 • Transforming to ISO45001 certification (for the first time in the construction fields) 2020 • Signed an agreement on R&D for railway infrastructure lifecycle management BIM 2021 • Established Integrity Management Committee and ESG Office 2022 • Received the plaque of appreciation from Halla Sports Association for the Disabled • Changed company name and CI to HL D&I Halla Corp.

Global Network



1	South Korea	Head office of HL D&I Halla
2	Indonesia	Indonesia Branch Office
3	Vietnam	GMS Ben Luc-Long Thanh Expressway Project A1 GMS Ben Luc-Long Thanh Expressway Project A3
4	Bangladesh	Bangladesh Branch Office _ Cox's Bazar Airport / Sylhet Airport / Matarbari Road / Bakkhali Bridge
5	USA	Halla Corporation America / HL Properties America Corporation
6	Mexico	Halla E&C Mexico S. de R.L. de CV in Mexico

Major Business

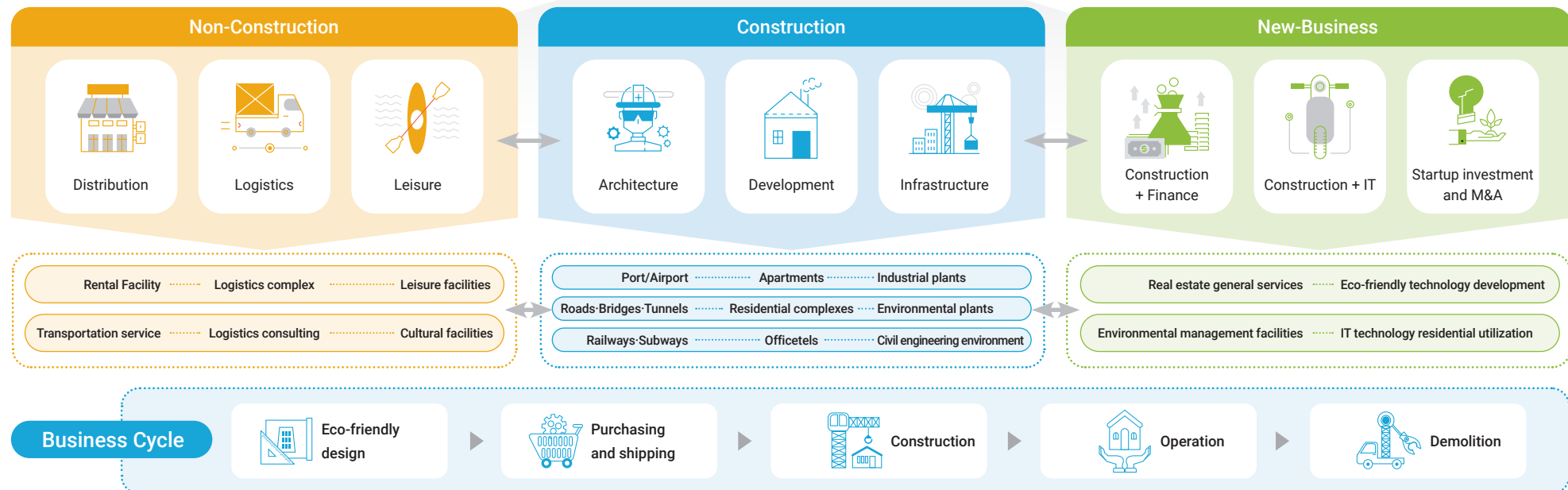
Since its establishment in 1980, HL D&I Halla Corp. has been engaging in various construction businesses such as architecture, housing, and infrastructure projects. HL D&I Halla's outstanding capabilities are well recognized in civil engineering, construction, housing, plant, and environment projects. From the national industrial infrastructure project to architecture built in distinct designs and state-of-the-art technology, diverse industrial and environmental plants, and the prestigious residential space "Halla Vivaldi," we have grown into a company respected by customers for its top quality and competitiveness.

Furthermore, we are expanding our businesses in the non-construction sector through distribution, logistics and leisure businesses for sustainable growth of the company. In addition, we are implementing business strategy converged with IT sectors as a new business sector, investing in promising start-ups that incorporate construction IT technology, and promoting mergers and acquisitions. HL D&I Halla is striving to explore future growth engines in connection with other industries, seeking various new businesses, and building a stable business portfolio. At the same time, we plan to gradually expand non-construction areas to become a new-concept construction company.

GO BEYOND CONSTRUCTION



Securing competitiveness through diversification of portfolio and strengthening of ability to respond to economic fluctuations



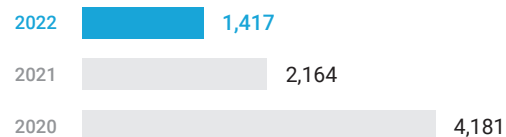
Major Business

Architecture Business

For your evolving dreams, HL D&I Halla is always one step ahead at the forefront of its evolution.

We lead the future architectural culture by creating high-quality buildings in harmony with the environment, based on our construction and implementation capability recognized in the architectural field, applying the latest construction methods and cutting-edge systems.

New order in the architecture sector (Unit: KRW 100 million)



Logistics center in Iljuk, Anseong

Scale B2~3F

Construction area 90,043 m²

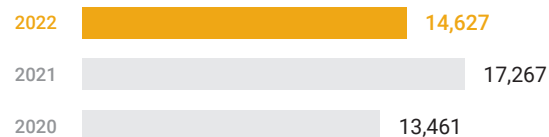
Construction period June 2022 ~ March 2024

Development Business

HL D&I Halla's apartment pursues a life in which humans, nature and technology are in harmony.

We will expand new businesses, including redevelopment and reconstruction projects, and concentrate on developing eco-friendly future residential spaces such as green homes, further strengthening our reputation as a prestigious housing developer.

New order in the development sector (Unit: KRW 100 million)



APT New Construction in Siheung Eunhaeng District 2

Scale 3F~47F (1,297 households)

Gross floor area 244,397 m²

Construction period December 2021 ~ October 2025

Infrastructure Business

HL D&I Halla is constantly challenging with advanced ideas, technology, and know-how to create better spaces for life than today, and a more relaxed and convenient tomorrow.

HL D&I Halla plays a leading role in constructing infrastructure that anyone can use safely and creating a living environment through strict construction management and safety management.

New order in the infrastructure sector (Unit: KRW 100 million)



Construction district 1 & 2 in Dongtan, Gyeongbu line

Scale L=2.26km
(underpass L=270m, B=54m, 2 bridges)

Construction period March 2017 ~ June 2024



ESG SYSTEM

- ESG Management Strategy
- Stakeholder Engagement
- Materiality Assessment
- 2022 HIGHLIGHT

ESG Management Strategy

ESG Management-Promotion Strategy

HL D&I Halla has established a new ESG management-promotion strategy. We have set ‘Leaping forward to become a sustainable company through intrinsic value growth’ as our vision, and systematized our strategic directions for each E(Environment), S(Social), G(Governance) aligned with our vision. In order to enhance our implementation ability for ESG management, we have selected performance indicators and implementation tasks according to the strategic direction. Going forward, HL D&I Halla will continue to strengthen and internalize its ESG management implementation capabilities throughout its corporate operations.



ESG Management Promotion System

HL D&I Halla has been building an ESG management promotion system based on the ESG management promotion strategy. The ESG management organization has been set up and operated directly under the supervision of the CSO, and an ESG working-level council was formed with key departments centered on the Green Management Team, a team dedicated to ESG. Each field has an ESG working-level council to implement and promote ESG strategic tasks. For a sustainable management system, we introduced ESG KPIs (ESG management level, greenhouse gas reduction, ethical management, etc.) for all executives including the CEO from 2023. We are implementing more efficient ESG management through a performance-based compensation system.



Integrity Management Committee (ESG Committee)







HL D&I Halla operates the Integrity Management Committee (ESG Committee) for the purpose of deliberating ESG management activities and decision-making. In addition to ESG material issues and ESG strategies, the Integrity Management Committee (ESG Committee) discusses major agenda on the environment (climate change, carbon neutrality), society (safety, supply chain, human rights, social contribution), governance (ethics, information security), etc. that affect business activities every year. The Board of Directors reviews regularly reported ESG management-related performance at least once per year, thus playing a pivotal role in decision-making for ESG management.

Composition of the ESG Committee	3 non-executive directors 1 executive director	Major Agenda	<div><div>Approval of safety and health plans</div><div>Report on the operation status of the internal accounting control system</div><div>Report on publication of Sustainability Report (Report on climate change and major environmental performance)</div></div> <div><div>Approval of revision of the Human Rights Management Declaration</div><div>Approval of enactment of Corporate Governance Charter</div><div>Report on the operation of the Integrity Management Office</div><div>Refer to the resolution made by the Integrity Management Committee (p. 243 in the business report)</div></div>
----------------------------------	---	--------------	--

Stakeholder Engagement

Stakeholder Communication

HL D&I Halla defines clients, employees, shareholders and investors, subcontractors, local communities, and the government, media, and academia as key stakeholders that have a significant impact on corporate management activities. We are operating communication channels for each of the respective stakeholders to collect opinions by sector on the positive and negative impacts of corporate activities, and actively collect feedback from the stakeholders to reflect them in management activities such as strategy establishment and implementation.

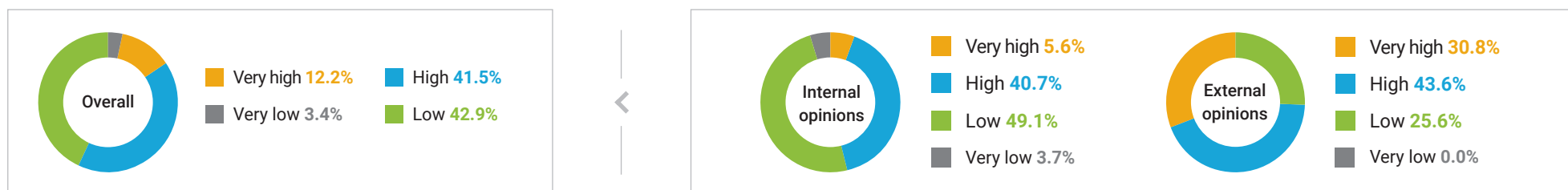
Stakeholders	Stakeholders' feedback by sector			Communication Channels
	Environmental	Social	Governance	
 Clients	<ul style="list-style-type: none"> Reduction of fine dust generated at the worksites Utilization of new and renewable energy for residential facilities 	<ul style="list-style-type: none"> Safety management at the construction sites Efforts to collect opinions from local residents 	<ul style="list-style-type: none"> Transparent governance Securing quality competitiveness 	<ul style="list-style-type: none"> Voice of the customer Homepage for contractors only 'Together Halla,' a cultural event for prospective occupants
 Employees	<ul style="list-style-type: none"> Responses to strengthened environmental regulations Necessity to respond to environmental issues considering characteristics of the construction industry 	<ul style="list-style-type: none"> Manpower training plan for site and business operations Seeking preventive measures against employee safety accidents 	<ul style="list-style-type: none"> Expansion of investments in future growth engines Management of governance risks through integrity management 	<ul style="list-style-type: none"> Online management briefing sessions Labor-management council 'Hallo,' the Group's in-house PR channel Employee training and workshops Business plan presentation sessions
 Shareholders and investors	<ul style="list-style-type: none"> Responses to strengthened environmental regulations 	<ul style="list-style-type: none"> Improvement of site management culture for safety issues 	<ul style="list-style-type: none"> Necessity to respond to ESG risks in the construction industry 	<ul style="list-style-type: none"> General shareholders' meeting Report (Business/Audit/Sustainable Management/Governance) YouTube
 Subcontractors	<ul style="list-style-type: none"> Recycling of waste Continued management of environmental pollution such as fine dust and noise 	<ul style="list-style-type: none"> Prevention of construction delays by managing field civil complaints Operation of worksites based on expertise and know-how 	<ul style="list-style-type: none"> Continued investments in future growth engines 	<ul style="list-style-type: none"> Hanwoolhoe (Council for shared growth with subcontractors) Meetings with new subcontractors Subcontractor Proposal System Subcontractor Network Small Group
 Local community	<ul style="list-style-type: none"> Activities to protect local community environment 	<ul style="list-style-type: none"> Practice sharing with local communities Resolution of local issues through communication with the local community 	<ul style="list-style-type: none"> Reinforcement of ethical management Improvement of employees' awareness of ESG 	<ul style="list-style-type: none"> HL D&I Halla website Local volunteer work Local welfare agencies
 Government, media, and academia	<ul style="list-style-type: none"> Expansion of the use of renewable energy Expansion of investments to resolve environmental issues 	<ul style="list-style-type: none"> Resolution of conflicts between labor and management, and with local residents through smooth communication Necessity to strengthen awareness of field safety 	<ul style="list-style-type: none"> Implementation of HL D&I Halla's unique ESG management Preparation for rising prices of raw materials such as cement 	<ul style="list-style-type: none"> Reports (Business/Audit/Sustainable Management/Governance) Various associations Industry round tables Offline meetings

Stakeholder Engagement

Corporate Awareness of ESG

HL D&I Halla conducted a survey to collect opinions from internal and external stakeholders on ESG management of the company. We were able to identify important ESG issues that affect HL D&I Halla as well as stakeholders' interests through the survey. HL D&I Halla will take the lead in implementing ESG management for stakeholders by reflecting opinions collected through surveys.

Q. What is the HL D&I Halla's current ESG management level?



Q. What are the ESG issues of HL D&I Halla that stakeholders consider important?



Distribution of Stakeholder Value

Classification (Unit: KRW million)	Shareholders		Subcontractors (Domestic construction outsourcing costs)	Employees (Annual salary)	Local community (Donation)	Government (Corporate tax)
	Dividends	Treasury stock purchases (Stock retirement)				
2022	0	0	764,593	123,358	221	10,305
2021	9,023	9,951	727,742	131,446	1,679	14,168
2020	28,467	29,993	819,557	120,750	1,241	20,472

Materiality Assessment

Materiality Assessment Procedure

HL D&I Halla carried out a materiality assessment to identify major issues from an ESG perspective. We organized an ESG issue pool in consideration of ESG international standards and external evaluation requirements, media analysis, industry benchmarking, etc., and identified material issues through stakeholder surveys. This report includes activities and performance on identified material issues.

STEP 1

We selected 20 environmental, social and governance issues from a business and financial perspective that may be required or occur in the internal and external environment surrounding the company based on international standard analysis.

Expert evaluation

Evaluate the impact and interest in the issue pool of sustainability management experts

Benchmarking in the same industry

Analyze material issues reported in sustainability reports in the same industry

Past Sustainability Report (2021~2022)

Analyze issues reported over the past 2 years

International standard analysis

Evaluate domestic and international sustainability initiatives such as GRI, SASB, TCFD, and KCGS

Media research

Analyze 131 articles from domestic media reported in 2022

STEP 2

We analyzed sustainability management issues of high interest by surveying the sustainability management issues required for business operation of HL D&I Halla and the impact and interest level from the perspective of stakeholders.

Overview of HL D&I Halla Stakeholder Survey

Survey Period

March 22, 2023
~ March 31, 2023

Survey Method

Via email after preparing the online survey questionnaire

Subjects of Survey

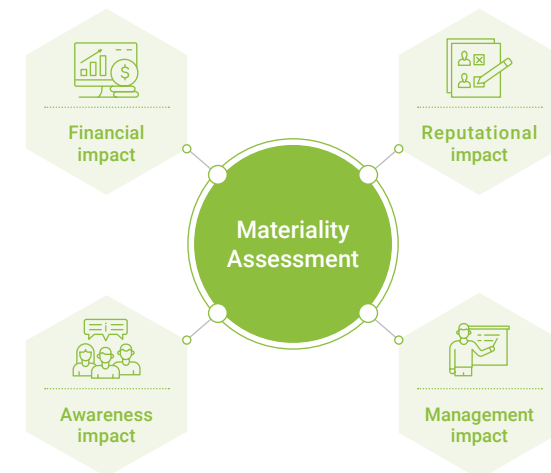
• External Stakeholders • HL D&I Halla Employees

Details of Survey

- Evaluate ESG issues that have high impacts on HL D&I Halla
- Evaluate ESG issues with high impacts on external stakeholders

STEP 3

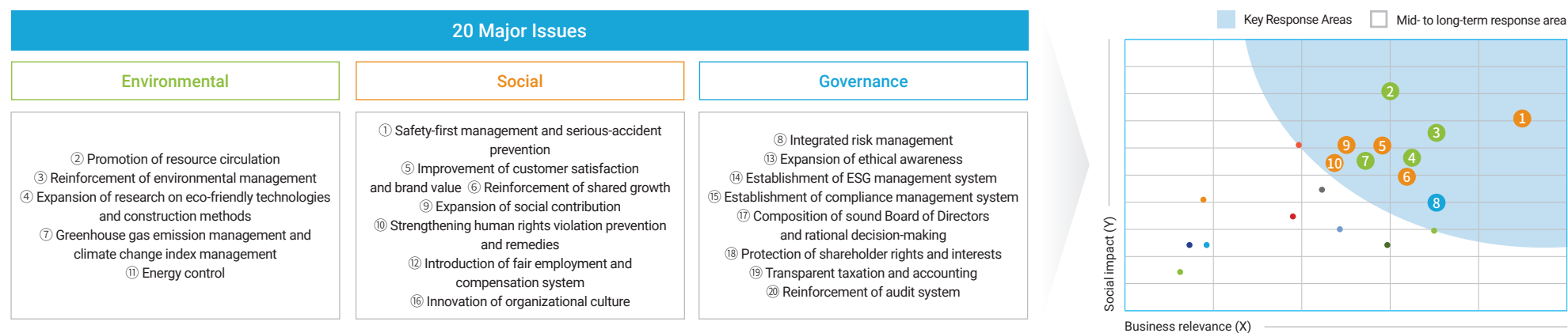
We identified 10 material issues by prioritizing them in terms of the impact of each sector (E.S.G) and stakeholder interest.



Materiality Assessment

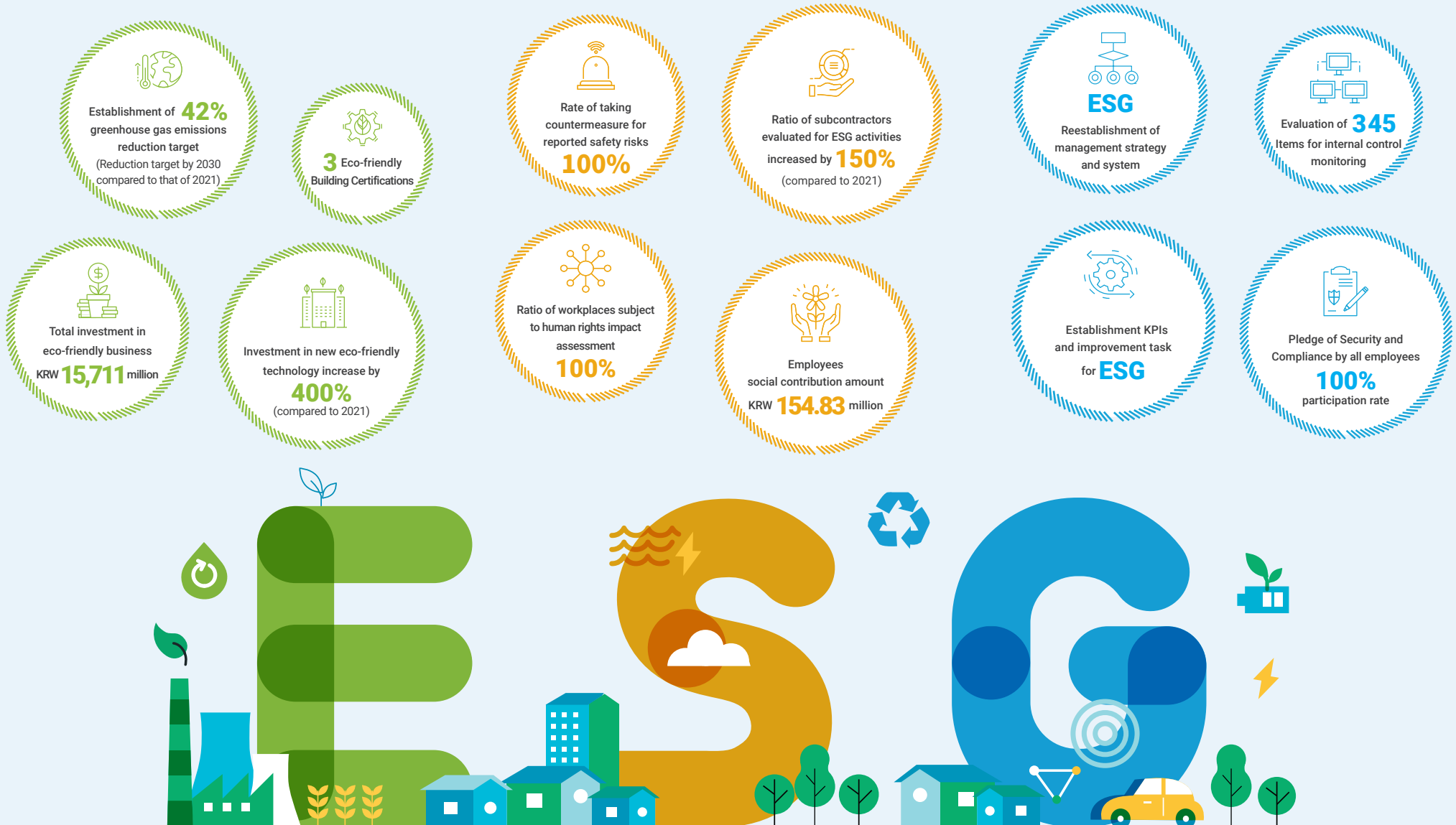
2022 Material Issues

HL D&I Halla evaluated business relevance and social impact of 20 major issues included in the ESG issue pool, calculated the importance of the issues, and selected 10 material issues (4 environmental issues, 5 social issues, and 1 governance issue). HL D&I Halla evaluates the impact of each material issue on stakeholders, and actively manages them by establishing business strategies and tasks and reflecting them in performance evaluation to respond to internal and external requirements.



Order	Issue	Reporting issues	Reporting page
1	Safety-first management and serious accident prevention	Creation of the Safest and Healthiest Work Environment	20-27
2	Promotion of resource circulation	Creation of Sustainable Eco-friendly Workplaces – Strengthening Environment Management, WITH GREEN – Spreading an Eco-friendly Culture	31-35, 62
3	Reinforcement of environmental management	Creation of Sustainable Eco-friendly Workplaces – Strengthening Environment Management, WITH GREEN – Environmental-Impact Management	34-35, 60-61
4	Expansion of research on eco-friendly technologies and construction methods	Development of Smart New Technology through Technology Innovation	37-41
5	Improvement of customer satisfaction and brand value	WITH PARTNER – Quality Management/Customer Satisfaction	65-68
6	Reinforcement of shared growth	Realization of Value Growth through Win-win Management	42-46
7	Greenhouse gas emission management and climate change index management	Creation of Sustainable Eco-friendly Workplaces – Responses to Climate Change	31-33
8	Integrated risk management	Strengthening Company-Wide Integrated Risk Management – Integrated Risk Management/Strengthening Audit System	48-49
9	Expansion of social contribution	WITH PARTNER – Sharing Management	69-71
10	Strengthening human rights violation prevention and remedies	WITH PEOPLE – Human Rights Management	57-58

2022 Highlights





ESG FOCUS

- Focus 1. Creation of the Safest and Healthiest Work Environment
- Focus 2. Creation of Sustainable Eco-friendly Workplaces
- Focus 3. Development of Smart New Technology through Technology Innovation
- Focus 4. Realization of Value Growth through Win-win Management
- Focus 5. Strengthening Company-Wide Integrated Risk Management

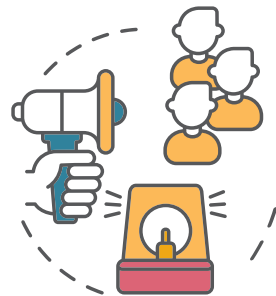
FOCUS 1.

Creation of the Safest and Healthiest Work Environment

Key Figures



Based on **ISO 45001**
Establishment of risk
assessment system



12 safety management
activities completed by
the CEO to eradicate
serious accidents



'Allbaro (proper)' Inspection
(Promptly, Precisely,
Until it's Done)
106 times



Automated External
Defibrillator (**AED**)
Distribution campaign and
mandatory installation at all sites

Focus 1 | Focus 2 | Focus 3 | Focus 4 | Focus 5

Creation of the Safest and Healthiest Work Environment

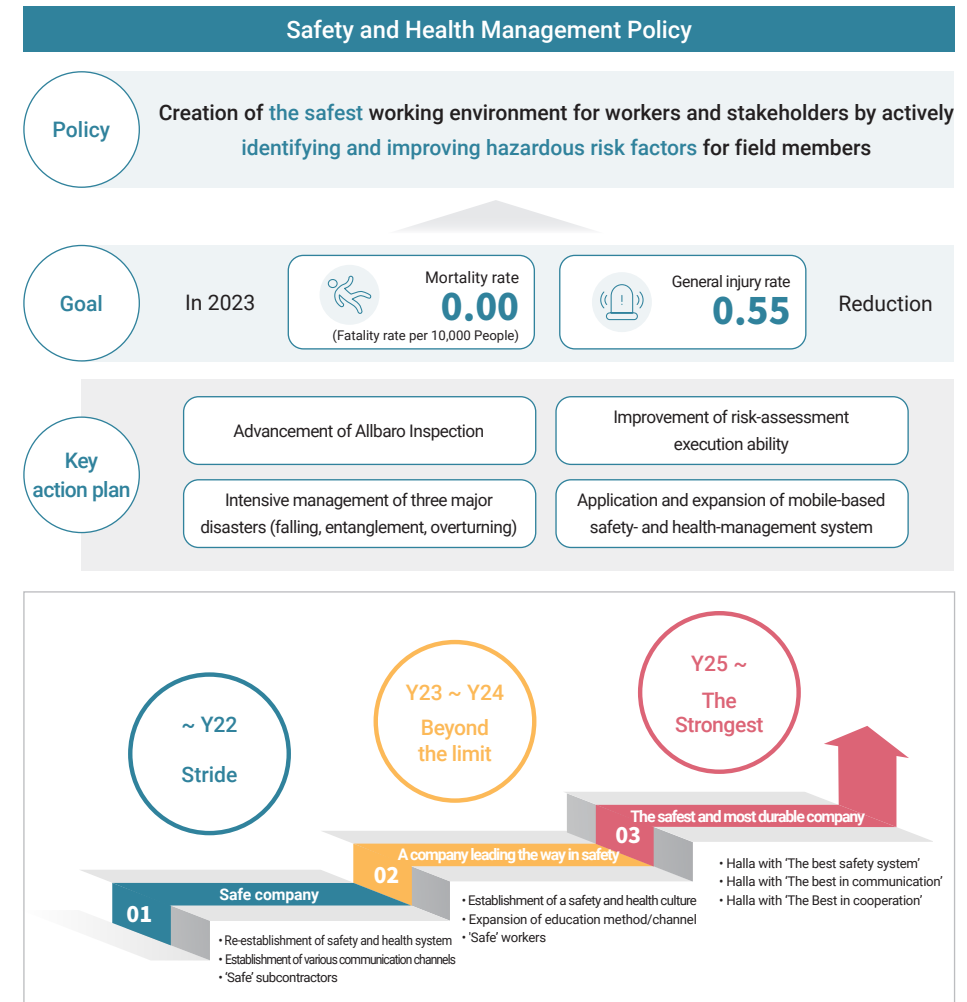
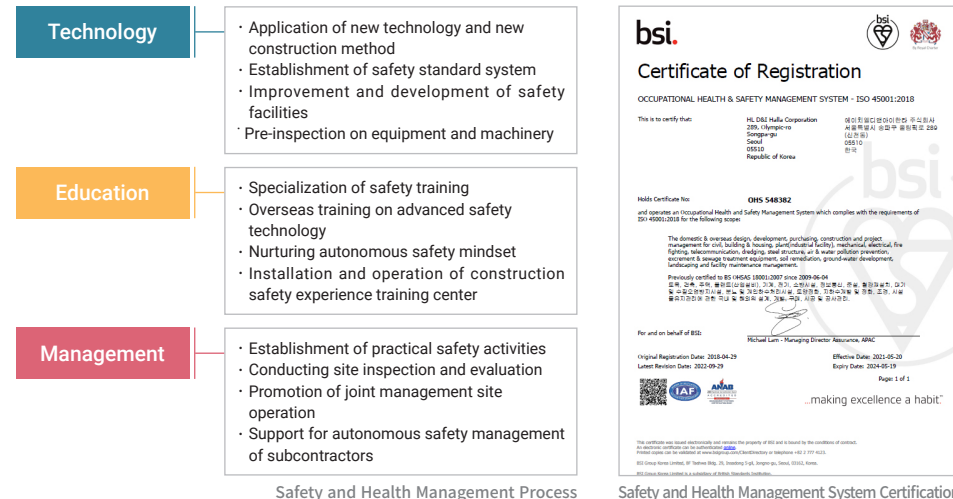
Safety & Health Management

Safety & Health Management Policy

HL D&I Halla prioritizes safety. HL D&I Halla has established new safety and health management goals and policies to protect the value of 'safety and health,' which is gaining more importance, bolstered by the enactment of the Serious Accident Punishment Act. Under the safety and health management policy of 'creating the safest working environment for workers and stakeholders by actively identifying and improving hazardous risk factors for site members,' we are aiming to reduce the mortality rate to zero, and the general injury rate to 0.55. In addition, we are regularly reporting safety- and health-related issues to the Board of Directors to review the issues, and carrying out labor-management joint safety inspections and holding employee meetings to create a safety and health culture in which all employees participate and practice together.

Safety & Health Management System

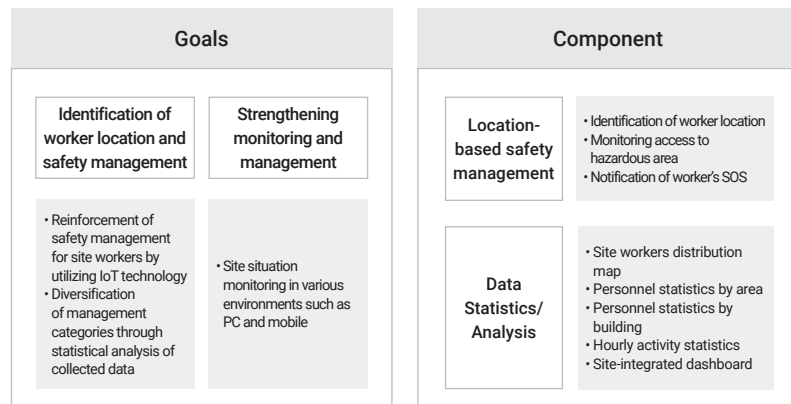
HL D&I Halla has acquired ISO 45001 certification, an internationally recognized certification for safety and health management, for the first time in the Korean construction industry; and has been equipped with a global-level safety and health management system to continuously maintain safe working environment. HL D&I Halla's safety and health management system is also applied to its subcontractors and all employees by sharing the safety and health policy with all employees and subcontractors.



Safety & Health Management

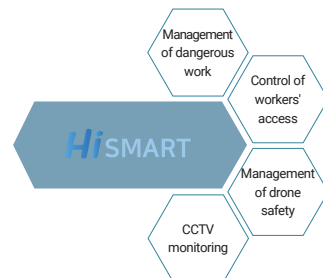
Smart Safety & Health System

HL D&I Halla has developed and operated its own Hi-SMART system, an integrated control and smart safety and health system. With the Hi-Smart system, we can transmit and receive the location of site workers in real time, prevent workers from approaching dangerous areas, and check the location of equipment to identify workplace safety injuries at all times. In addition, we can control risk factors by sharing risk situations with workers at work through the connected IoT equipment. Going forward, HL D&I Halla plans to expand and improve the existing features of Hi-Smart system to enhance workers' safety and convenience.



Key Features of Hi SMART System

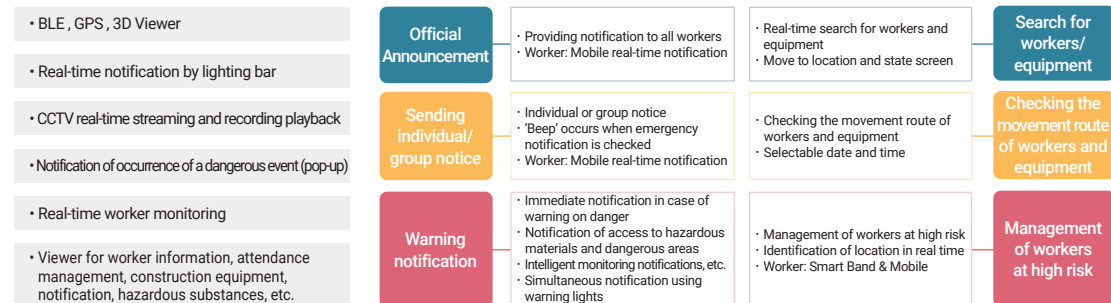
- Send and receive information on location of workers and equipment
- Workers' requests for rescue
- Workers' career inquiries and management of health information
- Notification of risk through the linked IoT device



Integrated Monitoring (IMOS) System

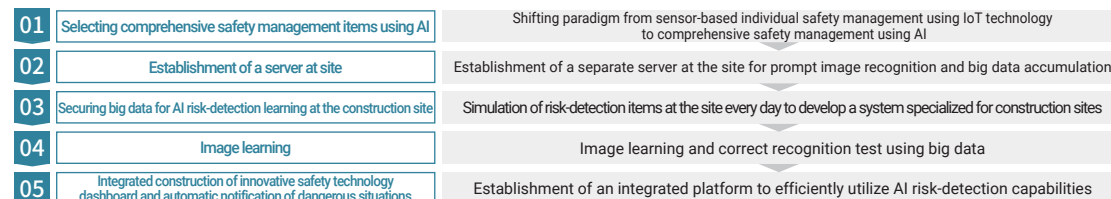
HL D&I Halla has introduced the Innovative Monitoring On Smart (IMOS) system, a smart safety-management platform for construction sites that can be linked with various smart safety devices. The IMOS system identifies location in real time and can be linked with safety equipment (hardware) provided to workers and industrial sites to support site access and real-time communication between workers and supervisors. The linked IMOS system is used as integrated real-time site control system which allows us to control the site in real time, identify the dangerous faced by workers at the in real time and notify the workers that they are approaching a dangerous area.

Key Features of IMOS System



AI Risk-Detection System

HL D&I Halla applies the AI risk-detection system utilizing big data at the construction site. We have preemptively introduced an AI risk-detection system using AI image recognition technology as well as sensor-based individual safety management using existing IoT technology to manage safety at construction sites. We are realizing workers' autonomous safety management and supplementing the role of safety manager at scattered sites by checking safety-rule compliance status through real-time monitoring, identifying workers' risky behavior and responding immediately to risky accidents.



Focus 1 | Focus 2 | Focus 3 | Focus 4 | Focus 5

Creation of the Safest and Healthiest Work Environment

Workplace Safety and Health Activities

Workplace Safety Management System

HL D&I Halla is operating various safety management systems. We are implementing the 'Right to Suspend Dangerous Work,' which allows field workers involved in dangerous work to request the suspension of work in an unsafe situation, and we are also operating a Worker Risk Report Center on all sites so that workers can immediately report and take action when a risk factor is identified. In addition, in the event of an accident during construction, we immediately start investigation of the accident, and analyze its causes through a system whereby workers can report the accident to the head office within an hour, to establish and shares countermeasures throughout the company to prevent recurrence of the accident.

Full Enforcement
of the Right to
Suspend WorkWorker-Risk
Report Center

Conducting Risk Assessment

HL D&I Halla conducts risk assessment to identify harmful and risk factors in advance and establish countermeasures accordingly. Risk assessment is carried out in accordance with a six-step process throughout the entire work process. The risk assessment can identify most of the safety and health factors that affect workers. We classify the identified factors into three grades of high, medium, and low risk, and come up with and implement the reduction measures according to the risk level to reduce the possibility of accidents. HL D&I Halla will establish a mobile-based risk assessment system to increase management efficiency, and perform convenient and efficient risk management through a series of processes such as selection of evaluation items, statistical management, risk factor registration, and weekly risk-assessment meetings.

Main Features of the Risk-Assessment Integrated Management System

- Registration of risk-assessment items
- Creation of owner risk-assessment items for each subcontractor
- Registration of risk-assessment risk factors
- Registration and addition of work types
- Creation of and grading risk factors
- Weekly risk-assessment meetings

Risk assessment implementation procedure



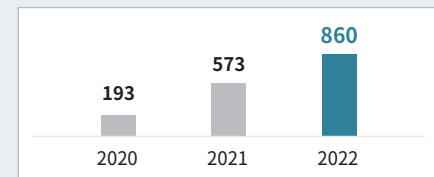
Reinforcement of Construction Equipment Management Standards

HL D&I Halla is striving to create a safe workplace by strengthening construction equipment management standards and preventing risk factors caused by aging equipment and its defects in advance. We limit the age of construction equipment brought to the site to minimize the risk of old equipment. Equipment such as cranes, lifts, pile drivers, etc. is inspected by a designated external professional institution according to the cycle defined in the guidelines for equipment initially brought in to prevent Severe Accidents due to equipment defects. Furthermore, we are conducting daily inspections using the standard safety checklist for construction equipment under the slogan of the "3 Goes!, namely, GO Planning, Go Reviewing, and GO Checking;" and the standard safety checklist for construction equipment to improve the level of management of construction equipment.

Construction Equipment Inspection Status in 2022

Number of Inspections of
Construction Equipment

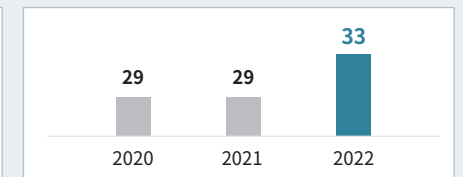
(Unit: times)



- 장비작업 slogan -
HL D&I Halla
3GO!
계획하GO 검토하GO 확인하GO

Number of Target Sites

(Unit: No.)



Workplace Safety and Health Activities

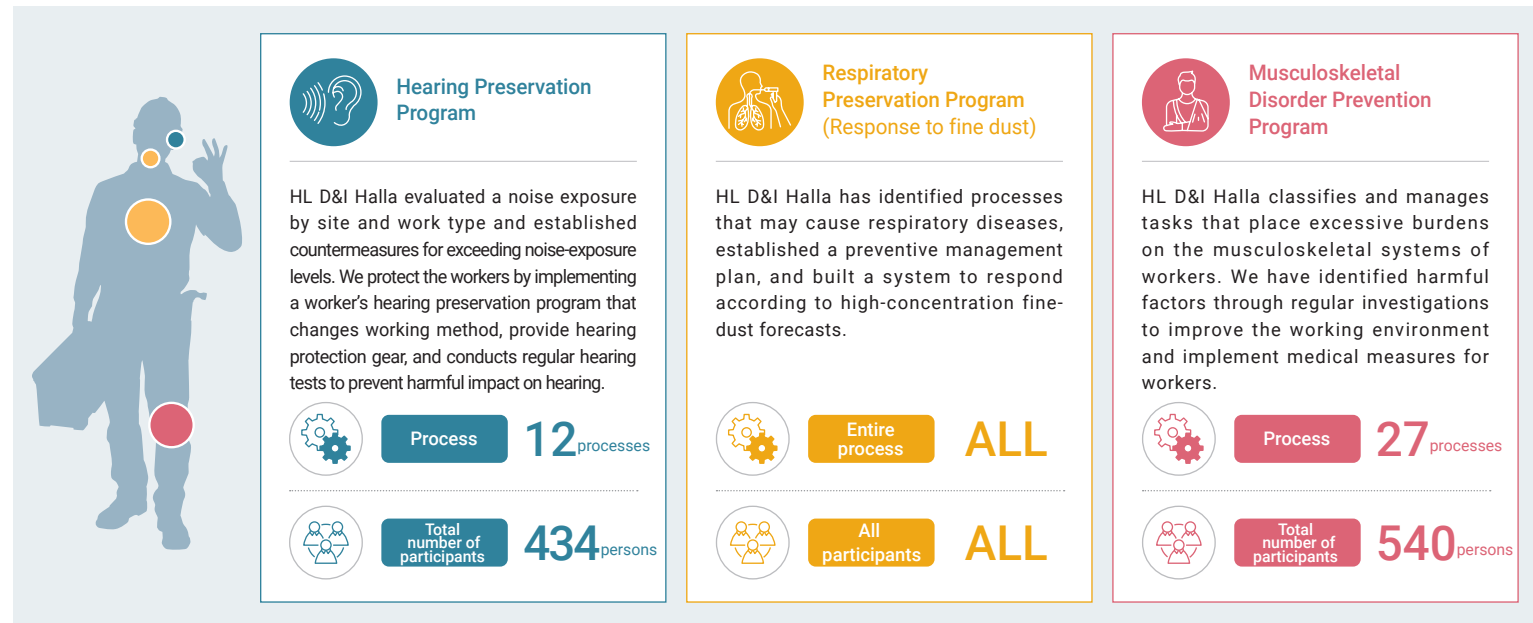
Safety-Accident Response System

HL D&I Halla establishes and implements a safety-accident report and response system to promptly respond to safety accidents, and establishes and shares recurrence prevention measures to prevent similar accidents. General accidents other than serious accidents are reported to the CEO through an immediate online report within one hour of the occurrence or recognition of the accident, and urgent reports including occurrence of serious accidents are reported through the prompt report system. Upon occurrence of an accident, the site safety and health manager and the person in charge of the safety and health team thoroughly manage to report even a trivial accident, conduct a site investigation, and hold a recurrence-prevention meeting with the management including management of subcontractors according to the case, establish and disseminate realistic measures, etc.

Safety-Accident Response System



Site-Workers Health Program

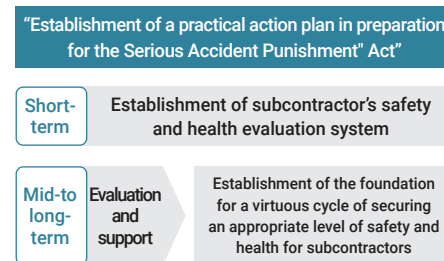


Subcontractor Health and Safety Management

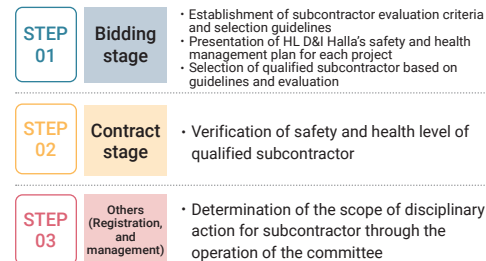
Diagnosis of Subcontractor Safety Competency

HL D&I Halla has established a safety and health evaluation system for subcontractors to create safer construction sites and diagnosed the safety competency level of its subcontractors. We are diagnosing the safety competency on four items, namely: 'Worker Management,' 'Safety Facility Management,' 'Autonomous Safety Activities,' and 'Subcontractors' Awareness of Safety' across the bidding stage - contract stage - other (registration, and management) stages — and managing it by level according to the semi-annual and annual evaluations. Going forward, HL D&I Halla will continue to improve the safety and health level of its subcontractors by continuously conducting safety and health evaluations of subcontractors to create a safe construction site, and will achieve the common goal of creating a severe accident-free site.

Purpose of Evaluating Safety and Health of Subcontractors



Subcontractor Safety and Health Evaluation Stage



Subcontractor Safety and Health Evaluation Process

HL D&I Halla operates a safety and health evaluation process to check the safety management level and capabilities of its subcontractors. The safety and health evaluation of subcontractors are carried out through three stages, namely: 'bidding stage,' 'contract stage,' and 'others (registration, management)'. In the bidding stage, we first select a qualified subcontractor based on the subcontractor's autonomous evaluation result and safety competency diagnosis result, and conduct due diligence on the selected subcontractors in the contract stage. We support the subcontractors to supplement their weakness identified through due diligence, and then in other stage, we hold committee meeting led by the CEO to determine the scope of disciplinary action for a subcontractor, such as cancellation of registration/limitation of participating in bid. In addition, by providing consultation to the subcontractor subject to the disciplinary action to strengthen its safety capabilities, we help our subcontractors understand safety, and operate a consulting support system to improve the safety and health management system of subcontractors supported by an external consulting company.

Convention to Eliminate Serious Accidents

HL D&I Halla visits the site every month and holds the 'Convention for Safety and Health Inspection and Serious Accident Eradication'. The CEO, CSO, and COO also visit the site to check the safety of the site, such as dangerous areas and process prone to disaster risks, and also hold meetings to listen to the opinions and difficulties from site workers. In order to create a workplace where workers can work safely, the CEO conveys his will for safety management, and employees read the resolutions containing the autonomous safety and health management system and the commitment to eradicate serious accidents. And we raise employees' awareness of safety by giving awards for excellent workers. HL D&I Halla will continue to establish a corporate culture in which all employees strive to create a safe workplace by prioritizing the eradication of serious accidents, and where the management takes the initiative.



Field Safety and Health Inspections

In order to check the status regarding the establishment and implementation of the safety and health management system at the site and fulfillment of obligations under the safety and health-related laws, HL D&I Halla carries out Allbaro Inspections through its inspection team at least once a quarter and inspection on CEO's implementation status of safety and health activities at least once a half year to evaluate its construction site from an objective perspective at least once per quarter. Based on the results of the inspections, sites with bad results are designated as special inspection targets for intensive management, and major issues or best practices are disseminated to other sites to improve the level of safety management at all sites.

Allbaro Inspection No. of Cases by Accident Type

Accident Categories	Falling	Health	Electric shock	Dropping	Stricture	Overtuning	Collapse	Stabbing	Fire	Fly	Miscellaneous
Number of cases	96	57	41	29	26	27	21	6	30	8	25

Number of Cases detected by Allbaro Inspection

Total of **366** cases

Improvement rate; 100%

Subcontractor Safety and Health Management

Safety Kick-Off Meeting (SKOM) System

HL D&I Halla operates the Safety Kick-Off Meeting (SKOM) system to help new subcontractors understand safety and health standards and establish practical measures for risky work to fundamentally eliminate risk factors. The safety kick-off meeting is held by the safety and health general manager, construction manager, safety and health manager, executives of subcontractors, and responsible safety and health manager. We hold meetings with new subcontractors before starting all types of work process to identify and take countermeasures for problems that may arise during the work in advance so that new subcontractors can establish practical measures against risky work.

Anti-disaster Simulation Drill

HL D&I Halla conducted anti-disaster simulation drills in May and September 2022 to strengthen first-response capabilities and organic cooperation among organization members upon occurrence of disaster. The mock trainings were conducted based on the premise that disasters occur in reality to familiarize them with anti-disaster drill procedures, action points, duties and roles. Based on the training scenarios, the trainees carried out prompt emergency action and rescue operations according to the training manual. It is best to manage the process to prevent accidents from occurring, but since it is impossible to predict when and in what form an accident will occur, we need to familiarize with the emergency response process through such training. Going forward, HL D&I Halla will continue to contribute to the spread of a safety and health culture at the construction sites as well as safety-accident prevention through regular anti-disaster drills and first aid training.



Anti-disaster Simulation Drill

Subcontractor Health Program

Operation of Site Rest Facility At all times

HL D&I Halla operates resting facilities for site workers to relieve physical fatigue and mental stress at all times. In the summer, we recommend the workers take a break from working to prevent heat-related illness or exhaustion, and we provide necessary items for comfortable rest and maintain hygiene of the facilities by designating a person in charge.

AED Support and Emergency Rescue Drill

HL D&I Halla carries out the 'AED Support Campaign for Subcontractors' to save precious lives. In preparation for emergencies, we install AED (Automated External Defibrillators) to secure a golden time with prompt treatment before paramedics arrive, prepare and distribute CPR and AED training videos to teach how to use them accurately, and carry out repeated training during regular training sessions.



Subcontractor Health Program

Focus 1 | Focus 2 | Focus 3 | Focus 4 | Focus 5

Creation of the Safest and Healthiest Work Environment

Safety-Accident Prevention Activities

Safety and Health Training

HL D&I Halla holds workshops twice per year for all safety and health managers to strengthen work capabilities and communication between construction sites, and has brief session on external issues and revised laws. Every year, we operate programs such as safety and health corporation e-learning training for managers and supervisors and leadership and communication training for site managers of all subcontractors. Each course is produced by site safety and health managers to contain information on the role and importance of supervisors. In addition, we produce our own safety training videos, and post them on intra-channels such as YouTube so that all workers can watch them anytime, anywhere. Going forward, HL D&I Halla will continue to develop various safety and health training programs to instill a safety culture.

Safety- and Health-Management of Vulnerable Workers

HL D&I Halla is committed to managing vulnerable workers. For better communication with foreign workers, we mandatorily have available personnel who can interpret, and maximize the effectiveness of safety- and health-training through various audio-visual education materials to enhance understanding. For elderly workers, we evaluate the risk of cerebrovascular disease and job suitability to check their health status, and restrict them from working to avoid the risk of secondary accidents. In addition, we are continuously managing their health through regular health consultations.



Safety and Health Manager Workshop

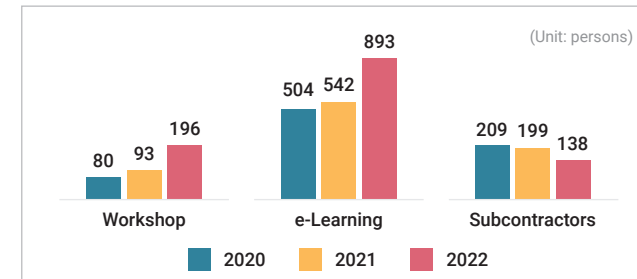


Safety and Health Training for Foreign Workers



Health Condition Check of Elderly Workers

Safety and Health Training Status in 2022



Operation of Safety and Health Advisory Committee

HL D&I Halla operates the Safety and Health Advisory Committee on a quarterly basis to reinforce a sense of responsibility for safety and health and prevent serious accidents. The Committee directly supervised by the CEO reviews the adequacy of working-level personnel and budgets of the relevant team and the organization in charge of safety and health. Furthermore, the Committee evaluates safety- and health work performance and plans, and provides consultation on other important safety-related issues.



Safety and Health Advisory Committee

Collection of Opinion from Sites

HL D&I Halla collects opinions from workers at all sites by holding a labor-management council meeting every two months. The labor-management council is represented by a site manager, manager of subcontractors, and workers' representatives to share opinions on risk factors and management plans for each type of work at the site, and apply the results of consultation to the work on site. In addition, we are operating the 'Risk Report Center' to handle grievances of subcontractors, and we are taking measures by actively reflecting opinions of the sites.

Risk Report Center Operation Status



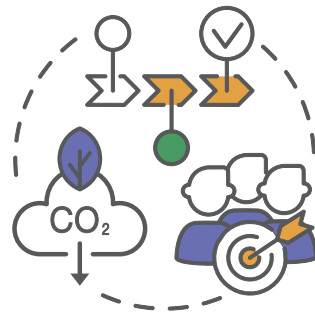
FOCUS 2.

Creation of Sustainable Eco-friendly Workplaces

Key Figures



Total investment
in eco-friendly business
KRW **15,711** million



Greenhouse gas emissions
Establishment of
42% reduction target
(Reduction target by 2030 compared to that of 2021)



Build
a monthly inventory
of greenhouse gas emissions

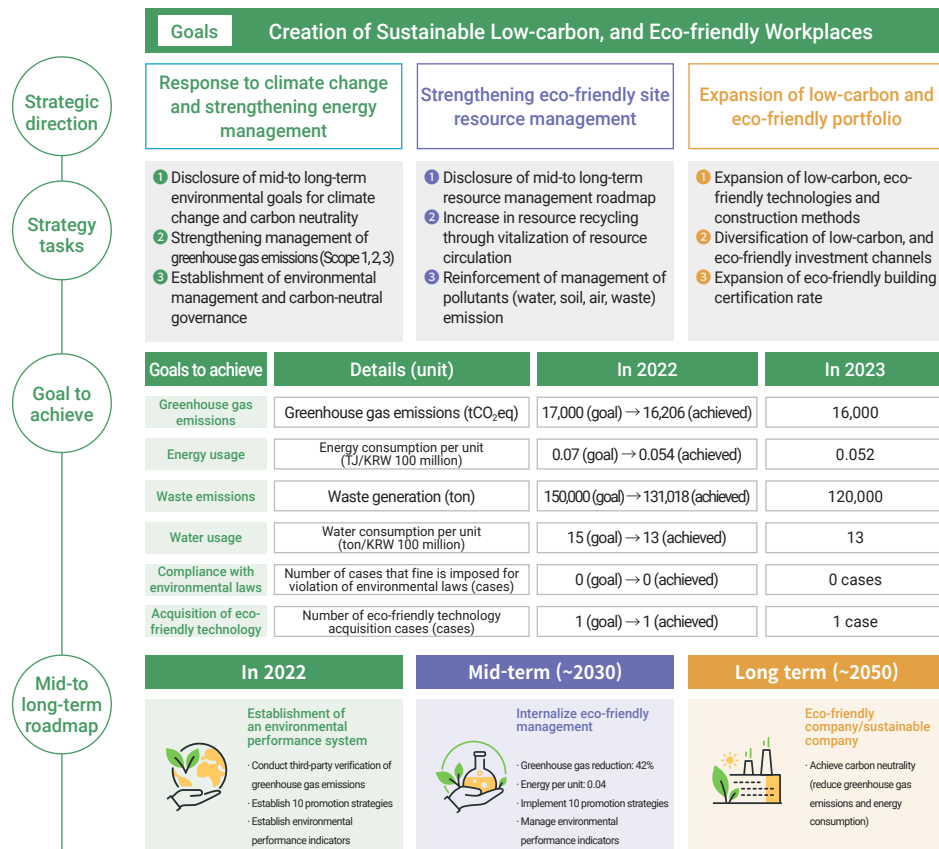


Management of Biodiversity
Protection measures for
13 species in **6** regions

Environmental Management

Environmental Management Strategy

HL D&I Halla is practicing environmental management with stakeholders such as employees and subcontractors under the strategic goal of 'Creation of a sustainable low-carbon, and eco-friendly workplace.' In order to create eco-friendly workplaces that minimize environmental impact both at domestic and overseas workplaces, we specify performance indicators based on environmental management strategic tasks, and monitor implementation results to intensively manage them.



Environmental Management Promotion System

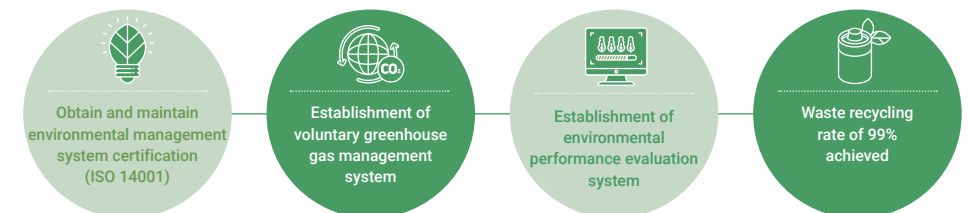
Environmental management of HL D&I Halla is implemented by the Green Management Team under the accountability of the CSO. Based on the quality, environment, and safety policies and environmental management system (ISO 14001), the Team implements omnidirectional environmental management activities such as establishing an environmental performance evaluation system and managing environmental risks. In addition, HL D&I Halla, who is not applied by the GHG target management system, is voluntarily establishing a management system and preemptively managing the GHG to join the efforts to reduce emissions, and in addition, we report major environmental management issues such as climate change and carbon neutrality to the Board of Directors which passes resolutions to respond to related issues. Furthermore, in 2023, we plan to introduce environmental performance indicators (greenhouse gas and energy reduction, waste reduction, etc.) to the KPI of the CEO and all employees to strengthen environmental management, and establish a performance-based compensation system to practice sustainable eco-friendly management.

Quality· Environment· Safety Policy

Quality· Environment· Safety Policy

- We eliminate risk factors and realize accident-free worksite by strengthening systematic safety management that reduces OH&S risks.
- We realize customer satisfaction by providing products and services based on talents and technology with its heart and soul.
- We are committed to protecting the environment through eco-friendly green technology development and eco-friendly construction.
- We comply with laws and regulations and faithfully fulfill corporate social responsibilities and obligations.
- We advance the safety, quality, and environmental management system through continuous institutional improvement.

Organizational Chart for Environmental Management

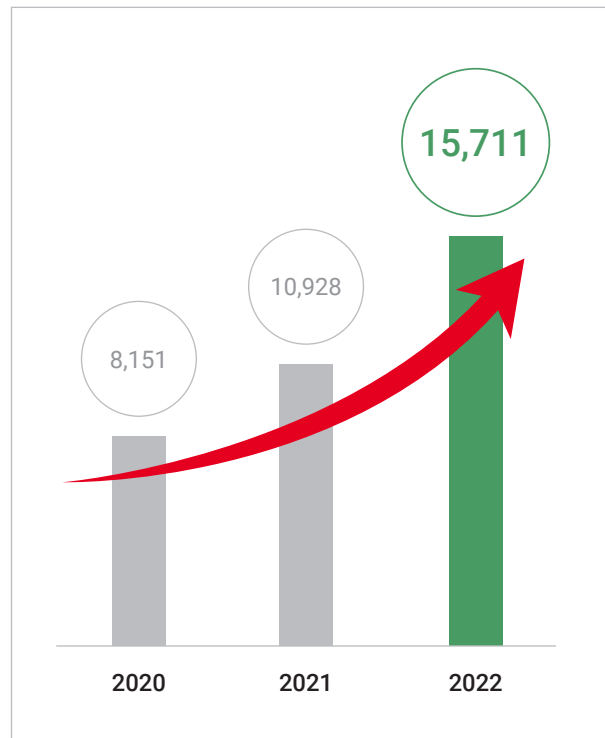


Environmental Management

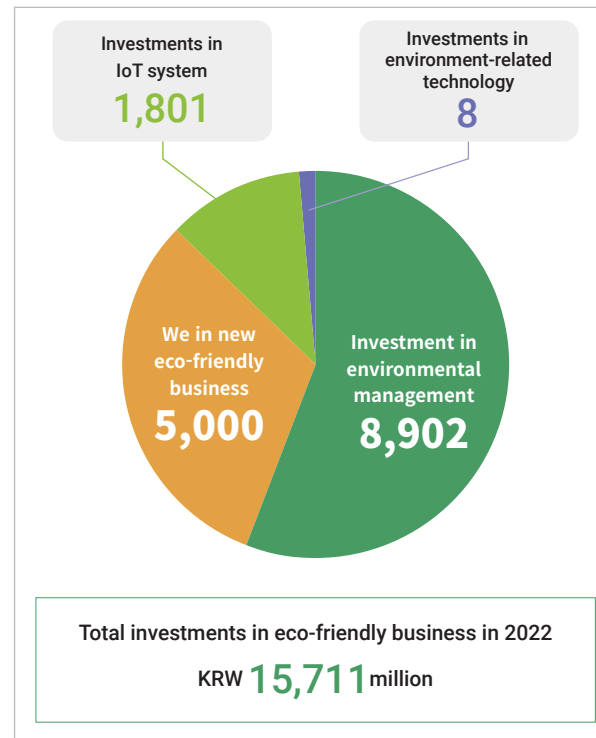
Expansion of Investment in Eco-friendly Business

HL D&I Halla has been expanding investment in eco-friendly businesses for low-carbon and eco-friendly management. We are making eco-friendly investment in four areas, namely: worksite environmental management, investment in environment-related technology, investment in new eco-friendly business, and investment in IoT smart environmental monitoring systems. In addition, we are mandatorily carrying out autonomous environmental impact assessment when investing in a new business to minimize environmental risks in the region, and we also mandatorily submit and review environmental impact assessment result to identify environmental risk factors when making investment decisions. In 2022, we invested in the installation and operation of environmental pollution-prevention facilities (fugitive dust prevention facilities, noise and vibration prevention facilities, waste treatment facilities, water-pollution prevention facilities) as well as the development of eco-friendly new business such as investing in Air Line, a leading gas separation membrane company, to acquire equity of the company in order to manage the environment. Going forward, HL D&I Halla plans to continuously invest in eco-friendly business for sustainable business.

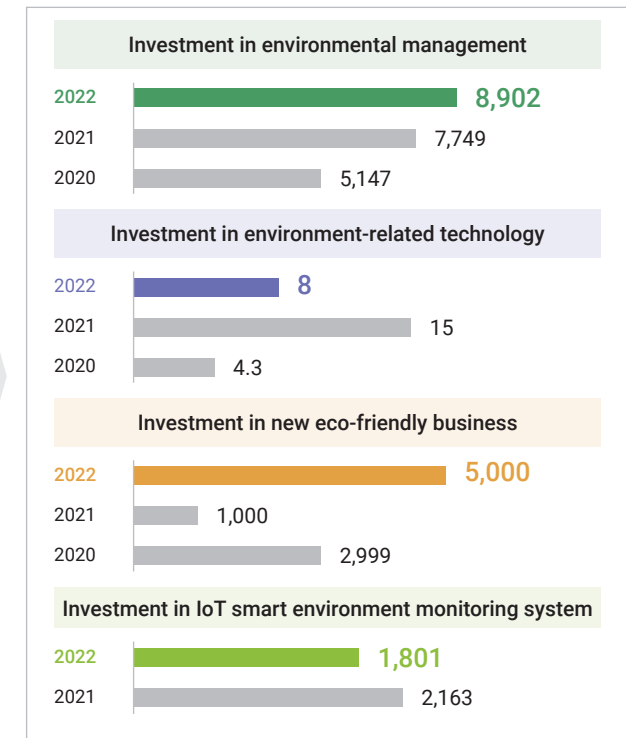
Amount of eco-friendly investment (Unit: KRW million)



Amount of eco-friendly investment in 2022 (Unit: KRW million)



Details of eco-friendly investment (Unit: KRW million)



Response to Climate Change

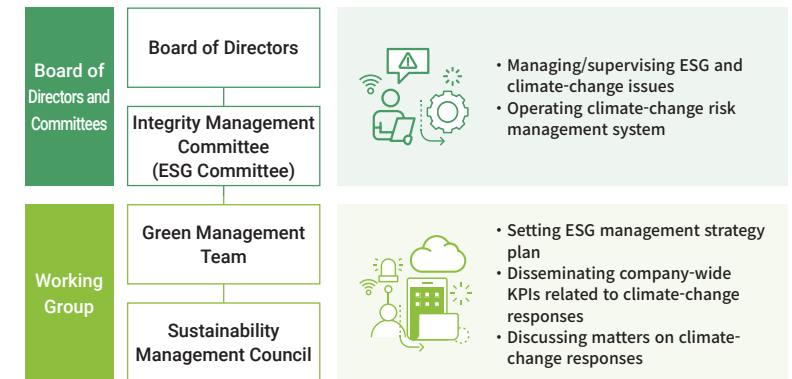
Climate-Change Response System

HL D&I Halla is preparing a climate-change response organization and system to enhance its ability to respond to climate change. The Board of Directors, the highest decision-making body, manages and supervises carbon reduction and climate-change responses at all worksites. In particular, the Integrity Management Committee under the Board of Directors, which reviews overall ESG management issues, discusses climate change response strategies, major environmental indicators, company-wide greenhouse gas emission reduction performance, and investment considering climate-change risks and opportunities, and reports agenda for climate-change regularly at least once per year. A Green Management Team, an organization that promotes climate change response of HL D&I Halla, plays a key role in establishing an ESG/environmental management system, such as carbon neutrality and climate-change response strategies, as an ESG 'control tower' under the direct supervision of the CSO. We have established a sustainability management council to respond to climate change at the company-wide level, and we are focusing on practical climate-change response activities by reflecting it in the KPIs according to the strategic direction of each ESG field, including the environment sector to maintain momentum for our efforts.

Climate-Change Response Strategy

HL D&I Halla evaluated and analyzed potential risks and opportunity factors related to climate change that can affect company from a financial or strategic perspective based on the analysis of climate scenarios. In accordance with the TCFD recommendations, we establish a practical implementation system to respond to climate change and manage and supervise climate change-related risks and opportunities according to the degree of impact. HL D&I Halla reviews climate-change risks based on its impact on business, and categorizes the financial impact into short-term, mid-term, and long-term impact to establish response strategies according to the degree of impact on the company.

Climate-Change Response Organization and its Roles



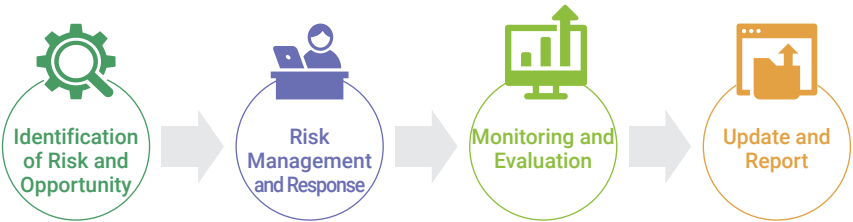
Classification	Category	Risk and opportunity factors	Period	Potential Financial Impacts	Impacts	Counter Strategies
Physical risks	Acute	Delay in completion of construction due to sudden weather changes (floods, heatwaves, etc.)	Short-term	Increase in construction costs, increase in operating costs	LOW (KRW 3.7 billion per year)	Identification of measures to improve delays in completion of construction through continuous abnormal weather monitoring
	Chronic	Reduced delay in completion of construction due to change in temperature and rainfall	Short-term	Costs to make up for the delayed construction		
Transformational risks	Policies and laws	Request for reduction of greenhouse gas emissions	Short-term	Increase in operating costs to reduce emissions	MEDIUM	Identification of domestic and international climate-change policy/regulation trends, and advancement of greenhouse gas inventory
	Technologies	Transfer to low carbon technology	Mid-to long-term	Increase in operating and direct costs due to investment in eco-friendly technology	MEDIUM (KRW 14.8 billion)	Promotion of low-carbon technology development through eco-friendly technology investment
	Markets	Increase in raw material costs	Short-to mid-term	Increase in indirect costs (such as transportation costs) and direct costs due to climate change	MEDIUM	Monitoring material price volatility and management of value chain
	Reputation	Change in consumer preferences	Short-to mid-term	Decrease in sales due to lower consumer demand	MEDIUM	Expansion of eco-friendly and zero-energy building certification
Opportunities	Markets	Access to new eco-friendly business markets	Mid-to long-term	Increase in sales due to new and emerging markets entry considering environmental scalability of new eco-friendly business	HIGH	Establishment and expansion of eco-friendly portfolio
	Resource efficiency	Reuse and recycling of water	Short-to mid-term	Decrease in direct and material costs	MEDIUM	Monitoring and operation of integrated site environmental management system
	Energy resources	Use of high-efficiency energy	Short-to mid-term	Decrease in operating costs and reduction of carbon emissions due to highly efficient equipment	HIGH	Pursuing high energy efficiency through the introduction of eco-friendly construction equipment

Responses to Climate Change

Climate-change Risk Management

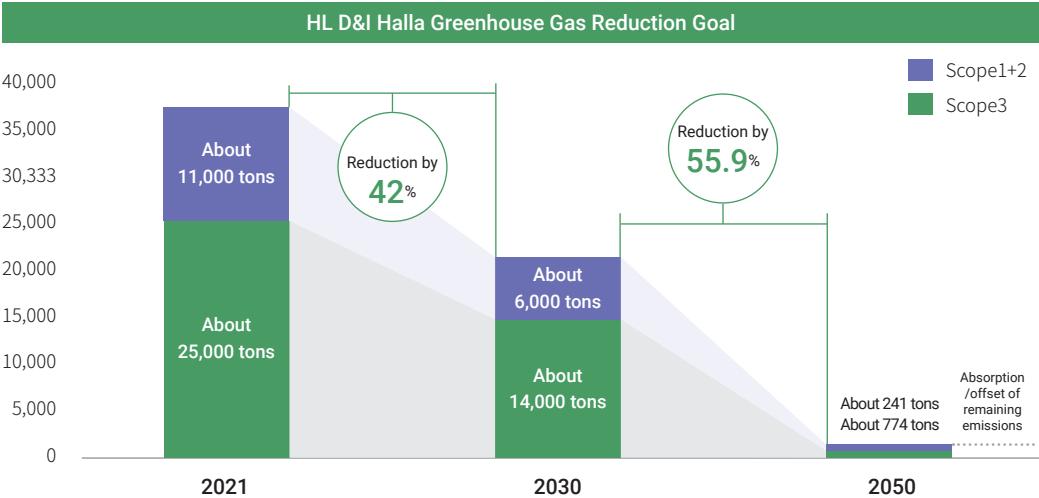
HL D&I Halla manages climate-change risks by including them in the company-wide integrated risk-management system. The Green Management Team, an organization dedicated to climate-change response, identifies and manages climate-change risks not only in new businesses and investments, but also in company-wide operations. In this process, the Team evaluates impact of risks based on greenhouse gas emissions, energy consumption, air pollution/water/waste and recycling, etc., and takes appropriate countermeasures. Furthermore, the Team periodically reviews and reports the risks according to major indicators such as greenhouse gas emissions, energy consumption, and major environmental pollutants related to climate change. In the case of perceiving the possibility of climate-change risks, it makes report in the order of 'Dedicated risk management organization', 'Risk manager' and 'C-Level' to come up with countermeasures promptly.

Reporting System Upon Occurrence of Climate Change Risk



Climate Change Management Indicators - Reduction Target

HL D&I Halla is systematically managing greenhouse gas emissions, energy and water consumption, and waste emissions to identify and manage climate-change risks and opportunities. In addition, we are compiling indicators related to eco-friendly business, such as the number of eco-friendly technologies acquired and performance compared to investment plans. HL D&I Halla, which is not applied by the greenhouse gas energy target management system, is strengthening greenhouse gas emission management by voluntarily applying third-party verification and SBTi RCP 2.6 standards and establish greenhouse gas emission reduction targets to respond to climate change.



Evaluation Indicators	Details of Evaluation	Unit	Goal in 2022	Performance in 2022	Achievement rate (%)	Mid-to-long-term roadmap		
						Short-term (goals in 2023)	Mid-term (goal in 2030)	Long-term (goal in 2050)
Greenhouse gas emissions	GHG reduction compared to BAU	tCO ₂ eq	170,000	16,206	100	Reduction by 2%	Reduction by 42%	Reduction by 97.9%
Energy usage	Energy consumption per unit	TJ/KRW 100 million	0.07	0.054	132	0.052	0.04	0.035
Waste recycling rate	Waste recycling rate	%	100	99	99	100	100	100
Water usage	Water consumption per unit	ton/KRW 100 million	15	13	115	13	12	10
Water reuse rate	Recycled water usage rate	-	Establishment of management standard	Completion of establishment of management standard	100	Aggregation of water reuse amount	Over 10%	50% or more
Compliance with environmental laws	Number of cases that fine is imposed for violation of environmental laws	Case	0	0	100	0	0	0
Emission-free vehicles	Percentage of emission-free vehicles	%	Setting up a goal	Completion of goal setting	100	Execution of goals	50%	Expanding to company-wide level
Acquisition of eco-friendly technology	Number of eco-friendly technologies acquired	Case	1	1	100	1	One or more cases	Three or more cases

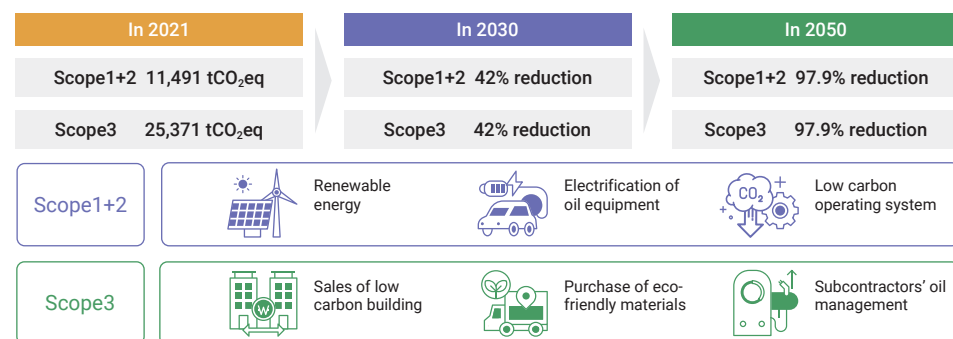
* Specific greenhouse gas reduction plans will be established when creating a carbon neutral roadmap in the future

Responses to Climate Change

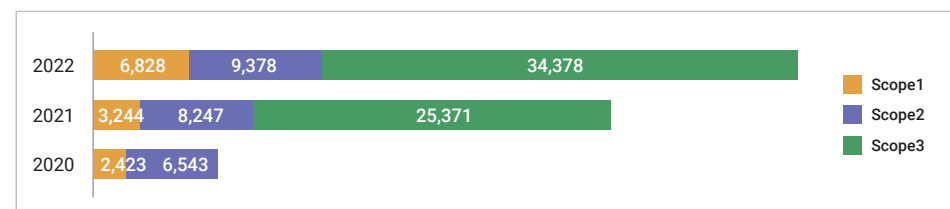
Greenhouse Gas Emission Reduction

HL D&I Halla established a greenhouse gas inventory system, and a greenhouse gas management system, in 2018 to calculate and record direct and indirect greenhouse gas emissions. We are managing direct and indirect GHG (Scope1, and Scope2) internally emitted as well as GHG (Scope3) emitted from the supply chain, and enhancing reliability through third-party verification. In addition, we are transparently disclosing greenhouse gas emissions and actively practicing greenhouse gas reduction activities through a monitoring system that calculates and records greenhouse gas emissions on a monthly basis at each work site. Moreover, HL D&I Halla has established greenhouse gas reduction targets using the SBTi Tool to keep the increase in global average temperature below 1.5°C by 2100, and we plan to achieve carbon neutrality by 2050.

Greenhouse Gas Reduction Targets and Plans

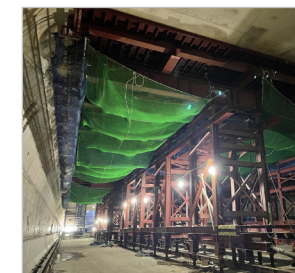


Greenhouse Gas Emissions

(Unit: tCO₂eq)

Energy Reduction Activities

HL D&I Halla carries out energy-reduction activities to reduce energy consumption within the company as well as greenhouse gas emissions from energy use. All employees at the head office install computer power-saving programs*, turn off lights in the office during lunchtime, and switch off computers and air purifiers when leaving the office to save power. Workers on the sites install rubber gaskets between office doors to prevent energy loss, and install watt-hour meters for each subcontractor, and replace the temporary lights with LED lighting to improve energy efficiency.



Use of LED lights for Temporary Lighting on Sites

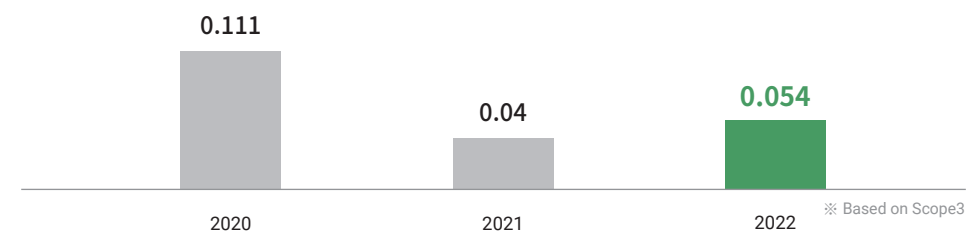
* Savings of 40kwh per hour on minimum power saving mode (Based on the amount of savings: Desktop PC (power consumption 160W: main frame 120W + monitor 40W)) (Source: Green Office website)

Expansion of Solar Power System

Since 2021, HL D&I Halla has installed photovoltaic power-generation facilities, a new renewable energy source, on the rooftops of all apartments to support energy independence through self-production. A total of 432kW in 2022 and a total of 411kW in 2021 were installed, respectively, which is expected to contribute to reducing a total of 260.78* tons of CO₂. Going forward, we plan to expand the capacity of our solar power generation facility by about 2MW or more.

Energy Consumption per unit

(Unit: TJ/KRW 100 million)



* Solar power generation facility operation hour per year-8,760hrs with utilization rate 15%

Strengthening Environmental Management

Management of Air Pollutants

HL D&I Halla has established a fine-dust countering system and carried out fugitive dust management activities. We distribute the 'Fugitive Dust Management Manual' to all worksites and post measures to be taken at the site for each process on the company website. To reduce fine dust, we signed a 'Voluntary Agreement on Fine Dust Management' with the Ministry of Environment, and have implemented measures to reduce fugitive dust at all worksites, such as adjusting construction time, restricting the use of aging construction machinery, and assigning environmental management personnel. In addition, by participating in the 'One Company One Road Clean Responsibility System,' we are engaging in activities to reduce fugitive dust by gradually restricting the use of aging construction equipment, operating water tankers, and improving work processes.

Management of Noise and Vibration

HL D&I Halla minimizes the occurrence of noise and vibration based on the internal policies that are more stringent than standards for daily noise and seismic control. In order to reduce noise caused by construction vehicles, we limit vehicle speed or install noise prevention facilities such as soundproof wall. Furthermore, we are implementing noise reduction measures such as adjustment of working hours and improvement of working methods to prevent excessive noise.



One Company One Road Clean
Responsibility System



Installation of soundproof walls



Management of noise and vibration

IoT Smart Safety Environment Monitoring System

HL D&I Halla mandatorily installs an IoT safety monitoring system at all worksites to manage air pollutants and noise at regulatory levels. We install a dust/noise sensor electronic signboard in the boundary area of the construction site and monitor the fine dust/noise in real time at head office and worksites to take and share countermeasure immediately if necessary.

Management of Hazardous Chemical Substances

HL D&I Halla prepared and distributed guidelines on chemical management work to safely manage the chemicals. The guidelines stipulate the MSDS general information and target substances, handling standards for hazardous chemicals, and storage facility installation and management standards, etc., in preparation for risks that may occur when handling chemicals. In addition, we voluntarily inspect our workplaces for anti-pollution facilities every month, and carry out semi-annual regular inspections to prevent leakage of pollutants.

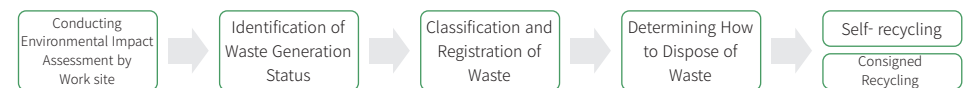
Management of Waste

HL D&I Halla manages the amount of waste generated and recycling rate by workplace on a monthly basis through the waste management system, 'Allbaro System.' We are implementing resource recycling activities to minimize the environmental load. At the emergency education office building, we are minimizing waste generation by applying construction methods such as BH wale beam and precast concrete (PC) method. For resource circulation, we are replacing the aggregate with a total of 22,194m³ recycled aggregate at the work sites, and operating the 'Anabada Market', a bulletin board where materials from the work site can be shared. In 2022, we diverted containers, office subcontractors, etc., in a total of 157 cases, implementing resource circulation activities voluntarily.



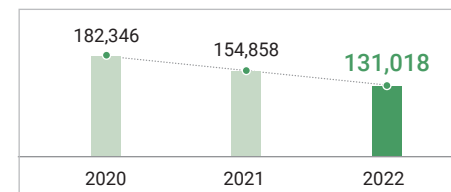
Application of
BH wale beam

Waste Disposal Process



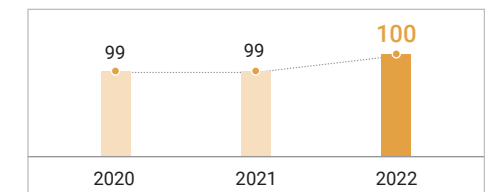
Amount of Waste Generated*

(Unit: ton)



Waste Recycling Rate*

(Unit: %)



* 2020: Based on total amount of waste generated excluding landfill waste generated from 'Starfield', in Goyang / 2022: Based on total amount of waste generated excluding waste generated from demolition work

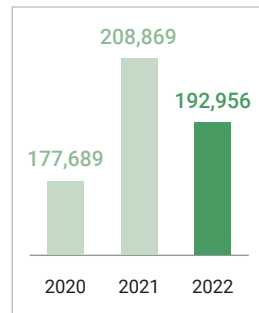
Strengthening Environment Management

Management of Water Resources

HL D&I Halla has established and operates a water-pollutant monitoring system to minimize wastewater generation and its environmental impact. We are conducting water-quality inspections on a quarterly basis to manage wastewater generated at the worksites based on internal standards that are stronger than regulations. We are also mandatorily installing sprinklers, fog systems, and vehicle-detection sensors in the systems used to suppress fugitive dust to save water.

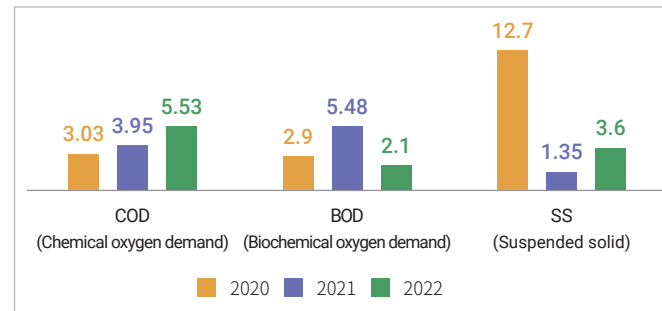
Water Usage

(Unit: ton)



Water Pollutant Concentration

(Unit: ppm)



Management of Soil

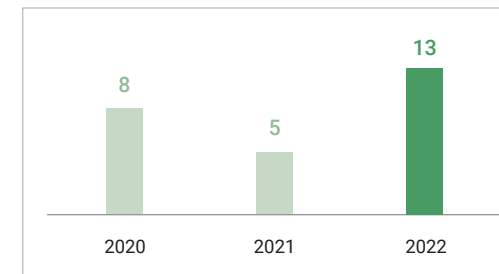
HL D&I Halla investigates soil contamination to prevent damage to local communities caused by soil contamination. We are also conducting soil-contamination-level inspections every year for soil and sludge taken out, and carrying out component analyses for soil contamination taken out in advance. In response to concerns over soil contamination, we conduct work site sustainability management inspections twice per year to check compliance with laws and regulations related to soil contamination and manage soil contamination levels. As such, we strive to preserve the soil environment by purifying soil in the event of soil contamination, and conducting regular inspections in worksites and their surrounding areas.

Management of Biodiversity

HL D&I Halla conducts an environmental impact assessment on the worksite prior to the commencement of construction to identify the current status of endangered species and legally protected species in the vicinity of the workplace. In 2022, we discovered 13 protected species in a total of six regions and took protective measures. For narrow-mouthed toad, we have installed guide fences for amphibians/reptiles to prevent them from entering the road, and we are continuously monitoring and managing them. In addition, we are carrying out activities to preserve the ecosystem by utilizing technology for waterside ecological wetland that provides ecological corridor and habitats.

Number of Bio-protected Species in the Project Area

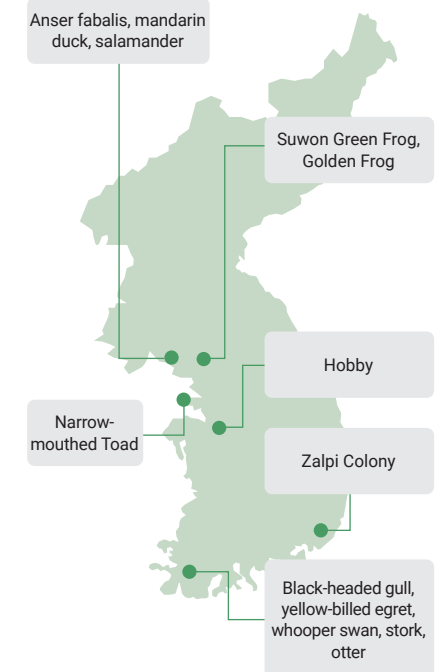
(Unit: species)



Status of Bio-protected Species in the Project Area

Worksite	Protected Species
East Pyeongtaek	Anser fabalis, mandarin duck, salamander
Gimpo ~ Paju	Suwon Green Frog, Golden Frog
Creation of Lowon City	Hobby
Busan New Port Container 2	Zalpi Colony
Wondang~ Taeri	Narrow-mouthed Toad
Coast Guard West Maintenance Center	Black-headed gull, yellow-billed egret, whooper swan, stork, otter

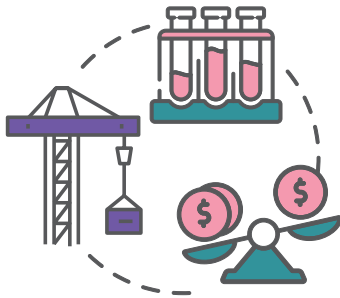
Current Status of Protected Species



FOCUS 3.

Development of Smart New Technology through Technology Innovation

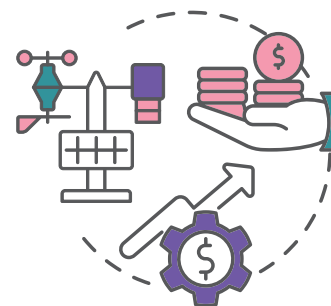
Key Figures



Increase R&D Investment by
20.8%
(compared to 2021)



Investment in
New Eco-friendly Technology
KRW **5** billion



Increase New Eco-friendly
Technology Investment by
400%
(compared to 2021)



Eco-friendly Certification
3 cases

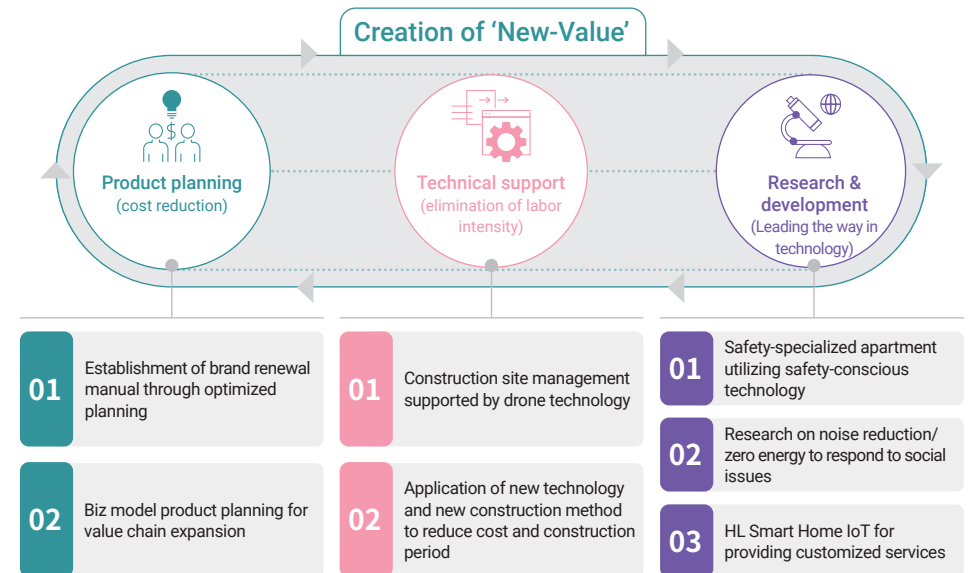
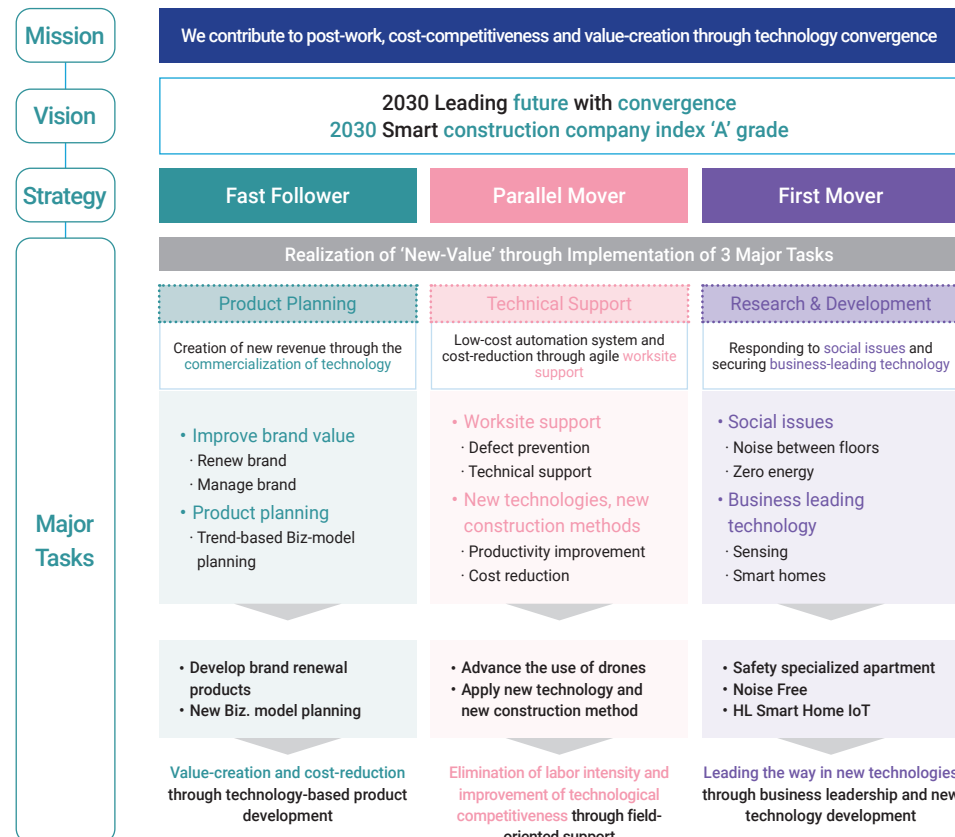
Focus 1 | Focus 2 | **Focus 3** | Focus 4 | Focus 5

Development of Smart New Technology through Technology Innovation

Leading Innovation in Technology Development

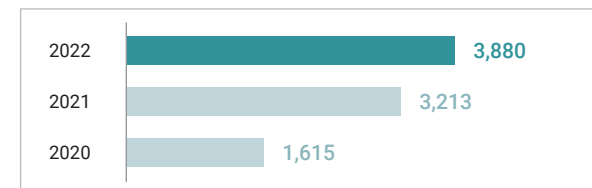
Technology Innovation Strategy

HL D&I Halla strives to explore new businesses and secure future growth engines through continuous investment. We seek to realize new values by carrying out three major tasks in the areas of product planning, technical support, and research and development — and focus on the development of eco-friendly technology, etc. to respond to social issues, transforming into a leader in the construction industry leading sustainable growth.



Status of R&D investment

(Unit: KRW million)



Investment in R&D

Compared to 2021

Increased by **20.8%**

Intellectual property status

(Unit: cases)

TOTAL	Patent	Construction-related new technology	New environmental technology and eco-friendly technology	Disaster-free new technologies	Registration of designs	Trademarks
67	55	5	2	1	2	2

Focus 1 | Focus 2 | **Focus 3** | Focus 4 | Focus 5

Development of Smart New Technology through Technology Innovation

Investment in Eco-friendly Technology Development

Investment in Eco-friendly Technology Development

HL D&I Halla is actively investing in sustainable eco-friendly construction methods and technology development. In order to create a low-carbon, and eco-friendly workplace, we are also striving to develop technologies to manage environmental impact by dividing them into architecture, civil engineering, resources/energy, water treatment/management, and aquatic ecology. Going forward, HL D&I Halla will continue to lead the eco-friendly management by developing sustainable eco-friendly technologies.



Architecture

Method of strengthening shear head by using real panel processed in “ㄱ” shape

- Reduce construction costs by 12.6% on average
- Reduce use of reinforcing bars and concrete by reducing base-plate thickness

Small caliber steel pipe pile attached with screws for boring and installation at the same time

- Reduce construction costs by 27% and construction period by 54%
- Reduce waste generation, material usage, and CO₂ emissions

Development of layered construction of exterior insulation for public housing

- Reduce construction period by 6.7%
- Reduce external insulation construction cost by 13% and energy-reduction effects



Civil Engineering

Recycled blocks for civil engineering and its manufacturing method

- Recycle end-of-life waste rubber
- Recycle as an elastic rubber mat utilizing the elasticity of recycled rubber

Post-tensioned soil nailing system using stiff front panel and pre-fab soil nailing method

- Improve construction error through improvement of construction order
- Improve safety and reduce construction time when applying construction method
- Enable to secure structural stability and economic feasibility of construction due to the high resistance of the construction method



Resources/ Energy

System for collecting heat of wastewater

- Recover waste heat from effluent from buildings and sewage from septic tanks
- Reduce equipment costs due to the simple configuration of the device

Small hydro power generation system and its control

- Reduce greenhouse gas emissions when producing energy with renewable energy (hydropower)
- Enable to precisely control the system by predicting the flow rate by time zone, and improve power generation efficiency



Water Treatment/Management

Polluted sediment soil treatment and disposal system to increase the recycle of dredged sediment

- Minimize the landfill amount of dredged soil through the system and expand recycling
- Efficient treatment of polluted fine dredged soil through an eco-friendly treatment method

Acid mine wastewater disposal system

- Recycle discarded oyster shells and use them as a neutralizer
- Minimize the degradation of neutralization treatment efficiency through a multi-step neutralization treatment process

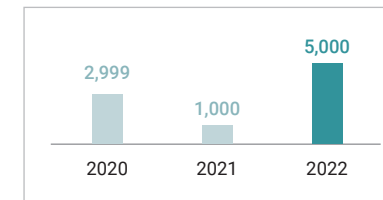


Aquatic Ecology

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

- Provide a stable habitat for the animals and plants living in the surrounding area, and help to maintain the ecosystem
- Enable to effectively restore the aquatic ecosystem within a short period of time at low cost

Amount of investment
in new eco-friendly technology (KRW million)



Amount of investment
in new eco-friendly technology

Compared to 2021

Expanded by **400%**

Descriptions of Technologies (Environmental Conservation & Energy Saving) Certification Status

Classification	Descriptions of Technologies	Certification Number
Eco-friendly technologies	Micro-pile method in which the head is reinforced using a rotatable stopper (stopper pile method)	GT-22-01500호
Patents	Method of remediating soil contaminated with heavy metal using integrated process of biological dissolution technology and electrokinetic technology	10-0945477
	Method of remediating soil contaminated with arsenic and heavy metals using electrokinetic technology enhanced by metal-reducing microorganisms	10-0964176
	Mixed power supply method in conjunction with half-wave rectification and full-wave rectification and electrodynamic heavy metal contaminated soil purification method by two-dimensional electrode array and purification device	10-1090901
	Small hydropower-generation device and its control method	10-1268137
	Small hydropower-generation device	10-1300293
	Sewage waste-heat recovery device	10-1325897
	Ecological environment classification method for restoration of fish habitat	10-1358387
	Waterside ecological wetland that is used as a biological migration passage	10-1376116
	High-efficiency small hydropower-generation device	10-1369522
	Control method of flow-responsive small hydropower-generation device	10-1455033
	Flow-response type small hydropower-generation device	10-1455032
	'SMALL HYDROPOWER GENERATION APPARATUS AND METHOD OF CONTROLLING THE SAME' (Vietnam)	19932
	Sewage heat recovery system	10-1998235
	Small hydro power generation device and its control method (Philippines)	1-2013-501479

Development of New Technologies and New Methods

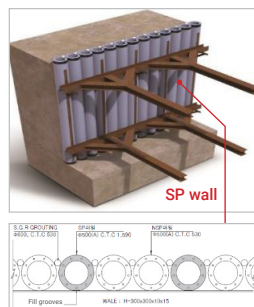
SP Soil Nailing Wall Technology

HL D&I Halla carries out research on SP soil nailing wall technology with the purposes of reducing costs, shortening construction period, and improving constructability. It improves the inconvenience of the existing CIP method, a cast-in-place construction method. SP soil nailing wall technology has shortened the construction period by improving intermittent construction to sequent construction by using factory-made pretensioned spun high strength concrete (PHC) as a retaining wall. Currently, we are improving construction environments in the workplace by changing the on-site placement or cast-in-place to factory production, and at the same time, drastically reducing the cast-in-place process to prevent soil contamination to obtain certification for new eco-friendly technology.

Acquisition of Green Technology Certification for 'Stopper Pile Method'

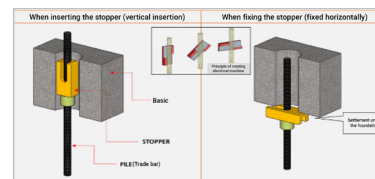
HL D&I Halla acquired the green certification (GT-22-01500) for the eco-friendly construction method 'construction waste reduction technology (stopper pile method) through micro pile method in which the head is reinforced using a rotatable stopper'. This is one of the construction methods for firmly reinforcing the foundation of an existing building, with which the perforation required to secure the space for arranging structural materials was used as a rotatable stopper, minimizing the perforation area and reducing damage to the existing structure. As a result, we can reduce concrete waste by omitting the crushing process of foundation concrete, contributing to reducing carbon dioxide emissions compared to existing methods.

SP Soil Nailing Wall Technology



- Alternative construction method of existing CIP wall (cast-in-place)
- Use of ready-made PHC piles
- Off-site construction (OSC)
- Reduction of construction period + cost reduction + quality assurance

Stopper Pile Method



- A method of reducing waste by minimizing perforation in foundation concrete
- Reducing carbon dioxide emissions by 95% compared to the existing method

Development of Low-noise Range Hood

HL D&I Halla developed a twin-fan low-noise range hood to improve inconvenience caused by the loud noise of the range hood, a ventilation system in kitchens of apartments. Compared to the fan installed in the upper hood of the gas cooktop, the existing range hood had a relatively small exhaust duct, causing frictional noise inside the apartment. To solve this problem, we installed one more exhaust duct, and reduced the capacity of the fan by half, which reduced the noise by about 10dB or more compared to products on the market, and by applying two fans, we keep air-speed constant on all suction surfaces, thereby improving not only noise but also suction performance. We have applied for patent for the low-noise range hood and have been developing the product after manufacturing and testing prototypes. It is expected that apartments to be sold in 2024 will greatly reduce the noise stress of residents cooking for their families.

Research on Inter-floor Noise Reduction

HL D&I Halla carries out research and development to reduce noise between floors. From the second half of 2022, a post-floor noise validation system was implemented, and as the standard for floor impact noise reduction structures was strengthened, a new structure that exceeded the standard of original floor structure was needed. HL D&I Halla, in collaboration with Doosan E&C, tested a new structure using high-density materials that are effective in reducing weight impact noise and is preparing to obtain a performance certification. This structure requires 20% more constituent materials than the existing finishing mortars due to its high density, but it saves the use of materials by up to 22% when compared to the method that increases the thickness attempted by other companies.



Agreement Ceremony for Joint research
on Inter-floor Noise Floor Structure

Development of Safety-specialized Housing Products

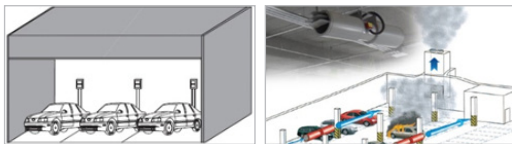
Introduction of anti-fire equipment exclusively for electric vehicles

HL D&I Halla strives to develop and introduce anti-fire equipment for electric vehicles (EVs). In the event of a fire caused by charging facilities in apartments, which have increased along with the use of EVs., there is a risk of human casualties because it is difficult to extinguish with the current sprinkler type fire extinguishing facilities installed at the apartment. In preparation for such risks, HL D&I Halla is researching an exhaust system dedicated for EVs to prevent damage from toxic gases generated in the event of an EV fire. Currently, we have manufactured a prototype with a combination of commercial technologies that can realize the idea, and we plan to apply it to the field after verifying its performance through simulation and testing.

Smart Circuit

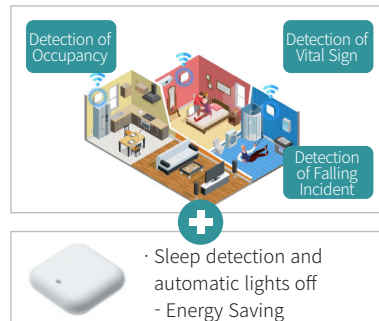
HL D&I Halla has been developing a 'smart circuit' for a design that considers the safety of residents. Pedestrian traffic lines and vehicle traffic lines intersect at the main entrance and exit gate in an apartment building, so safety accidents are highly likely to happen there. For this reason, we are carrying out research to realize a design, which provides the manager a report to control and manage speeding vehicles in the apartment complex, or the radar technology that detects whether a courier vehicle or academy vehicles, etc. which makes a short stop, enters the apartment and then sends a warning to drivers and pedestrians to pay attention to each other by turning the warning color lights on the floor.

Anti-Fire Equipment Exclusive for Electric Vehicles



- In case of fires occurring with EVs in charging stations
- Preventing fire spread by installing a firewall
- Forced exhaust by operating specialized exhaust facilities

Radar technology-based non-contact biosignal detection



Utilization of IT Technology at Residential Homes

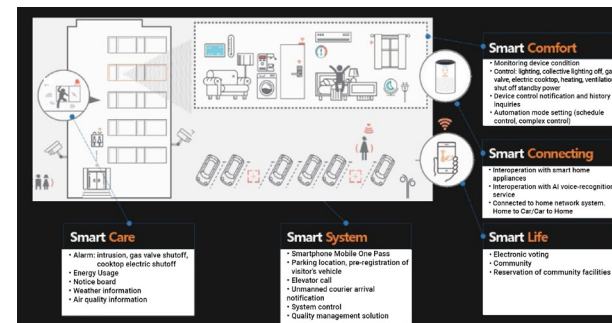
Research on Radar technology-based non-contact biosignal detection

HL D&I Halla is developing technology that can be used in residential homes through a research on non-contact biosignal detection using Radar-based technology. With this technology, we can control unused home appliances by detecting the time that residents stay in a specific space, and report abnormal movements such as injury from a fall by appropriately by applying radar technology used in the automobile field. In addition, we are developing a useful application technology which can be applied at home by detecting biosignal of residents in a non-contact manner. We also conduct research to find out the feasibility of commercialization in the fields of health care, safety monitoring, and energy saving.

Establishment of Smart Home IoT

HL D&I Halla plans to develop 'TouchL', a mobile-based smart home service, and apply it to the house we supply in 2024. With the newly developed 'TouchL', user can organically utilize the voice control using home net, smart home appliances, and AI speakers using a single mobile app. We are continuing our research to add various functions sequentially in addition to third-party functions that interwork with location-based AI control, scenarios and residents' life patterns, healthcare and energy saving. Furthermore, we plan to apply functions to reduce energy within households using AI, suggest ways to increase the recycling rate in apartment complexes, and suggest ways to improve the participation rate in referendums.

Smart Home IoT



- Establishment of smart home
- Efficient device control ► provision of platform service

Development of Drone Utilization Technology

Measurement by Drone - Confirmation of prior interference using overlapped drawings

HL D&I Halla is applying drones to various fields on the worksites, such as pre-interference checking, and is expanding the application area. Limitations in human cognitive ability make it difficult to efficiently grasp structures in a wide and high site in a short time. In the early days, drones were used only for taking panoramic pictures, but now it is possible to create real data at a huge worksite.

Hundreds of images taken by autonomous flights over a large field site are computed and rendered to digitize the worksite on a 1:1 real scale, which can be overlapped with design drawings to establish detailed and intuitive construction plans. In such cases, it is possible to check incorrect construction and non-construction at a glance, such as whether or not construction was conducted precisely. It is widely used on worksites as it can easily identify the risk of boundary invasion in advance when carrying out projects in residential areas with many private houses, such as reconstruction and redevelopment projects.



Measurement by Drone – Confirmation of prior interference using overlapped drawings

Establishment of Exterior Wall Inspection Process

HL D&I Halla uses drones to check the facades of buildings in more detail when inspecting outer walls. In the past, due to the difficulty of inspecting the outer walls, the quality of the outer walls was influenced by the work quality of the outer wall workers, such as concrete driller and the painting team. Since the building itself is high and the high part of the structure is not visible from the ground, it was necessary to inspect the outer wall using sky equipment or a rope, resulting in high costs. The work to check whether the outer wall was dangerous and difficult because the work is conducted at a high-altitude, and the efficiency was very low. It is expected that we can improve the quality of the outer wall and reduce post-management costs by performing an outer wall inspection once after frame construction and once before completion of construction by utilizing the drones that are supplied to the worksite.

Measurement of Inclination in Overcrowded Areas, Classification of Risk Zones

HL D&I Halla has technology to classify risk zones by digitally analyzing the slopes of roads and pedestrian paths used by many people by measuring it with drone. In preparation for safety accidents that may occur due to high slopes in overcrowded areas, we have a plan to identify roads/pedestrians with a risk slope of 10% or more in advance, display them on a map, and provide them to local governments. This is one of the ways to prevent accidents caused by crowds of people on roads with slopes of 10% or more, such as the Itaewon disaster that occurred last year. HL D&I Halla plans to come up with specific ways to contribute to society through collaboration with related local governments as well as the company by utilizing its own drone technology.

FOCUS 4.

Realization of Value Growth through Win-win Management

Key Figures



Ratio of subcontractors
evaluated for ESG activities
increased by **150%**
(compared to 2021)



Financial support for
early payment to subcontractors
148 cases
(Increase by 138% compared to 2021)



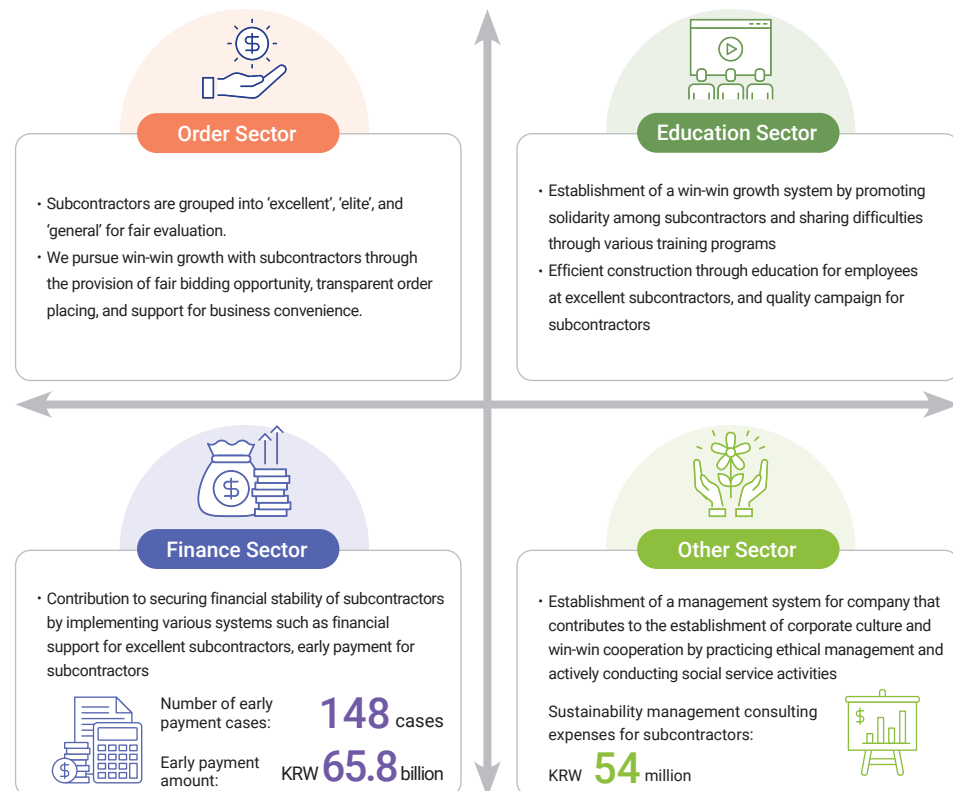
Subcontractors
participating in Partner's Day
40 companies

Supply-Chain Management System

Subcontractor Management System

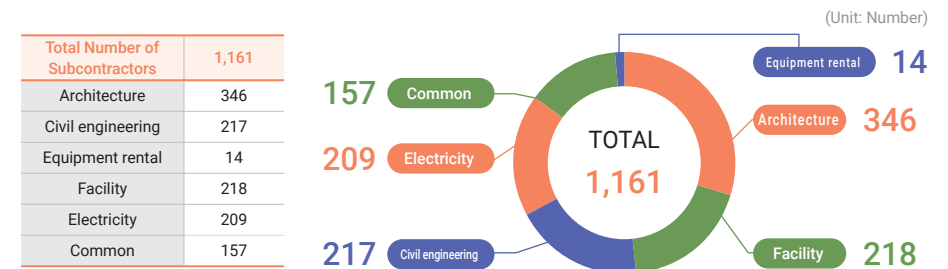
HL D&I Halla operates a win-win management system with its subcontractors to ensure that they have a foundation for sustainable business operation. We classify and manage subcontractors in three category such as 'excellent', 'elite', and 'general' for win-win growth with subcontractors in various sectors such as 'architecture', 'civil engineering', 'facilities', and 'electricity', etc., and we are strengthening win-win activities through various programs for ordering, education, and finance.

Win-win Management System



Subcontractors Status

HL D&I Halla classifies and manages subcontractors in six areas, including architecture, civil engineering, and facilities, for smooth communication and management. As of 2022, we have 1,161 subcontractors in total. We define subcontractors with an annual evaluation score of 90 points or more as excellent/elite subcontractors, supporting them for employee welfare, management consulting, etc.



Fair Trade Principles for Subcontractors

HL D&I Halla has introduced its Four Major Practices to establish a fair trade culture and is operating a Subcontract Internal Deliberation Committee. The Committee reviews issues that may violate laws and regulations, and if there is a possibility of violation, the Committee imposes sanctions through the resolution of the HR Committee. In addition, we are striving to establish a fair trade culture by conducting differentiated fair trade training for each employee. In 2022, a total of 61 persons completed eight hours of differentiated fair trade training courses created by job (for department managers, team leaders, and directors). HL D&I Halla is strengthening the prevention of unfair trade among subcontractors and the spread of a win-win cooperation culture throughout the construction industry.

Four Major Practices of Fair Trade Commission

Signing Contracts in a Responsible Manner	We strive to establish reasonable and fair trade practices with medium and small subcontractors and to conclude desirable contracts.
Subcontract Internal Deliberation Committee	The Subcontract Internal Deliberation Committee was organized to deliberate on the fairness and legality of the subcontract transaction in advance.
Fair Selection and Operation of Subcontractors	HL D&I Halla contributes to building a fair subcontracting culture by strengthening transparency and fairness in transactions with subcontractors
Issuing and Preserving Documents in a Responsible 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.

Support for ESG Capability in the Supply Chain

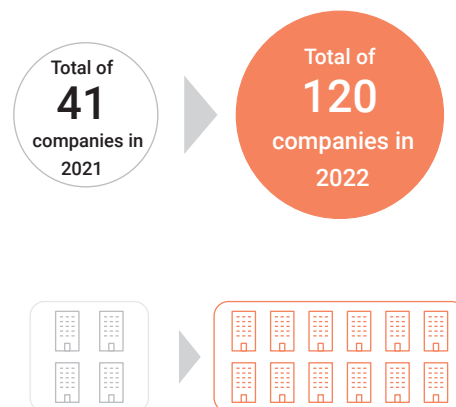
Evaluation and Support for Subcontractors ESG

HL D&I Halla conducted ESG evaluations of its subcontractors to strengthen their competitiveness by pursuing win-win growth with them. In addition, based on the ESG risk evaluation results of subcontractors, we identify areas that need to be supplemented for environment and safety areas, and provide ESG training and consulting to subcontractors in need of improvement. HL D&I Halla plans to expand ESG education to raise the level of ESG awareness of subcontractors and provide consulting support in various ways — so that all subcontractors in the supply chain can achieve sustainable growth.

Subcontractor Proposal System

HL D&I Halla has been operating subcontractor proposal contests since 2020 as a communication channel with subcontractors. In 2022, smart construction, site management from an ESG perspective, new construction methods/materials, and OSC were included in the topics. For excellent cases, we provide rewards and opportunities to connect transactions, and promote mutual cooperation activities such as development funding support and joint technology development.

Subcontractors that were evaluated for ESG activities

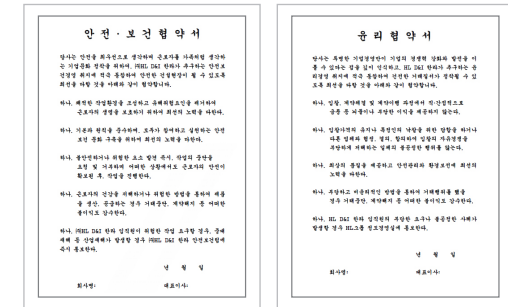


Supply Chain Selection Strategy related to ESG

- 2022**
 - Support for sustainability management evaluation
 - Implement ESG consulting (excellent, elite subcontractors)
 - Utilize win-win growth investment funds, support subcontractors
- 2023**
 - Support for sustainability management evaluation
 - Establish supply chain evaluation system through analysis of evaluation results (participation in bidding, registration (maintenance))
- 2024**
 - Support for autonomous evaluation of subcontractors
 - Evaluation list
 - Safety evaluation, ESG evaluation
 - Goal of achieving 100% in sustainability management evaluation of subcontractors

Subcontractor Selection Criteria

HL D&I Halla selects subcontractors according to ESG evaluation criteria for sustainable supply chain management. At the bidding stage, we measure ESG capabilities through environmental and safety diagnosis of subcontractors, and restrict the bidding participation of companies that do not meet standards systematically. In addition, we collect commitment on the ESG management from the subcontractors with the submission of safety and health agreements and ethics agreements when proceeding with the bid.



ESG Education for Subcontractors

In May 2022, HL D&I Halla conducted sustainability management training for its subcontractors. In the training attended by representatives of 123 subcontractors, education on the safety education system and sustainable management of subcontractors were provided, and HL D&I Halla's safety and health activities were shared, and sustainability management strategies and safety and health evaluation systems for subcontractors were also provided. The sustainability management training for subcontractors has contributed to strengthening our subcontractors' competencies and increasing understanding in preparation for the Serious Accident Punishment Act.

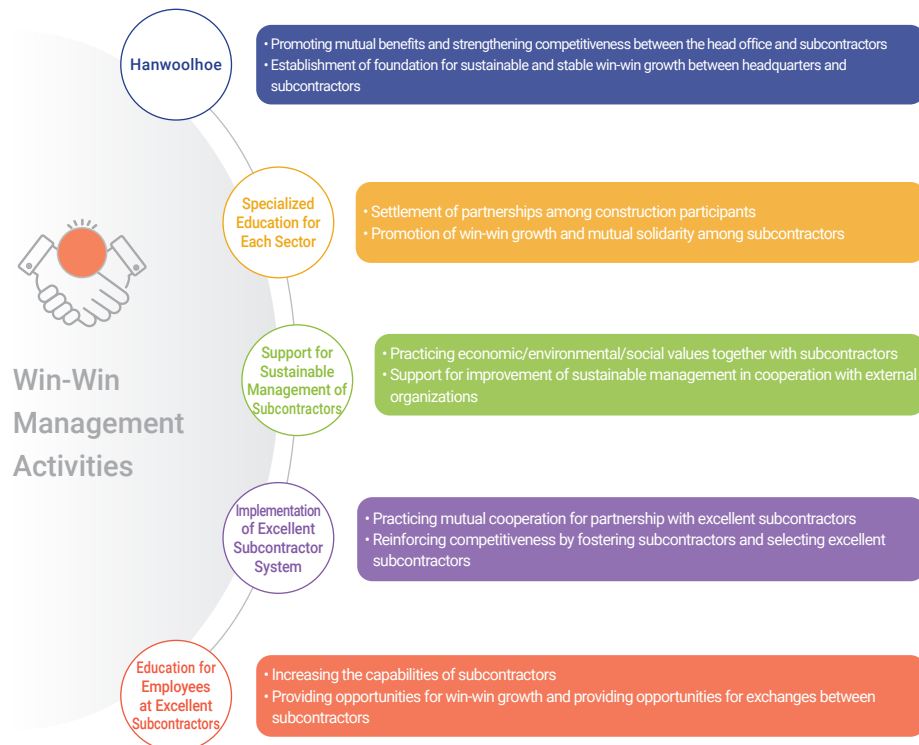


Reinforcement of Win-win Management Activities

Expanding Support for Win-win Growth with Subcontractors

HL D&I Halla supports win-win growth with subcontractors to promote win-win cooperation. We are implementing win-win management activities such as Hanwoolhoe and specialized education for each sector to promote smooth communication and mutual benefits between the head office and subcontractors. Going forward, HL D&I Halla plans to support various programs that can increase the capabilities of subcontractors and strengthen their competitiveness to solidify partnerships with subcontractors.

Win-win Management Activities

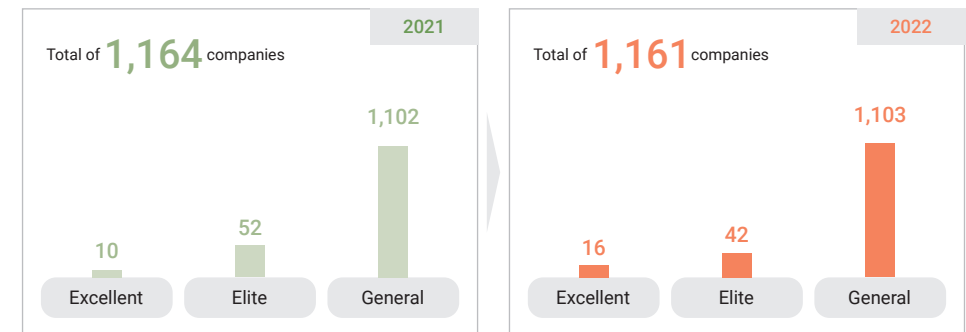


Implementation of Excellent Subcontractor System

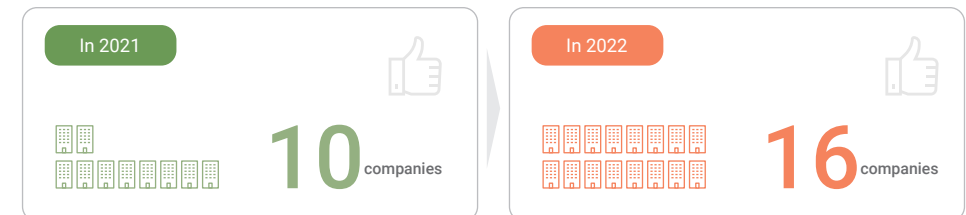
HL D&I Halla implements an excellent subcontractor system to classify and manage subcontractors into three categories such as excellent, elite, and general subcontractors, and provide customized support for each category. In order to realize mutual cooperation for partnerships with excellent subcontractors, we are strengthening the competitiveness of our subcontractors by developing various subcontractor development programs. In addition, we are providing a venue for exchanges that can enhance solidarity among our subcontractors, focusing on various training programs to enhance the capabilities of excellent subcontractors.

Furthermore, we are implementing various financial support systems, such as reduction of contract performance deposits to excellent subcontractors contributing to the financial stability of subcontractors, and establishing a support system to protect subcontractors suffering from financial difficulties, including 2nd-tier subcontractors through the direct payment system for subcontractors.

Status of Total Subcontractors



Excellent subcontractors



Focus 1 | Focus 2 | Focus 3 | **Focus 4** | Focus 5

Realization of Value Growth through Win-win Management

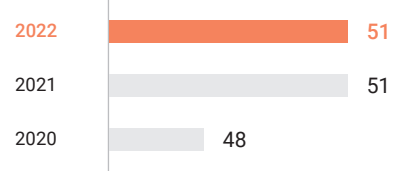
Reinforcement of Win-win Management Activities

Operation of Council for Subcontractors- Hanwoolhoe

HL D&I Halla is operating the Hanwoolhoe for communication and information exchange with subcontractors. Hanwoolhoe is a council for shared growth with subcontractors, and implements norms and practice guidelines related to shared growth. Membership is available to those who have won excellent mark more than twice over the past three years and in 2022, Total of 51 subcontractors were members of Hanwoolhoe.

Hanwoolhoe Membership Status

(Unit: number)



Subcontractors Network Program

HL D&I Halla supports a wide range of network activities of small and medium-sized subcontractors by holding Partner's Day for win-win growth with subcontractors. In 2022, through the Partner's Day event, we provided a venue for various business partners (50 people from total of 40 companies) such as developers, designers, supervisors, sales agencies, advertising agencies, and asset management companies to exchange and form a natural cooperative network. Going forward, we plan to include special lectures that can provide insights on corporate management and training to develop leadership capabilities in our programs to provide more in-depth operation to systematically support the sustainable and future-oriented growth of subcontractors.

Members Present



Participating companies

40 companies

Number of attendees

50 persons

Classification	Construction companies	Sales agencies	Design/Supervision companies	Business agencies	Maintenance companies	Interior companies	Total
Number of companies	17	10	5	3	3	2	40

Subcontractor Communication Channel

HL D&I Halla operates a portal system as communication channel for subcontractors. By using the subcontractors' portal system, inquiries and complaints in various fields other than work can be shared. Going forward, HL D&I Halla will continue to strive to lead a virtuous cycle of partnership with its subcontractors through its communication channels.



Subcontractor Portal

Meeting with New Subcontractors

HL D&I Halla held a meeting to increase mutual understanding and strengthen future partnerships between new subcontractors and HL D&I Halla. At the meeting, we had a time to introduce HL D&I Halla, share business information such as the outsourcing procurement process, and opinions with subcontractors.

Companies attending the meeting

Total of 77 companies

2022 Halla Partner's Day

Key feedback from attendees

- "Is HL D&I Halla such a company?"
After being introduced to Halla's core values, vision, and strengths, I am confident that Halla is a well-chosen partner.
- "Thank you for providing an opportunity to get to know our partners in various fields."
I am impressed by the scale of the event and the high attendance rate of subcontractors from various fields.
- "Event is well organized"
It was fun to have a dinner time to get to know each other along with informative and light lectures.
- "Is this just one time meeting? Let's meet often!"
It was time for me to sympathize with various partners and the industry and communicate about many things other than work. I hope to see you often.

2022 Halla Partner's Day



We will continue to provide venue for exchanges where we can communicate and grow together

FOCUS 5.

Strengthening Company-Wide Integrated Risk Management

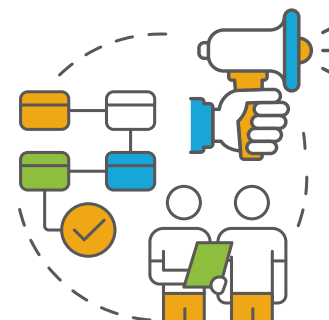
Key Figures



Evaluation of **345** Items
for Internal Control Monitoring



Conducting Internal Control
On-site Inspection
10 cases

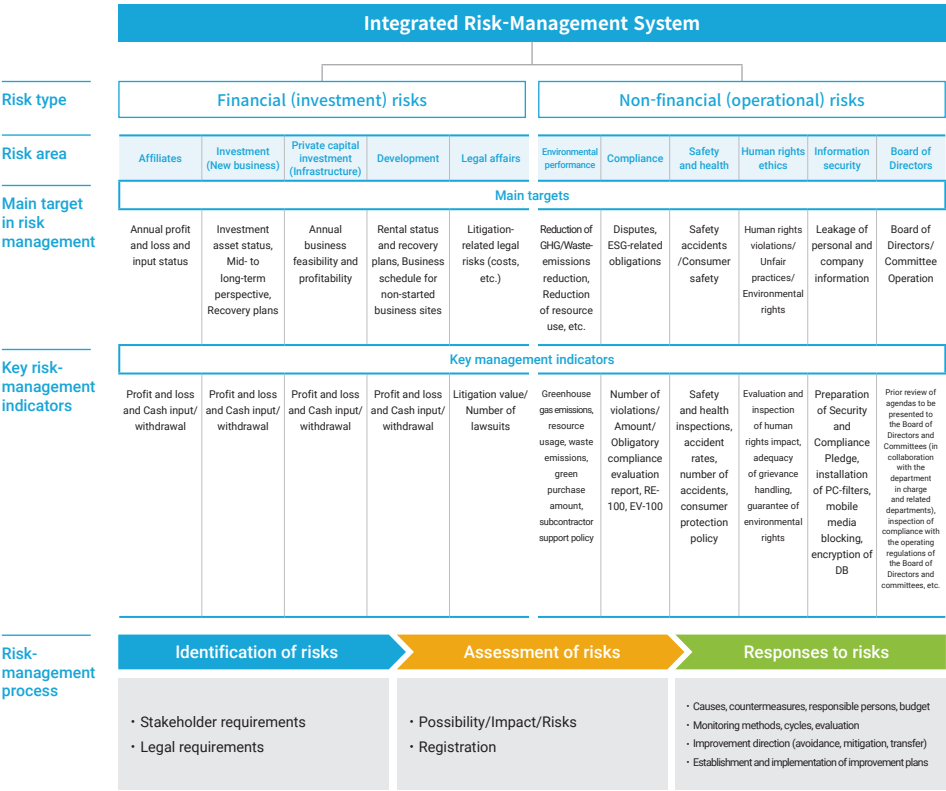


Implementation of Measures
taken after On-site Inspection
43 cases

Integrated Risk Management

Integrated Risk-Management System

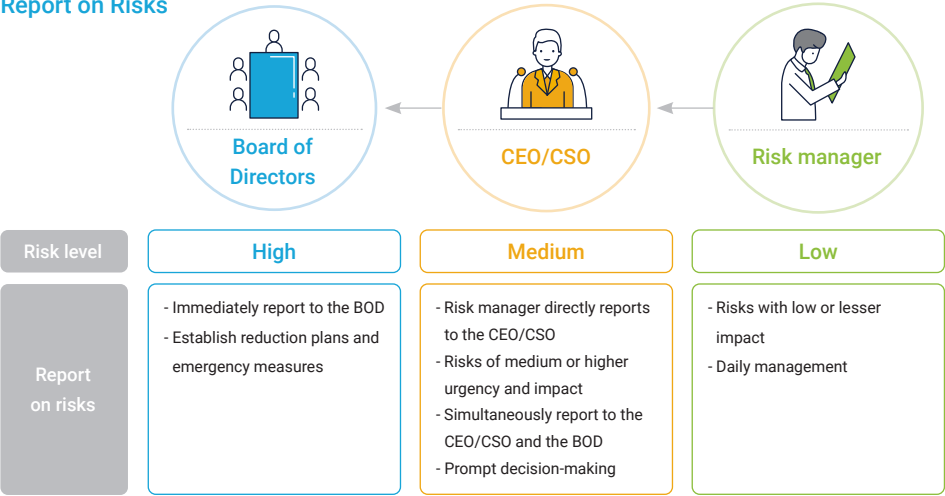
HL D&I Halla has been establishing an integrated risk-management system to identify potential risks in advance, and prevent and make preemptive response to them. We classify risks that may have a negative impact on overall corporate activities into financial (investment) risks and non-financial (operational) risks, and review and specify business impacts by risk area to identify potential risk factors and manage crisis situations by selecting major management indicators so that they can be measurable.



Risk-Management Process

HL D&I Halla monitors major risk-management targets on a monthly basis to prevent risks in advance, and regularly reviews countermeasures when issues arise in accordance with a risk-management process. Major issues for each risk are frequently reported to the CEO and the BOD so that prudent and prompt responses can be made. According to the risk-reporting system, a risk manager in each department reports risk management activities to the BOD, classifies the risk level into high/middle/low according to the degree of negative impact, and delivers systematic reports and prompt responses according to issues and urgency.

Report on Risks



Systematization of Risk Management Indicators

HL D&I Halla classifies risks into financial (investment) and non-financial (operational) risks for efficient integrated risk management, defines and subdivides major targets for risk management by sector to systematize measurable key management indicators. Based on this, an organization dedicated for each risk area manages each risk factor, and delivers preemptive responses to the risks through internal decision-making and determination on risk level.

Strengthening Audit System

Internal Control Activities

HL D&I Halla has established an internal control and monitoring system to ensure soundness and transparency of corporate operation through internal control activities. We are strengthening the inspection and compliance system through an internal control checklist based on the Risk & Control Matrix (RCM), and ensuring the adequacy of internal control activities through design and proper operation of entity-level controls (ELC) and process-level controls (PLC). In addition, we are monitoring internal controls through on-site inspections to manage implementation measures taken according to the inspection results. The company also appoints a compliance officer to operate a control system for internal decision-making and work progress. The compliance officer plays a key role in resolving various disputes arising from corporate management by diagnosing and managing regular risks and inspecting compliance with compliance standards.

Internal Control Monitoring through Site Inspection



Site Inspection Monitoring Results in 2022



Activities of Compliance Officer

Permanent	<ul style="list-style-type: none"> Diagnoses and manages legal risks Checks compliance with compliance control standards Monitors compliance with regulations such as the Framework Act on the Construction Industry Inspects non-disclosure agreement implementation status
Regular	<ul style="list-style-type: none"> Conducts security checks on all employees Provides training on amendments to regulations such as the Framework Act on the Construction Industry Provides statutory education such as sexual harassment prevention Reviews safety and health activity performance and activities Provides education on matters to be observed in relevant legislation such as the Serious Accident Punishment Act

Internal Accounting Management System

HL D&I Halla has an Internal Accounting Management Team to secure the reliability of the internal accounting management system, prevent errors or irregularities, and check the design and operation status. The Internal Accounting Management Team sets up, designs and evaluates the internal accounting management system, encourages transparent preparation of financial information, and monitors the design and operation of internal control activities on a quarterly basis. As a result of evaluating 345 control items in 2022, no significant or meaningful defects in design and operation were found.

Operation of Audit Committee

HL D&I Halla voluntarily establishes and operates an Audit Committee to fulfill its responsibilities and roles for sustainability management, including corporate transparency. The Audit Committee is composed of three or more Directors including one or more experts in accounting or finance, who are appointed at the general shareholders' meetings. In addition, all members of the Audit Committee are Non-executive Directors who perform independent and transparent auditing roles. The Audit Committee performs its auditing duties in a position independent from the BOD, executive bodies and other departments to secure its independence and to maintain objectivity in performing its audit duties in principle. In 2022, the company also conducted training on the 'internal accounting management system outline and key issues' for the Audit Committee to strengthen expertise.

Composition of Audit Committee and its Roles

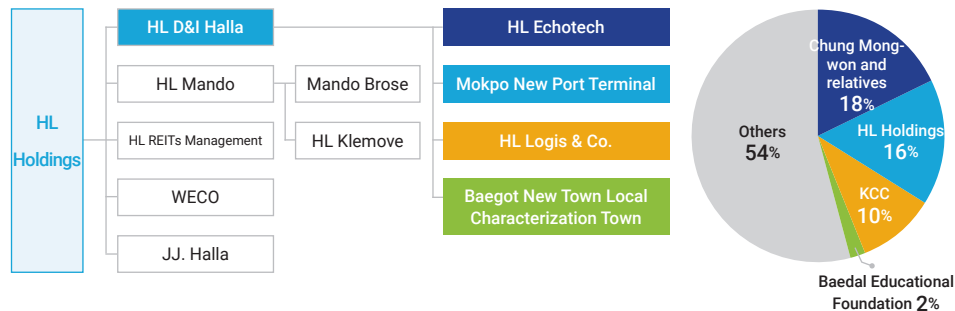
Composition	Roles
<p>3 Non-executive Directors (including one accounting/financial expert)</p>	<ul style="list-style-type: none"> Audit the legality of the business activities of directors and management Review soundness and validity of corporate financial activities and accuracy of financial reporting Select, change and dismiss external auditors and report to general shareholders' meetings Perform other matters stipulated by other laws, the articles of incorporation, and the operating regulations of the Audit Committee

Protection of Shareholders' Rights and Interests

Ownership Structure

HL D&I Halla is operating businesses under the holding company system led by HL Holdings, laying a foundation for independent management based on stable corporate governance. The largest shareholder of HL D&I Halla is Chung Mong-won (17.51% common share ownership), the Chairman, and the ownership of affiliate persons including the largest shareholder is 46.31% (common shares).

Governance of HL D&I Halla



Establishment of a holding company system centered on HL Holdings

► Laying the foundation for independent management based on a stable governance structure

ESG Evaluation Grade

Evaluation agency: Korea Institute of Corporate Governance and Sustainability (KCGS)

Evaluation year	Integrated grade	Environmental	Social	Governance
2021				
2020				

Enhancement of Shareholder Value

HL D&I Halla intends to maintain a balance between strengthening the competitiveness of existing businesses, securing growth engines, and returning profits to shareholders through appropriate distribution of profits based on management performance. After announcing the company's shareholder return policy in September 2021, HL D&I Halla has strived to enhance shareholder value through dividends and treasury stock purchase/stock retirement to the extent of not exceeding 40% of non-consolidated net profit. The amount of dividends and shareholder returns for the year concerned is determined in consideration of the business environment, profit and loss, and financial stability of the year. If the financial target is not met, dividend or treasury share purchase may not be implemented.

Shareholder-friendly Activities

HL D&I Halla is actively conducting IR activities to strengthen communication with shareholders. We disclose our quarterly provisional business performance through fair disclosure, and IR materials both in Korean and English on the company website. In addition, we hold non-deal roadshows (NDRs) on a quarterly basis, actively participate in conferences, corporate days, and online corporate briefings hosted by securities companies, and visit investors for meetings. Going forward, HL D&I Halla will continue its shareholder-friendly activities by actively communicating with the market.



ESG TOGETHER

- WITH PEOPLE
- WITH GREEN
- WITH PARTNER
- WITH GOVERNANCE

WITH PEOPLE

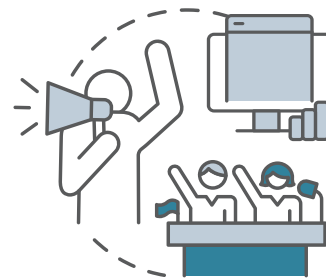
Key Figures



Increase in female
managers by **7%**
(compared to 2021)



Welfare benefits costs
KRW **4.51** billion



Ratio of employees
who received
human rights training
98%



Ratio of workplaces
where human rights impact
assessments were conducted
100%

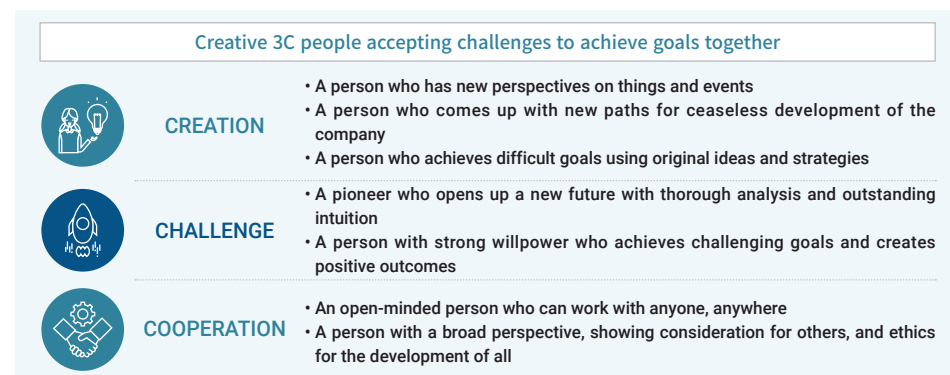
Talent Management

Talent Management System

Human talents are the assets and the future of HL D&I Halla. We strive to attract and nurture excellent talents through a sustainable corporate culture based on the HR vision of 'Creative 3C people accepting challenges to achieve goals together.' By restructuring the organization based on performance rather than seniority, we nurture excellent talents and lead the changes throughout the organization through efficient HR management and corporate culture change.



HR Vision of HL D&I Halla



Human Resource System

HL D&I Halla employs human talent through a fair and transparent process. After hiring, we put the right person in the right place considering the desires of the employee based on qualifications, aptitude, and capabilities in terms of positions and duties. In addition, we operate a fair promotion system in consideration of personnel evaluation and performance evaluation results. We are also operating a selection promotion system and a promotion SHIFT system for outstanding talents who have exceeded their working years at the company. Furthermore, we are operating various holiday and award systems to create a happy workplace.

Promotion System



Holiday system	Annual paid leave	Paid leave incurred according to the Labor Standards Act can be used in division or by receiving a stipend for the unused annual paid leave
	Refresh holiday	As paid leave, five working days can be used in connection with the weekend
	Family event holiday	Special leave is permitted when there is a family event according to the regulations
	Overseas post holiday	Three days of leave before departing is permitted when assigned to work overseas
	Overseas regular holiday	Thirty days of regular leave is granted when working a year overseas. (A maximum of 45 days of leave is possible when used together with the annual paid leave)
	Overseas returning holiday	Ten days of leave is provided when returning to the headquarters

Award system	Personal awards	HL D&I Halla's HLian Award, Model Employee Award, Long-term Worker's Award, Excellent Job Dissertation Award, Excellent Training Award, and Achievement Award for Obtaining an Order
	Group awards	Excellent Field Evaluation Results, Social Contribution Award, Excellent Safety Management Site Award, Excellent Quality Management Site Award, Excellent Target Management Department Award and Zero-Disaster Site Award
	Other awards	Other Group Award, etc.

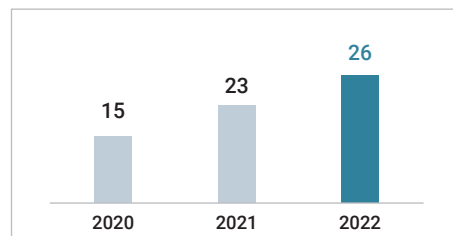
Talent Management

Employee Capacity Reinforcement

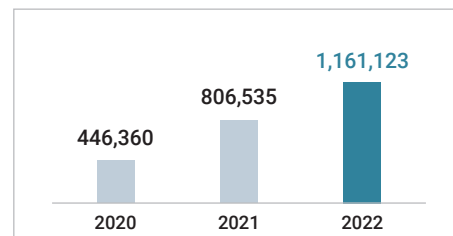
HL D&I Halla provides employees with opportunities to learn and grow through various training programs. Through the Group's HRD Center, we operate programs such as group value dissemination sessions, introductory training for new employees, leader and core talent training, and training on general job competencies. In addition, we are providing and supporting construction-specific job training such as project management/ESG/safety and health, construction engineer job training, site manager training, and external network courses, etc. which are not provided by the Group's HRD Center to reinforce employees' capacities.



Average training hours per person (Unit: hour)



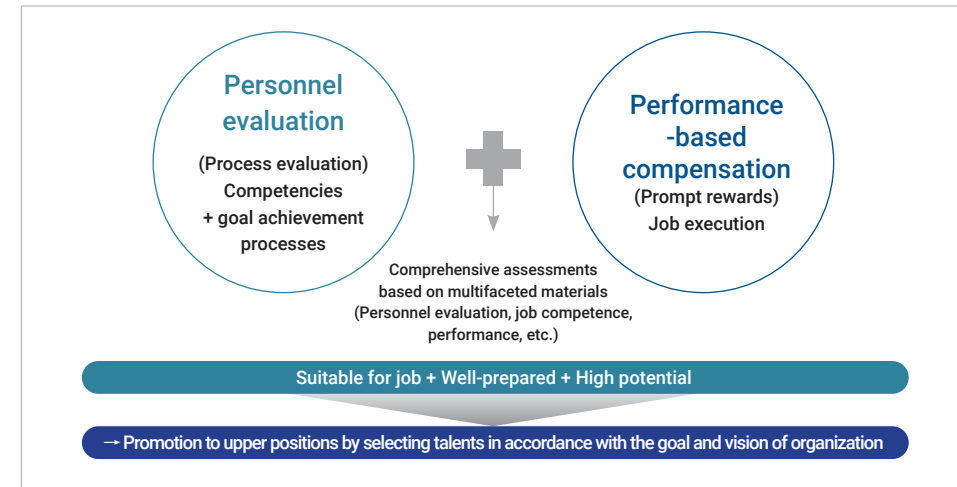
Average training costs per person (Unit: KRW)



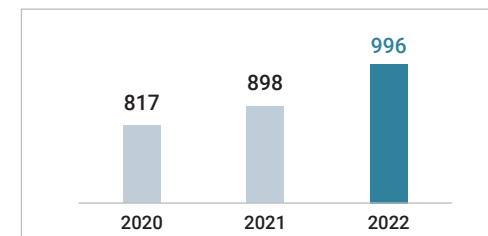
Employee-Performance Management

HL D&I Halla evaluates employees' performance through a fair and objective evaluation process. Performance is evaluated by comprehensively evaluating persons' capabilities, goal achievement processes, and results. In addition, we have secured excellent talent and strengthened selection-based promotion by expanding qualification verification in the promotion system.

Job Execution



Subjects of regular performance evaluation (unit: persons)



Ratio of employees by position who received regular performance evaluation



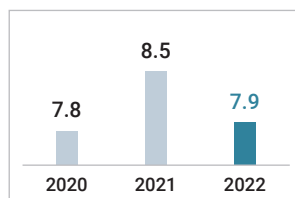
Talent Management

Securing Employee Diversity

HL D&I Halla strives to secure the diversity of its employees through fair employment without discrimination. We are expanding the number of female managers so that female talent can demonstrate their capabilities, and we formed an HL D&I Halla Disabled Weightlifting Team by hiring disabled athletes. We participate in a number of domestic and international competitions to expand employment of persons with disabilities. Moreover, in the process of recruitment and promotion, we treat employees equally regardless of gender, disability, age, etc.

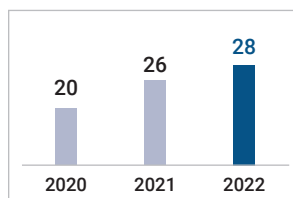
Ratio of female workers

(Unit: %)



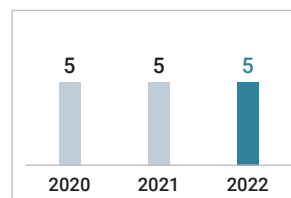
Number of female managers

(Unit: persons)



Number of persons with disabilities

(Unit: persons)



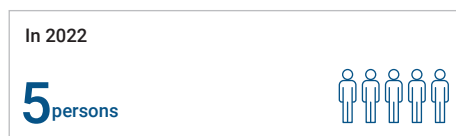
Mid-to long-term employment goals	Unit	2024	2025
Female workers	%	9	10.35
Female managers	%	3.0	3.37

Improvement of Contract Employee System

HL D&I Halla is continuously improving the contract employee system to provide fair opportunities without discrimination. We implement an annual salary system and provide the same awards and welfare support as full-time employees. In addition, we are hiring contract employees with excellent performance as full-time employees, thereby striving to secure excellent talent and create a fair corporate culture.

Conversion of Contract Employees to Full-time Employees

(Unit: persons)



Flextime Work System

HL D&I Halla implements a flexible working hour system to improve the quality of life and work-life balance of its employees. We guarantee the rights of employees to choose reasonable working hours by implementing various flextime policies such as flexible working hours, flextime e work hours, compensatory leave, and deemed working hour system on a three-month basis. We strive to improve the ways we work and work culture so that our employees can strike a work and life balance and enjoy a better quality of life.

Flextime Work System of HL D&I Halla

Three-month flexible working hour system	Additional wages paid for hours exceeding 40 hours per week based on eight working hours per day
Flextime work hours	Employees can chose time to start work between 8 a.m. and 10 a.m. based on eight working hours per day
Compensatory leave	In case of overtime work, compensatory leave is provided according to the statutory rate
Deemed working hour system	An employee who goes on domestic business trips, holiday, training, and reserve forces service is deemed to work for eight hours per day

Average
work-from-home
rate in 2022

11.2%



Retiree Support System

HL D&I Halla operates a retiree support program to support re-employment or social adjustment of retirees. Anyone over the age of 50 years; a person who has worked for more than one year and retired for involuntary reasons; or one who has left the company — can participate in the retiree support program. Going forward, HL D&I Halla plans to provide opportunities for workers to participate in employment and start-up training provided by entrusted training institutions according to their wishes.

Organizational Culture

Creation of a Horizontal Organizational Culture -Agile (Love Yourself)-

HL D&I Halla has created a horizontal organizational culture for smooth communication among employees. In 2021, we introduced the 'Agile (Love Yourself)' corporate culture, and implemented the '3 Don'ts and 3 Dos' and 'LATTE MARIA' campaigns to establish a corporate culture. The '3 Don'ts and 3 Dos' is a campaign to improve work methods that abide by the three prohibitions and three practices to create a corporate culture that creates more value with less work. 'LATTE MARIA' is a campaign seeking changes of leaders through changes in mindset and attitude that leaders should have to create a new and paradigm-shift corporate culture.

'LATTE MARIA' Campaign

Direction for change of leader	L	Later · Leader is the last person to speak in a meeting or discussion
	A	Agile · Leader makes prompt approval and reporting
	T	Trust · Leader trusts employees even if they fail
	T	Tell · Leader provides information to team members
	E	Encourage · Leader encourage members and share the reason and solution
Direction for systematic support	M	Main consulting · Operation of psychological counseling center and internal grievance center
	A	Award of leader · Multi-dimensional evaluation and reflection of evaluation when appointing site managers
	R	Respect each other · Expansion of the organization activation program
	I	Information of fearless team · Provision of related education and books
	A	Award for failure · Giving awards even for failure

'3 Don'ts and 3 Dos' Campaign

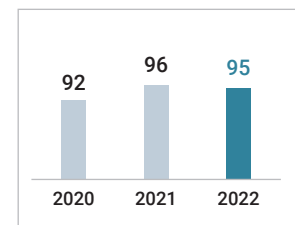


Labor-Management Relations

HL D&I Halla prioritizes trust and harmony between the company and its employees, and operates a labor-management council for the purpose of promoting common interests. The labor-management council holds meetings at least four times per year, and the labor union has three full-time members including the chairperson. We conclude collective agreements every two years, and notify the labor union in advance of any significant changes in business operations in principle.

Labor union membership rate

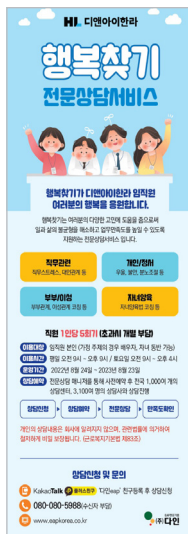
(Unit: %)



Benefit Packages

HL D&I Halla operates benefit packages to create a work-life balance culture. HL D&I Halla offers welfare programs such as mortgage subsidy, health checkup, family-event support, club activities to ensure optimal working environments and to improve quality of life for employees.

Housing expense	Loans for housing stabilization of the employees are provided at annual 3% interest rate when purchasing or renting a house
Accommodation subsidy	Accommodation fee support is provided for field workers
Moving expenses	Actual moving expenses caused by relocation are reimbursed considering the region, distance, etc.
Health checkups	Regular medical checkups are performed for all employees so that they can stay healthy and prevent illnesses
Customized comprehensive health checkups	Regular comprehensive medical checkups are carried out for employees and their spouses over a particular age or position
Support for family events	When there is a family event, family event leave, a family event allowance and a wreath are provided
Operation of a cooperative body	Promoting welfare and mutual aid among employees
Club activities	Support for in-house club activities such as soccer, bowling, fishing, marathon, Giuhoe (go), hiking, photography, etc.
One Heart Grand Festival	Sports day or related events are held annually for physical training and to improve the morale of employees
ESOP operation	When capital is increased by issuing new stocks, within 20% of the stocks issued are allocated to members of the Employee Stock Ownership Association
Anniversary events	A founding anniversary fund is given to all employees to commemorate the founding of the company
Travel expenses	Support for holiday expenses, travelling expenses for visiting hometowns during the national holidays, gimjang, etc.
General expenses	Support for domestic and overseas business travel expenses, starting a new post domestically and overseas, etc.
Transportation expenses	Support for transportation fees and downtown transportation costs
In-house welfare card system	Welfare points are given to promote the welfare of employees and provide benefits from using credit cards
School tuition	Support is given for kindergarten, middle and high schools and college registration and tuition fees for employees' children



Halla Finding Happiness
(Professional psychological counselling)

Human Rights Management











Human Rights Management Policy

HL D&I Halla is operated according to the common human rights management system of the HL Group so that human rights issues can be considered in all processes of corporate activities. In 2021, we announced human rights management through the publication of the Human Rights Declaration, and established a human rights management organization and promotion system that systematically manages human rights issues led by the Group Human Rights Management Committee. We established guidelines for implementing human rights management to practice human right management, conducted human rights impact assessments, human rights fact-finding surveys to enhance stakeholder awareness of human rights, and evaluated the effectiveness of grievance-handling systems. HL D&I Halla will continue to improve human rights management and strive to instill human rights management.

Mid- to Long-term Goals for Human Rights Management	Unit	2023	2024	2025
Scope of human rights impact assessment	%	Head office	Subcontractors 10% expanded	Subcontractors 30% expanded
Ratio of employees who are provided human rights training	%	99	100	100

2022 Human Rights Impact Assessments

· Evaluation Indicators: 100% application of the 'Human Rights Management Guidelines and Checklist' of the National Human Rights Commission of Korea

	1	2	3	4	5	6	7	8	9	10
Evaluation items	Establishment of a human rights management system	Non-discrimination in employment	Guarantee of freedom of association and collective bargaining	Prohibition of forced labor	Prohibition of child labor	Guarantee of industrial safety	Responsible supply chain management	Protection of stakeholder human rights	Guarantee of environmental rights	Consumer protection and employee information protection
										

Human Rights Impact Assessments

HL D&I Halla conducts human rights impact assessments to pre-empt human rights violations that may occur throughout the operating system of the company, and to improve risks. The human rights impact assessments help us to understand in advance actual and potential human rights risks that may occur throughout the business activities of the company. The evaluations were conducted in 10 areas, and the average achievement rate of human rights management by area was evaluated at about 83.7%. In 2022, we established a department (Green Management Team) dedicated to the improvement of the 'Environmental Rights Protection,' which was identified as an area in need of supplementation as a result of the human rights impact assessment of the previous year. In addition, we carried out improvement activities such as monthly environmental performance information collection from head office and worksites, semi-annual evaluations on all worksites, and establishment of a disaster-response system.

Ratio of workplaces subject to human rights impact assessments

100%



Human Rights Risk Management

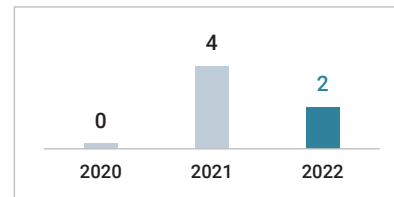
HL D&I Halla manages human rights risks to prevent and mitigate risks based on the results of human rights impact assessments. We are minimizing the impact of human rights risks through the prior inspection and prevention of human rights risks. Moreover, we are expanding the subject of human rights risk reviews to include worksites and supply chains, and include the risk-inspection issues as key indicators in the ESG management evaluation of subcontractors, assigning accountability to a company in charge.

Human Rights Management

Prevention of and Remedies for Human Rights Violations

HL D&I Halla is operating a human rights management council to prevent human rights violations. In 2022, there were two cases of harassment at work, and the HR Committee took strict disciplinary actions such as dismissals and wage reductions. HL D&I Halla takes such incidents seriously, and will remain committed to implementing human rights management so that the number of workplace harassment incidents can be reduced to zero again in 2023.

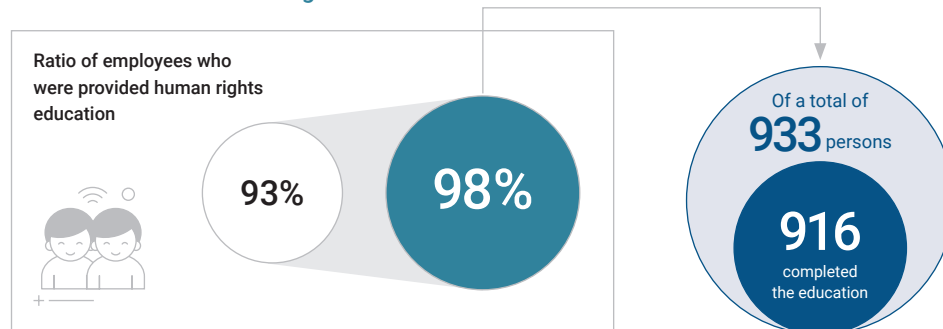
Occurrence of discrimination and harassment incidents (Unit: cases)



Education on Human Rights

HL D&I Halla conducted online training once per year (4 hours) for all employees so that they can always be aware of the importance of human rights. In 2022, we conducted human rights education such as 'prevention of workplace harassment' and 'gender equality culture through prevention of sexual harassment' for 1,114 employees, sharing information to prevent human rights violations and protecting and promoting human rights at the workplace. Going forward, HL D&I Halla will take the lead in creating a healthy working environment based on human rights education.

Current Status of Human Rights Education



Grievance Handling System

HL D&I Halla operates a 'grievance handling system' supervised by the labor-management council to identify human rights issues related to employees. Employees can report human rights issues, if any, to the HR Team or labor union. Reports received via e-mail, phone, or in writing are strictly confidential. HL D&I Halla implemented mitigation measures immediately in a total of two cases reported through the grievance handling system, and carried out improvement activities based on the final results.



Evaluation of Grievance- Handling Effects

HL D&I Halla evaluated the effectiveness of the grievance handling system to regularly evaluate and manage the effectiveness of the grievance-handling system. Based on the CSR Europe's Management of Complaints Assessment Results report, we conducted an evaluation with a checklist consisting of eight major principles, and share casebook of best practices with all members of the company. Furthermore, we use the evaluation results to improve our grievance-handling system.

Grievance-Handling System Effectiveness Evaluation Process



Grievance Handling System Effectiveness Evaluation Items

	Evaluation criteria	Details
1	Legitimacy	Participation of various stakeholders and experts
2	Accessibility	Accessibility and promotion of the grievance-handling system /activation of education
3	Predictability	Clarification of roles of senior management and procedures
4	Equity	Support for victims and vindication procedures for the accused
5	Transparency	Transparent disclosures of progress and processing results
6	Suitability of rights	Confirmation of possible human rights violations, protection of the reporter's rights
7	Continuous learning/improvement	Monitoring through indicators and reflection of improvements in the system
8	Basis of dialogue and engagement	Procedures for active participation of channel users

WITH GREEN

Key Figures



Ratio of workplaces
with environmental
management system
certification **100%**



Purchase of
eco-friendly products
KRW **87.39** billion



Environmental audits
59 cases



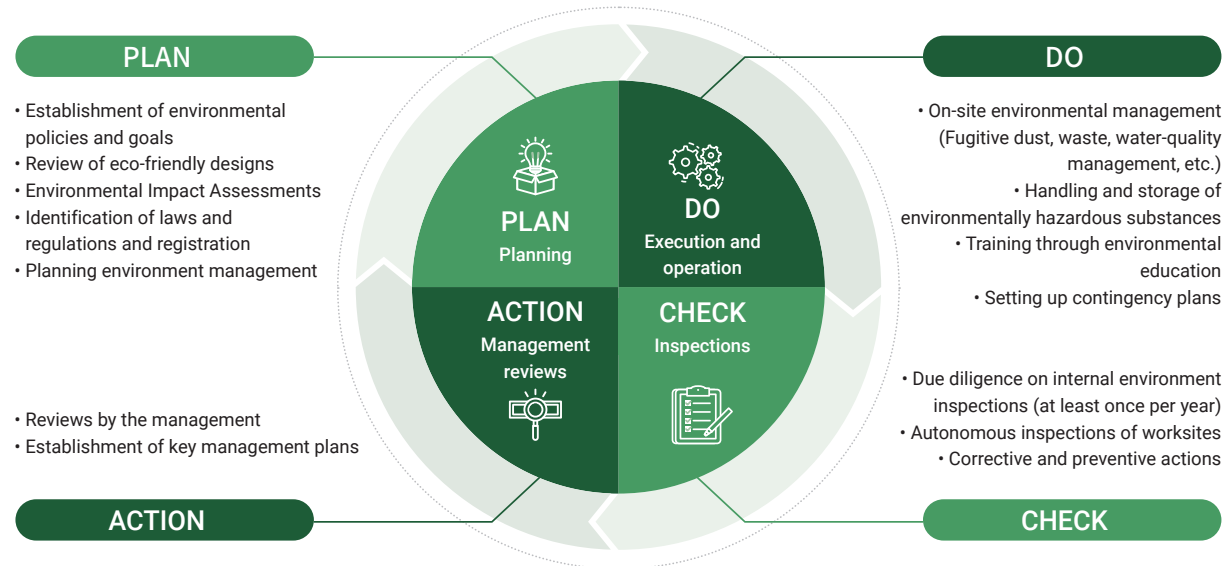
Number of violations
of environmental laws
0 cases

Environmental-Impact Management

On-site Audits of Sustainability Management

HL D&I Halla conducts an internal audit of all worksites once per year in accordance with the internal management regulations, sustainability management worksite audits and environmental-management procedures, and implements corrective actions accordingly. This has allowed us to identify improvement directions by evaluating excellent environmental management cases and insufficient areas by worksite. According to the results of environmental audits and major environmental performance evaluations, we present the 'Sustainable Management Award' to excellent worksites. For major environmental performance evaluations, we evaluate the level of efforts to reduce greenhouse gases and energy-use and waste-emissions for each worksite, and reward excellent sites and site managers to increase their ability to practice environmental management. HL D&I Halla reports the on-site environmental management status to the BOD and the CEO on a semi-annual basis for company-wide worksite environmental management, and we strive in various ways to comply with environmental laws and increase legal responsibility at all worksites.

Environmental Audit PDCA Process

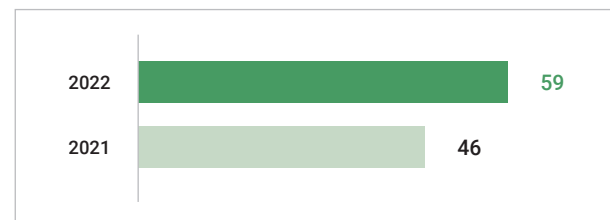


Environmental-Impact Assessment

HL D&I Halla conducts a pre-environmental impact assessment at the beginning of construction to minimize the impact it may have on the surrounding environment while carrying out the construction. Based on the assessment results, we derive and manage key environmental management items, and select environmental factors for intensive management for each workplace to strengthen pollution-prevention activities. In addition, we are actively responding to compliance risks by institutionalizing environmental-consulting by external experts for major workplaces.

Workplace Subject to Environmental Audit

(Unit: number)



Ratio of domestic workplaces with environmental-management system certificates

100%

Environmental-Impact Management

Environmental-Accident Response Process

HL D&I Halla has established an environmental-accident response process to minimize damage in the event of an environmental accident. We conduct semi-annual simulation training according to response scenarios considering plausible environmental impacts and risks, and continue the training to respond immediately in the event of an actual accident.

Environmental-Accident Response Process



Compliance with Environmental Laws and Regulations

HL D&I Halla has established an internal management system that manages and responds to major environmental laws and regulations to maintain zero violations of environmental laws and regulations. In addition, we analyze potential environmental risks resulting from corporate activities to establish response strategies; identify environmental laws and regulations that must be complied with in corporate activities in advance; and register and manage the legal register in the internal system. Based on the regulatory compliance checklist, we thoroughly manage the compliance to prevent recurrence by sharing the measures and implementation items according to the semi-annual internal audit at all work sites and the monthly environmental management compliance evaluation throughout the company.

Environmental laws and regulations related to the construction industry

Identification of Laws and Regulations and its Registration Education Compliance evaluation Corrective action	Main fields	Major laws and regulations	Regulations	Risk and opportunity factors		Potential financial impact	Countermeasures
	Atmosphere	Atmospheric Environment Conservation Act	Compliance with standards of action for each discharge process	Transformational risks	Reinforced legal requirements Civil complaints from local residents	Increase in facility investment costs and direct/indirect costs for reducing environmental load	IoT-based fugitive dust/noise/vibration monitoring
	Noise/vibration	Noise and Vibration Control Act					Management of non-point source pollution reduction facilities and preparation of operation ledger
	Water resources	Water Environment Conservation Act	Appropriateness of non-point pollution source management standards				Installation of MSDS and bulletin board
	Chemical substances	Chemical Substances Control Act	Appropriateness of hazardous chemical substance management standards		Strengthened policies and regulations	Increase in operating costs due to the introduction of low energy and new renewable energy	Expansion of application in each stage and development of technology
	Greenhouse gases	Framework Act on Carbon Neutrality	Implementation of greenhouse gas reduction				
	Soil	Soil Environment Conservation Act	Secondary pollution prevention measures	Physical risks	Long-term soil degradation	Increase in soil contamination remediation costs	Investment in soil remediation technology
	Waste	Wastes Control Act	Appropriateness of waste separation and disposal	Opportunities	Securing waste-treatment technology	Increase in operating costs for eco-friendly waste disposal	Investment in waste treatment technology and expansion of recycling/reuse

Spreading an Eco-friendly Culture

Environmental Education for Employees

HL D&I Halla continuously conducts environmental education for all employees. In addition to the on-site environmental training, we are conducting environmental education with the goal of raising employees' awareness of ESG management and forming a consensus. A total of 868 employees completed the education over a total of 150 hours. In addition, we provide semi-annual training on environment-related laws, storage and treatment of waste, and implementation of emergency measures to reduce high-concentrated fine dust for site environment managers and head office personnel. In particular, we are distributing work site environmental management guidelines during the winter season when special management is required, and making internal notice on the internal bulletin board when environmental issues arise.

Environment Education Course	
<ul style="list-style-type: none"> Waste disposal Self-diagnosis and countermeasures related to fugitive dust generation 	<ul style="list-style-type: none"> Education on compliance with ESG-related laws On-site environmental management and dissemination of accident case

Environmental Education for Subcontractors

HL D&I Halla conducts environmental education for the site managers and supervisors of subcontractors to promote the improvement of subcontractors' environmental performance. For newly opened work sites, we visit the sites to conduct customized training on environmental management issues considering the characteristics of the sites and support the establishment of an environmental management system. In particular, we are providing training on management of work site and surrounding areas, groundwater management guidelines to enhance the subcontractors' awareness of environment.

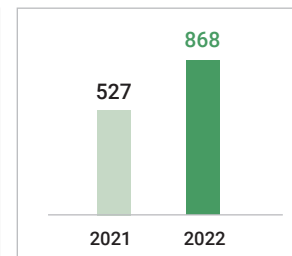


Environmental education for subcontractors



Environmental education for employees

Number of people who completed environmental education (Unit: persons)



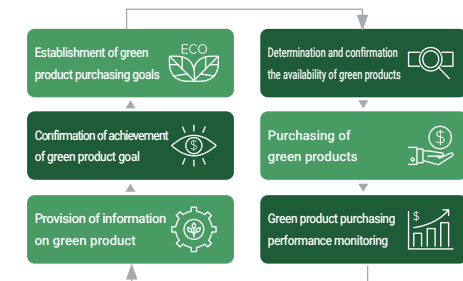
Green Purchasing Policy

HL D&I Halla, as a producer and a consumer, establishes green product purchase and sales policies and establishes and implements a green product purchase process to contribute to the expansion of eco-friendly products consumption. We plan to actively purchase eco-friendly products to promote the demand for eco-friendly products in the market while expanding the items for green purchase to realize eco-friendly construction.

Green Purchasing Policy



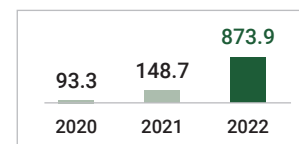
Green Product Purchasing Process



Eco-friendly Supply Chain

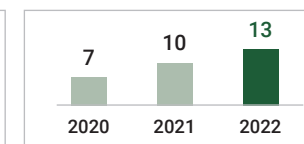
HL D&I Halla manages its supply chain to consider environmental accountability throughout the supply chain as well as the company. To manage the eco-friendly supply chain, we diagnose and evaluate the environmental management risks of subcontractors' environmental strategies and environmental management every year, and when selecting a subcontractor, we consider the appropriate implementation of environmental management, environmental management level, environmental impact, and ESG capabilities of the subcontractor. We provide environmental consulting training to a subcontractor in need of improvement to actively support them so that they can achieve sustainable environmental management.

Amount of green product purchase (Unit: KRW 100 million)

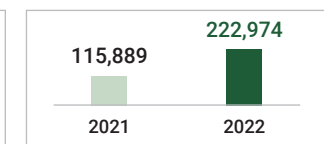


*Total material purchase amount:
In 2021(2,027.2), in 2022(2,117.9)

Number of green products purchased (Unit: number)



Eco-friendly sales (Unit: KRW million)



*Eco-friendly sales: Green building certification + Eco-friendly material cost

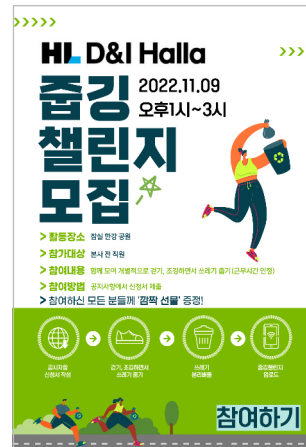
Environmental Preservation Activities

1 Site for 1 Green Activity

HL D&I Halla is actively implementing eco-friendly social contribution activities through the '1 Site for 1 Green' activity with stakeholders for environmental protection. '1 Site for 1Green Activity' is an activity to clean public facilities such as the natural environment around construction sites and streets and parks together with local governments and local residents. '1 Site for 1Green' activity is conducted on 'Environment Day' once a month designated by HL D&I Halla, and in 2022, it was conducted at the new construction site of Halla Vivaldi Centro Apartment in Jangyu Station.

'Jub Ging' Challenge

HL D&I Halla conducted a 'Jub Ging' Challenge to raise employees' awareness of environmental protection and contribute to environmental cleanup in the local community. Jub Ging means a plogging activity, an environmental protection activity through which picks up garbage while jogging or walking. About 50 employees participated in the Jub Ging Challenge, and it was conducted for a 1 hour 30 minutes walking course starting from the head office. The Jub Ging Challenge, which was held with the active participation of employees, served as a time to renew awareness of health and environmental protection.



1 Site for 1 Green Activity

Jub Ging Challenge

Paperless, Smart Office Environment

HL D&I Halla has created a paperless and smart office environment to reduce carbon and waste emissions. By utilizing MS-Teams, which is used throughout the company, we held meetings without separate printed materials by creating and sharing meeting materials online for weekly meetings. In addition, we held non-face-to-face meetings between the head office and the work site to save energy required to travel from the site to the head office. Furthermore, we are minimizing waste generation by producing digital mock-ups. Digital mock-up is a digitalized mock-up made by applying a full-scale or scale before manufacturing a product. A lot of construction waste is generated in the process of building and dismantling actual model houses and mock-up units on site, but we are replacing them with digitalized mock-up to reduce waste.

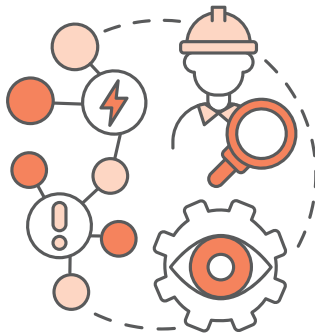
'Ripping (and) Separating' Challenge

HL D&I Halla implements the 'Ripping (and) Separating' Challenge to improve resource efficiency. The 'Ripping (and) Separating' Challenge is an activity to properly separate and dispose of paper cups and plastics for a healthy and clean environment. Employees participated in the challenge to learn about and practice resource recycling, raising their environmental awareness as well as laying the groundwork for realizing a circular economy. Going forward, all employees of HL D&I Halla will strive further by preparing various programs that can be continuously practiced for environment.



WITH PARTNER

Key Figures



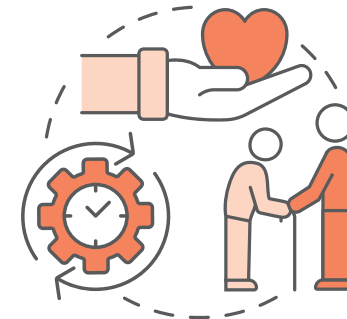
Implementation of
quality inspection
35 times



Published **18** defect
casebook for quality
management education
(Published annually since 2005)



Employees
social contribution amount
KRW **154.83** million

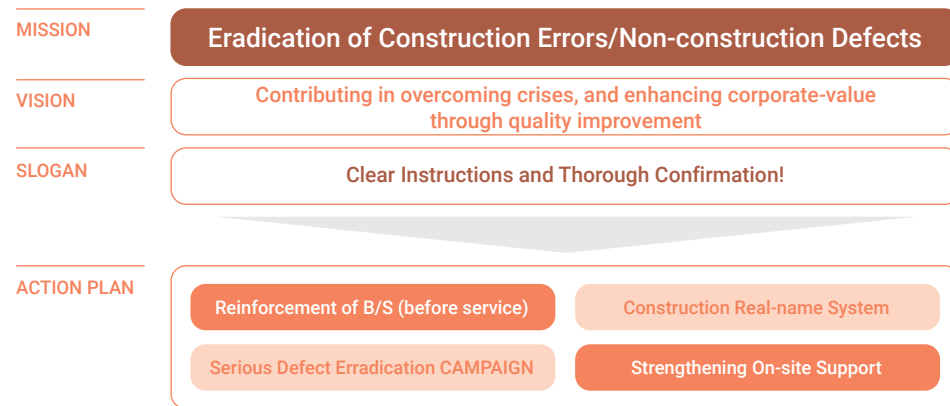


Total volunteer hours
470 hours

Quality Management

Quality Management Strategy

HL D&I Halla establishes quality management strategies to provide excellent products and services to customers, and practices such strategies in all stages of business activities.



Priority Plan in Quality Management

01	Strengthening B/S activities	<ul style="list-style-type: none"> - Intensive management of A&C PLUS 4-stage (Advise & Check) - Conveying key quality-control issues and advice before starting construction /Check during construction
02	Construction Real-name System	<ul style="list-style-type: none"> - Quality history management system, strengthening QC inspection by work type, introduction of construction real-name system
03	Serious- defect Eradication CAMPAIGN	<ul style="list-style-type: none"> - Conducting once per quarter with management and subcontractors
04	Enhancing technician competency through on-site support/training	<ul style="list-style-type: none"> - Dispatch of support personnel to the worksites for each work type (under implementation in the landscaping sector) - Implementation of employee and subcontractors training (standards, defect cases, revised laws, etc.)

Quality Control Process

HL D&I Halla conducts a three-stage pre-quality inspection with an external professional organization to satisfy various quality requirements of customers. We are conducting thorough quality inspections in all processes — from the commencement of construction to 2~3 months before completion of construction.

Classification	Stage 1	Stage 2	Stage 3
Times for Inspections	After obtaining business approval (commencement of construction)	After completing the mock-up house (40~50% process rate)	Two to three months before completion of construction
Checklists	<ul style="list-style-type: none"> • Review design drawings and sales catalogs • Inspect M/H construction status • Check issues such as recent defects, civil complaints, and lawsuits • Identify unreasonable parts of drawings and specifications and violations of related laws 	<ul style="list-style-type: none"> • Conduct on-site mock-up survey: design drawings, specification, M/H conformity • Establish countermeasures for the causes of defects and violations of laws and regulations • Confirm the changed construction site 	<ul style="list-style-type: none"> • Review changes in as-built documents (drawings, specifications) • Establish a personnel, plan and litigation plan
Expected effects	① Reduction of defect rate ② Flexible response to defects and civil complaints ③ Improvement of quality and strengthening of brand image through prevention of civil complaints and defects ④ Reinforcing sense of responsibility for employees and subcontractors		

Quality-Management System

HL D&I Halla has a quality-management system that prioritizes customer satisfaction, and has acquired ISO 9001 certification, a global quality-management system, and is practicing quality management.



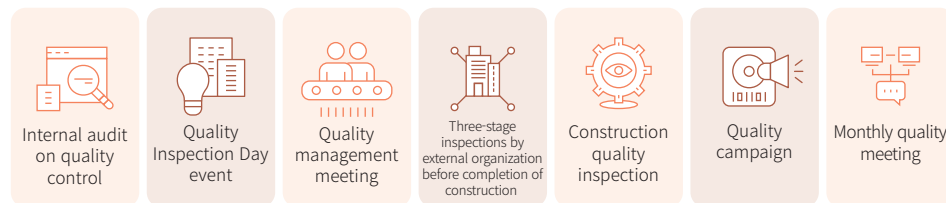
Quality-Management System Certification

Quality Management

Quality Improvement Activities

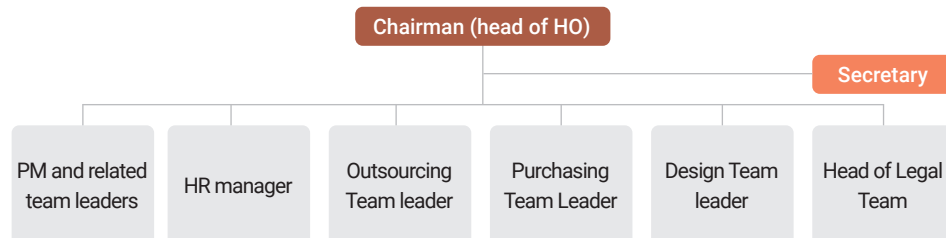
HL D&I Halla practices quality management through internal audits on quality control, quality inspection day events, and quality management meetings. We discuss quality improvement measures through meetings with subcontractors, and conduct regular/frequent on-site inspections to prevent defects and improve quality. HL D&I Halla plans to carry out continuous quality improvement activities through the unrivalled quality management.

Quality-Management Activities



Operation of Quality-Evaluation Committee

HL D&I Halla operates a Quality-Evaluation Committee to establish a quality-evaluation process for quality improvement and to raise the sense of responsibility for quality management. The Quality-Evaluation Committee leads investigation and reporting upon occurrence of any issues resulting from on-site safety-quality inspections and operational problems, and has the right to make decisions. In case of issues arising due to on-site quality, environment, operation, etc, the Committee holds a meeting within 15 days from the day when an issue such as site quality, environment, operation, etc. occurs.



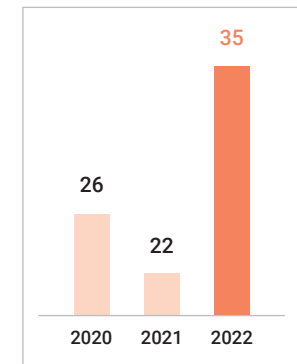
Conducting Quality Audits

HL D&I Halla conducts quality audits for all sites to provide safe and high-quality products. Based on the quality-environment rules and the in-house construction evaluation system, we are evaluating compliance with laws and internal goals, and conducting inspections by process rate to frequently manage any major defects.

Quality Audit Results Correction Process



Number of Quality Audits (Unit: cases)



Quality Management Education

HL D&I Halla conducts on-site quality management education. We have established a quality-information sharing process for each site to share the latest laws and construction guidelines, and to improve quality through communication with the site. In particular, since 2005, we have been publishing and distributing a defect casebook every year to achieve high quality and customer satisfaction by preventing serious and recurring defects preemptively, and we have been creating training videos to share priority quality control issues by type of work.

Publishing Defect Casebook (Published annually since 2005)



18 cases

Producing Training Videos



42 types of work

Customer Satisfaction

Product and Service Safety Principles

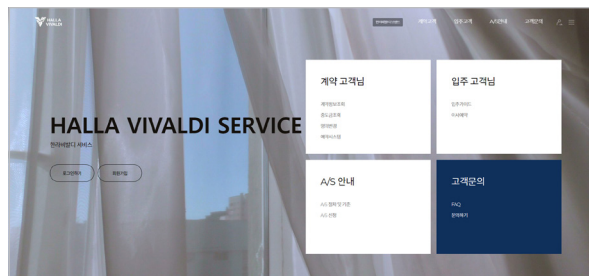
We consider customer and consumer safety management as an essential element to improve customer satisfaction. HL D&I Halla distributes guidebooks for daily life to occupants in the complex to ensure the safety of occupants. We always strive to ensure the safety and health of our customers by guiding the location, usage, management standards, and emergency measures for safety-related facilities such as safety facilities, security facilities, and firefighting facilities in complex facilities and households.



Guidebook for Daily Life

Customer-Satisfaction Enhancement Program

HL D&I Halla strives not only to respond to customers' inquiries and complaints about all products sold, but also to operate online and offline communication platforms such as customer suggestions and customer information to ensure smooth communication with customers and improve customer satisfaction. We are providing professional customer service through phone and e-mail which are the representative online/offline communication platform, and we are running systematic customer satisfaction so that customers can have a satisfactory experience from the beginning to the end of product sales, such as purchase, construction, and move-in, through the voice of customers on the customer website. HL D&I Halla is making continuous improvement to satisfy the needs of consumers, such as sharing the construction progress on the occupants' homepage in real time, in response to requests from consumers for the construction progress.



Customers home page

Number of opinions received (in 2022)
through voice of customers







100%
processed
427 cases

Provision of Fair Trade Information to Consumer

HL D&I Halla transparently provides accurate and sufficient information on all products sold to protect consumers. Information on products sold (residential products, commercial facilities) is disclosed through product descriptions, such as notice to recruit occupants and commercial facility sale notices, and written contracts.

In addition, we actively provide information on major product issues and handle consumer inquiries and notable points through professional counselor when operating a model house or gallery to ensure consumers' reasonable choices. In particular, for residential products, we are taking the lead in expanding accessibility of customers so that they can obtain information on products even without face-to-face meeting by operating a separate website and cyber model house for each product for sale. Going forward, HL D&I Halla will continue to strive for fair contracts based on trust and for the comfortable and safe life and satisfaction of customers.

Details of Information Disclosed for Customers

 Basic Information on Products	 Information on Product Price
<p>Notices related to the complex, such as location, specifications, defect repair, insurance, move-in procedure, site, mobile communication facilities, etc.</p>	<p>Information on payment method, contract cancellation, cancellation penalty, discount and delay damage, intermediate payment loan, etc.</p>
 Information on Rights to Product	 Information on Contractor
<p>Resale of presale rights on apartment, transfer of ownership, etc.</p>	<p>Agreement on the collection and usage of personal information, etc.</p>

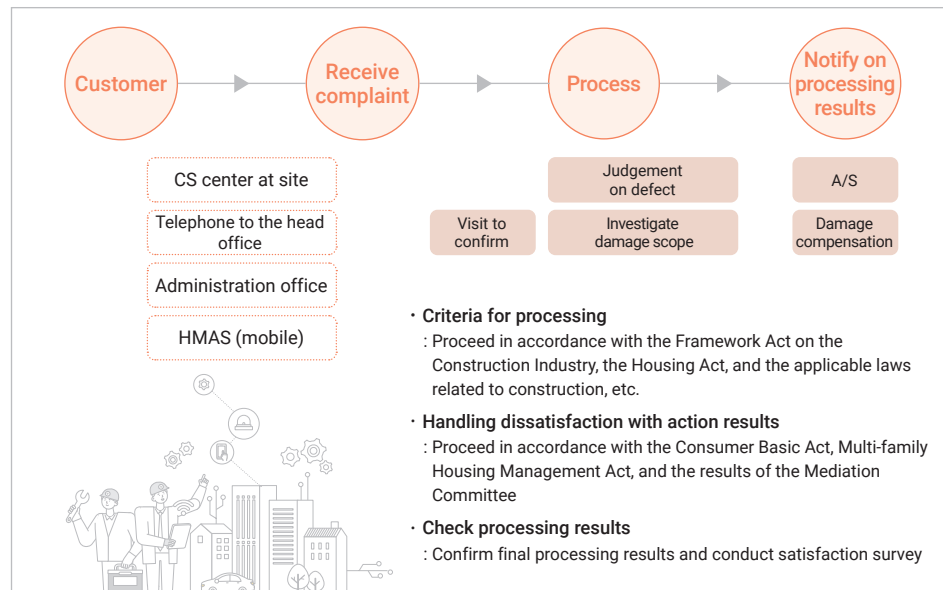
Customer Satisfaction

Customer Complaint Handling Process

HL D&I Halla receives and handles customer complaints according to the customer complaint handling process. Customers can report complaints in various ways, including wired and mobile device, in accordance with relevant laws and internal processing standards, such as the Framework Act on the Construction Industry. Complaints reported are processed transparently and fairly according to defined procedures, and the process result is notified to the customer. In addition, we are enhancing consumer convenience and accessibility by disclosing the damage compensation standards and procedures on our website and occupant guidebook.

Mid-to long-term goal of consumer rights protection	Unit	Short-term	Mid-term	Long-term
Customer satisfaction	Score	Building a satisfaction survey	70 score of higher	90 score of higher
Customer complaint resolution rate	%	85	90	95

Defect Management Process



Mobile Defect Management System

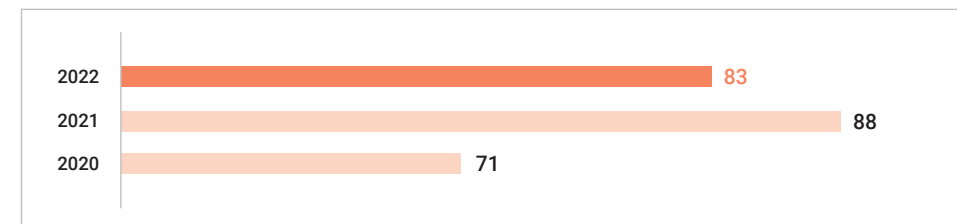
HL D&I Halla operates a mobile defect management system, Halla Mobile After Service (HMAS), to enhance customer convenience. With HMAS, we are handling occupants' complaints on defect promptly and efficiently, and carrying out overall defect management, such as after service (AS) after receiving report on defects, to improve customer satisfaction.

Mobile Defect Management System Processing Procedure



HMAS Processing Rate

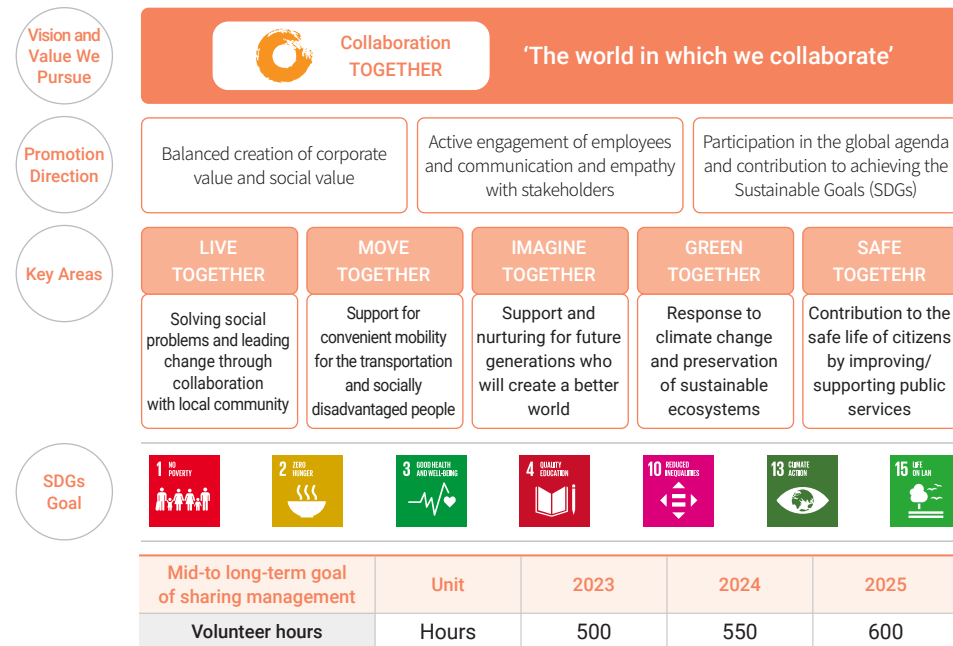
(Unit: %)



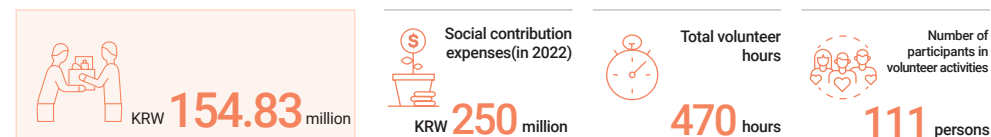
Sharing Management

Sharing Management System

HL D&I Halla practices sharing management to create social value, which is a corporate social responsibility. We actively carry out social contribution activities, and quantitatively manage the resources and performance invested to secure the continuity and effectiveness of sharing management activities with the recognition that involvement in local community can be a stepping stone for long-term growth of the company. Going forward, HL D&I Halla will continue to engage in various sharing activities in each key area so that it grows with the local community.



Employees social contribution amount



LIVE TOGETHER

Taking the lead in resolving social issues through collaboration with the local community

Support for Elderly Care in the underprivileged

HL D&I Halla delivered 150 boxes of meal kits for under privileged elderly citizens to the Songpa Senior Welfare Center for the New Year 2022. Employees participated in all the process from purchasing meal kits consisting of instant rice cake soup, seaweed set, and piece of cake to packaging. Furthermore, HL D&I Halla has been constantly supporting for elderly care for the people underprivileged by delivering rice cakes for rice cake soup on New Year's Day, songpyeon on Chuseok, and carnations on Parents' Day, and will continue to provide support for the elderly in the underprivileged.

Delivery of Happiness Sharing Kits to Veterans

HL D&I Halla delivered the 'Happiness Sharing Kits for Patriots and Veterans' for the people underprivileged of veterans residing in Songpa-gu, Seoul, in celebration of Patriots and Veterans' Month. The employees of HL D&I Halla packaged the sharing kits by themselves with a grateful heart. The Happiness Sharing Kits consisted of food and bedding sets, and we also delivered microwave ovens and rice cookers to persons of national merit who are in more straitened circumstances. In addition, HL D&I Halla has been delivering appreciation gifts to employees and parents of national meritorious persons or their spouses every year in the Patriots and Veterans' Month, and it plans to continue activities for national meritors in the future.



Support for Elderly Care in the underprivileged



Support for the Elderly Veterans

Sharing Management

IMAGINE TOGETHER

Support and nurture future generations who will create a better world

Sharing Activities for Children

HL D&I Halla practices sharing activities to be with young people in the local community so that children, who will be the future leaders, can grow healthy through various experiences without being denied their childhood experiences due to reasons such as family circumstances. In 2022, we supported activities such as cultural experience (Amusement Park), job experience (Korea Job World), and improvement of environment in sheltered facilities (Community Child Center) for children from the underprivileged. In addition, we supported a total of 184 children last year through employment support (provision of laptops) for the end-of-care children so that they can grow as independent members of society. Going forward, HL D&I Halla will continue to carry out sharing activities for less privileged children.



Sponsorship Activities for less privileged Children

Sharing Activity through Mural Painting

In December 2022, HL D&I Halla carried out a mural painting activity at the 'Akkeongmu (fellowship)' Regional Child Community Center in Siheung-si, Gyeonggi-do. The Akkeongmu Regional Child Community Center is an integrated regional child community center used by both disabled and non-disabled children. HL D&I Halla employees painted murals depicting children freely flying around the world to make the small auditorium in the child community center a space full of energy and affection. We hope that the murals can deliver our desire for children to have dreams and hopes while looking at the murals well, and we will continue to carry out activities for future generations.



Mural Sharing Activity at Siheung Regional Child Community Center

Industry-Academia Cooperation with Halla University

HL D&I Halla signed an agreement for industry-academia cooperation with Halla University to revitalize the construction and safety industries. HL D&I Halla and Halla University share the importance of fostering future talent based on field education in the field of safety and construction, and plan to carry out personnel and technology exchanges, field experience in the construction and safety industry, and student mentoring systems. In addition, students from the Department of Civil Engineering and Architecture of Halla University had the opportunity to have site experience by touring the construction site of HL D&I Halla. Through on-site experience, they had an opportunity to improve their understanding of construction and apply theoretical knowledge they learned at school to the work on site through a Q&A session with staff in charge of each process.



Industry-Academia Cooperation Activities with Halla University

Sharing Management

Sponsored HL Anyang Ice Hockey Club

HL D&I Halla is sponsoring the 'HL Anyang Ice Hockey Club'. The HL Anyang Ice Hockey Club was founded by the HL Group in 1992 and won the '2022 Korea Ice Hockey League' title in 2022, the gold medal at the '103rd National Winter Sports Festival', and the '76th National Comprehensive Ice Hockey Championships', proving itself as the best ice hockey club in Korea that won the championship. The HL Anyang Ice Hockey Club takes the lead in sharing through sports by inviting the underprivileged to watch games during the ice hockey league. HL D&I Halla contributes to fostering domestic ice hockey players, improving performance, and expanding the base of winter sports through active investment and support, as well as making society healthy through lively sports.



HL Anyang Ice Hockey Club

GREEN TOGETHER

Tree Sharing Campaign

Since 2021, HL D&I Halla has been participating in tree sharing campaign with HL Group to respond to climate change and preserve sustainable ecosystems. Tree sharing is an activity in which employees grow trees and deliver them to underprivileged neighbors and elementary schools, thereby delivering a message of hope. In 2022, we delivered trees to a welfare center for the elderly near our workplace and participated in the creation of forest led by the residents in Hongcheon-gun, Gangwon-do. In addition, to restore forests damaged by forest fires, the company supports forest restoration projects in proportion to the scale of trees grown and shared by employees.



Tree Sharing Activities

Response to climate change and preservation of sustainable ecosystems

Plogging at Memorial Facility in Patriots and Veterans' Month

In June, the month of Patriots and Veterans, 30 employees of HL D&I Halla conducted a plogging activity to commemorate the memorial facility and clean up the environment. Employees had a time to remember the patriotic spirits who sacrificed themselves for the country, alone or with family and friends, pick up garbage around the memorial facility, and wipe the dust off the statues. It was a meaningful time to reflect on the sacrifices of veterans while participating in protecting the planet through environmental cleanup activities at the memorial facility.



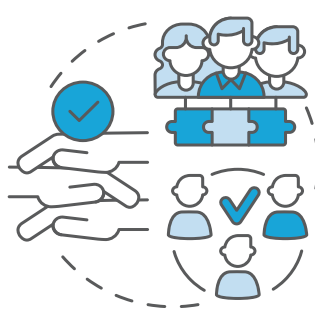
Plogging at Memorial Facility in Patriots and Veterans' Month

WITH GOVERNANCE

Key Figures



Pledge of Security and
Compliance by all employees
100% participation rate



Securing Diversity of
the BOD and Appointment of
Female Directors



1,047 People
Completed Integrity
Management Training Course

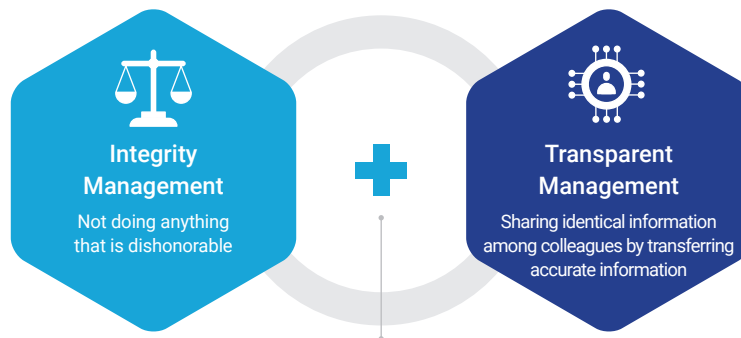


Integrity Management
Training Hours per Person
5.2 hours

Integrity Management

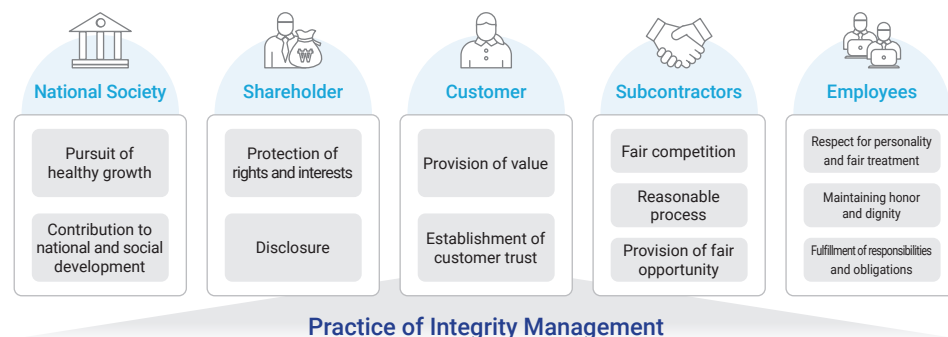
Integrity Management Philosophy

HL D&I Halla has the philosophy of Integrity Management as its founding spirit and core value. Based on Integrity Management, we are fulfilling our corporate responsibilities and obligations through transparent and appropriate decision-making that is faithful to principles and basics. We are committed to being honest with customers by practicing integrity management, striving to protect shareholder rights, pursuing win-win growth with subcontractors through fair trade, and providing rewarding and happiness to employees to grow into a competitive company that gives trust to stakeholders.

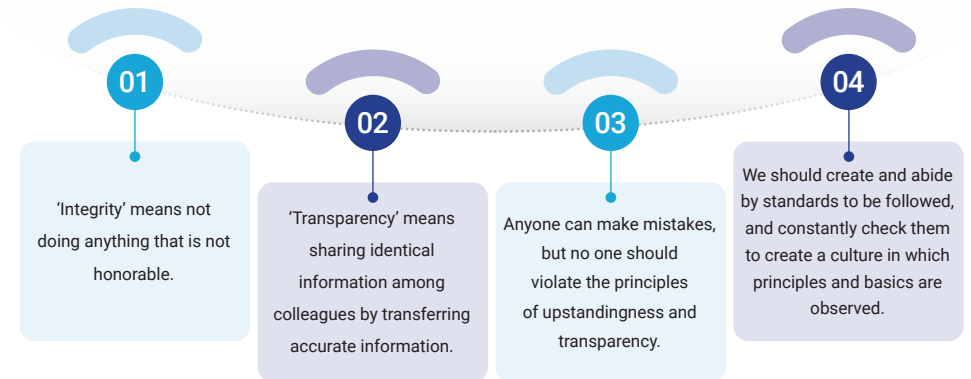


A culture where the principles and basics are observed

Anyone can make mistakes, but no one should violate the principles of upstandingness and transparency

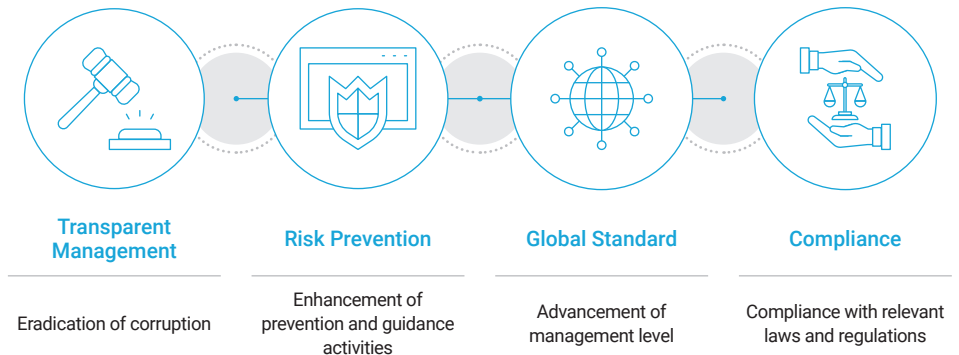


Integrity Management Philosophy



Four Principles for Integrity Management

With the pride of being an HL member, we must always conduct work rightly and fairly based on a behavioral pattern of sincerity, faithfulness, and honesty.

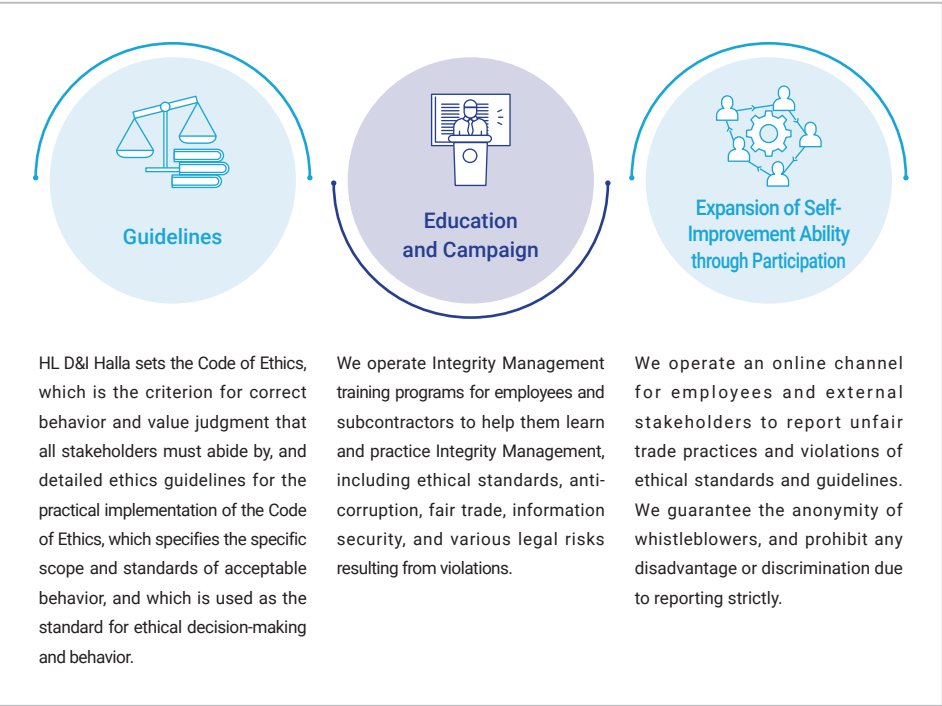


Integrity Management

Practice of Integrity Management

HL D&I Halla has established Integrity Management practice system to fulfill its social responsibilities and obligations. We present practical methods through guidelines and encourage the practice of Integrity Management through the periodic training and campaigns for employees and subcontractors.

Practicing System



Code of Ethics and Detailed Ethical Guidelines

HL D&I Halla established its Code of Ethics that all stakeholders must abide by for rational and fair management. In order to fulfill the Code of Ethics, we have established Detailed Ethical Guidelines, which specify specific permissible ranges and standards for behavior as a standard for decision-making and behavior. In addition, we are providing regular ethics training so that all employees can abide by the Code of Ethics and raise their ethical mindset.

Code of Ethics



We establish and practice the Code of Ethics as standards for correct behavior and value judgment.

We, HL, based on the Integrity Management, the Group's founding philosophy, maximize the public values by respecting human beings, contributing to the nation and society, and pursuing efficient and ethical management activities in creating a future in which we pursue challenge. We respect the order of the free market economy, which seeks free and fair competition, and pursue common interests with stakeholders based on mutual trust and cooperation, thereby continuously developing to become a leading global company. Accordingly, we establish the Code of Ethics as the basis for correct behavior and value judgments that all stakeholders of HL Group, including HL employees, subcontractors, and business partners must abide by.

Detailed Ethical Guidelines



For the efficient operation of the Code of Ethics, we establish detailed guidelines for employee behavior.

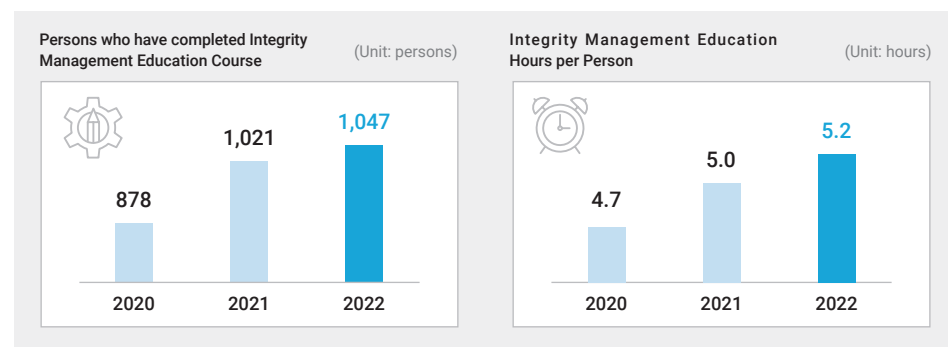
This guideline specifies detailed permissible scopes and standards so that all employees can efficiently abide by the Code of Ethics, and this applies to all employees of the company. All employees shall be committed to establishing an advanced corporate culture by practicing these guidelines as standards for ethical decision-making and behavior.

Integrity Management

Integrity Management Education

HL D&I Halla conducts regular Integrity Management education for all employees every year to internalize Integrity Management. The Integrity Management education consists of integrated education on information security, and personal information protection. Internal accounting management training is also provided for relevant departments. In 2022, we conducted education on the Code of Ethics, Detailed Ethical Guidelines, and internal accounting management for all employees and subcontractors.

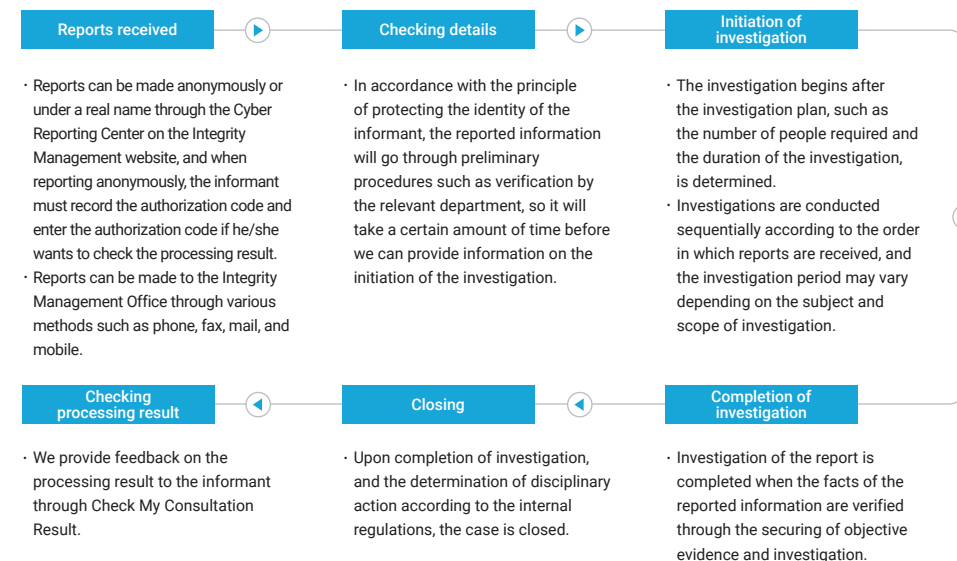
Integrity Management Education Performance



Unethical Behavior Report Channel

HL D&I Halla operates a cyber reporting center to manage and check Integrity Management practices. The Cyber Reporting Center is an open dedicated online channel through which employees and external stakeholders can report unfair disclosure and use of information, acceptance of money and valuables/entertainment, and unfair business activities. Reported unethical behaviors are received and investigated by the Integrity Management Office and HR Team. Disciplinary actions for unethical behavior are taken according to the HR regulations after verifying the facts with the person concerned. In 2022, a total of two reports were received (one case for harassment at work, one case for sexual harassment), and disciplinary action (reduction of salary, etc.) was taken according to the seriousness of each case. In addition, we operate an internal whistleblower protection system to prevent secondary damage that may occur due to internal reports on unethical behaviors and violations of Integrity Management by employees.

Reporting Procedure



Whistleblower Protection System

Confidentiality obligations	<ul style="list-style-type: none"> The first step in protecting whistleblowers is confidentiality Information which may disclose or indicate the identity of the whistleblower must not be disclosed. All employees of the Integrity Management Office must sign a confidentiality agreement to keep the confidentiality.
Obligation to prohibit disadvantageous actions	<ul style="list-style-type: none"> No one can take any disadvantageous action against the whistleblower in terms of status/administrative/economic status for the reason of making internal report, etc. In cases where there are clear concerns about disadvantageous measures, the whistleblower may apply for "No-disadvantageous measures" [Anti-Corruption & Civil Rights Commission]
Reduction of responsibility for voluntary informant	<ul style="list-style-type: none"> Voluntary informants are exempted from responsibility in consideration of the degree of misconduct, usual working attitude, and level of self-reflection when taking disadvantageous action against the informant. Informant who has opportunity for self-reflection through voluntary report will also enjoy confidentiality protection.

Information Security

Information Security Policy

HL D&I Halla operates security management regulations (information security/cyber security policy) to protect corporate information and personal information. The security management regulations are regularly reviewed and revised every year. In addition, based on the security management regulations, upon occurrence of major security issues, we operate the Information Security Committee and working-level committee with the participation and approval of management. If revision of the security management regulations is required, they are revised in compliance with the approval process of the CEO and Group's CISO (Chief Information Security Officer).

Information-Security Response System

Upon occurrence of information-security issues, HL D&I Halla responds in accordance with the 'Security Incident Management' standard specified in the security management regulations. In preparation for an incident, we have established and complied with the 'business continuity management' standards in the security management regulations to minimize the impact on business, and periodically conducted security checks in connection with the failure prevention activities of the HL Group Data Center (GDC) and the Group's Information-Security Team to prevent any security incidents.

Security-Incident Reporting Procedure



Information-Protection Disclosure System

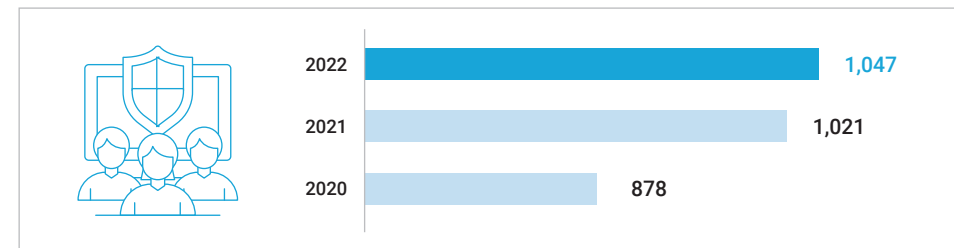
HL D&I Halla complies with information-protection disclosure guidelines in accordance with the mandatory information protection disclosure system and discloses the information protection status of the company. The information-protection disclosure system is a system that discloses information, such as information-protection-related investments, manpower, certification, and activities to the public. HL D&I Halla conducts legal information-protection disclosure in cooperation with the relevant departments in charge of this.

Information-Security Training

HL D&I Halla conducts information-security training at least once a year to secure the effectiveness of information security and raise employees' awareness of information protection. Information-security training comprehensively includes education on information security, personal information protection, and ethical management.

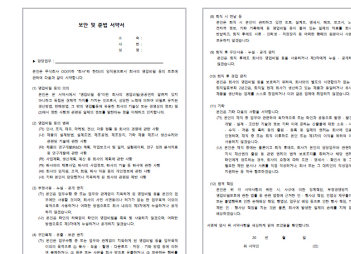
Persons who have completed information-security training

(Unit: persons)



Pledge of Security and Compliance

All employees of HL D&I Halla have agreed to the pledge of security and compliance to raise employees' awareness of security and recognition of Unfair Competition Prevention and Trade Secret Protection Act.



Pledge of Security and Compliance



Governance

Composition of the Board of Directors

The Board of Directors of HL D&I Halla supervises decision-making and management of the company with a comprehensive authority over corporate management for transparent corporate operation. The Board of Directors is composed of four Executive Directors and four Non-executive Directors, who are recommended by the Board of Directors and the Non-executive Director Candidate Recommendation Committee and appointed at the general shareholders' meeting. For prompt decision-making, the CEO concurrently serves as the chairman of the Board of Directors, and manages the BOD in accordance with the board operation regulations to maintain the independence of the BOD and prevent conflicts of interest.

BOD Members

(As of the end of December 2022)

Classification	Name	Gender	Career
 Executive Directors	Chung Mong-won	Male	Current) Director of HL Holdings Current) Director of HL D&I Halla Current) Director of HL Mando Current) Director of HL Klemove
	Lee Seok-min	Male	Current) CEO of HL D&I Halla
	Kim Hyung-seok	Male	Current) Head of HL Group Future Business Department
	Lee Yong-ju	Male	Current) CSO of HL D&I Halla
 Non-Executive Directors	Kim Seung-kyu	Male	Current) Non-executive Director of HL D&I Halla Current) Non-executive Director of Hanwha Savings
	Kim Si-kon	Male	Current) Non-executive Director of HL D&I Halla Current) Professor of Railway Management and Policy Department at Seoul National University of Science and Technology
	Chung Sang-ho	Male	Current) Non-executive Director of HL D&I Halla
	Park Kye-hyun	Female	Current) Non-executive Director of HL D&I Halla Current) Vice President of NC Cultural Foundation

Board of Directors Operation

The Board of Directors of HL D&I Halla convenes regular meeting and ad-hoc meeting. In 2022, the BOD meeting was held nine times to discuss a total of 27 agendas. The directors' attendance rate was 97%. Major agendas related to ESG reported to BOD for discussion include 'Approval of the safety and health plan, Report on the operation of the internal accounting control system, Appointment of members of the Integrity Management Committee, Report on the publication of the Sustainability Report, Approval of the Board of Directors activity evaluation system, and Approval of the enactment of the Corporate Governance Charter.'



- Approval of safety and health plan
- Report on the operation of the internal accounting control system
- Report on the publication of the Sustainability Report
- Approval of revision of the Human Rights Management Declaration
- Approval of the Board of Directors activity evaluation system
- Approval of the establishment of the Corporate Governance Charter

Independence and Diversity of Board of Directors

The directors of HL D&I Halla are appointed at the general shareholders' meeting after being nominated by the BOD and Non-executive Director Candidate Recommendation Committee. Appointed directors are guaranteed independence to freely express their opinions within the Board. From 2021, the first female director of HL D&I Halla has been appointed to increase the diversity of the BOD and secure legal advice as a female legal expert in Korea.

Number of

BOD Meetings Held

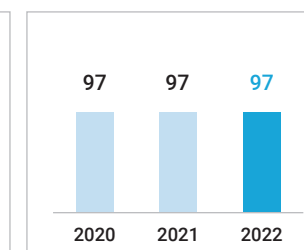
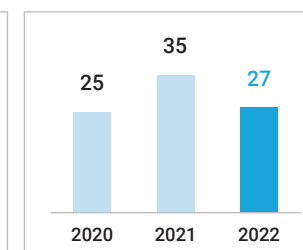
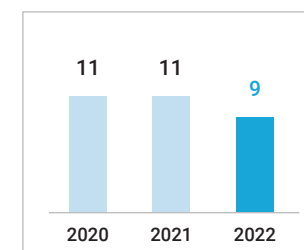
(Unit: times)

Agendas for Resolution

(Unit: cases)

Attendance Rate

(Unit: %)



Governance

Composition of the Committee

HL D&I Halla operates the Audit Committee, Non-executive Director Candidate Recommendation Committee, Integrity Management Committee (ESG Committee), and Management Committee as subcommittees under the Board of Directors. Members of the Committee are appointed at the general shareholders' meeting, and director candidates to be appointed at the general shareholders' meeting are selected by the Board of Directors and the Non-executive Director Candidate Recommendation Committee to be submitted to the general shareholders' meeting. In addition, the personal details of director candidates to be appointed at the general shareholders' meeting are informed in advance through a convening notice for the general shareholders' meeting two weeks prior to the general shareholders' meeting. The Audit Committee consists entirely of Non-executive Directors and conducts strict audits on accounting and business operations, and the Non-executive Director Candidate Recommendation Committee consists of a majority of Non-executive Directors in accordance with regulations. The Management Committee assists management in carrying out their duties, while the Integrity Management Committee (ESG Committee) handles non-financial issues including ESG management.

Subcommittee Operation

Classification	Composition	Roles
Audit Committee	3 Non-executive Directors	Audit on accounting and works
Non-executive Director Candidate Recommendation Committee	2 Non-executive Directors and 1 Executive Director	Recommend Non-executive Director candidate
Integrity Management Committee (ESG Committee)	3 Non-executive Directors and 1 Executive Director	Other major non-financial issues such as review of internal transactions between affiliates and ESG management
Management Committee	3 Executive Directors	Matters delegated by the Board of Directors among company management/financial affairs

Current Status of Committee Education

Target	Date of education	Details of education
Non-executive Director	2022.10.24	Leadership training
Audit Committee	2022.7.28	Overview of internal accounting management system and major issues

Board Evaluation and Remuneration

Directors of HL D&I Halla are paid remuneration within the limit approved at the general shareholders' meeting based on the director remuneration payment standards stipulated in the Articles of Incorporation. The number of persons stated below is calculated as of the date of the disclosure document and the amount includes the salary of retired directors for the current year. The average remuneration per person was calculated by dividing the total remuneration amount by the number of directors. In addition, since 2022, a system for evaluating the activities of the Board of Directors has been established and operated. Evaluations are conducted by sector, such as the roles and responsibilities, structure, operation of the BOD, as well as Committees under the BOD. Procedures have also been established to reflect improvements in Board activities based on the evaluation results.

Evaluation of Board of Directors

Classification	Detail	
Evaluation item	A. Roles and responsibilities of the Board	Roles of the Board, responsibilities and obligations of the Board
	B. Board structure	Composition of the Board, independence of the Board, leadership of the Board
	C. Operation of the Board	BOD operation procedure, BOD agendas, collection of information
	D. Committee under the Board of Directors	Committee structure, operation of Committees
	E. Reflection of evaluation results	Board evaluation, improvement

Board Remuneration

(Unit: KRW 1,000)

Classification	Number of persons	Total remuneration	Average remuneration per person
Registered Directors ⁽¹⁾	4	3,893,234	973,309
Non-executive Directors ⁽²⁾	1	55,320	55,320
Members of the Audit Committee	3	166,460	55,487

(1) Excluding Non-executive Directors and Audit Committee members

(2) Excluding Audit Committee members

* Refer to Business Report (p258~259)



APPENDIX

- ESG DATA CENTER
- Sustainability KPIs
- GRI 2021 Index
- SASB
- TCFD
- UN SDGs
- Major Association Membership and Awards
- Independent Assurance Statement
- Greenhouse Gas Verification Statement

ESG DATA CENTER

Economy

Classification			Unit	2020	2021	2022
Assets	Assets ⁽¹⁾		KRW billion	1,653.6	1,521.4	1667.4
	Current assets		KRW billion	786.7	778.2	766.6
	Non-current assets		KRW billion	866.8	727.1	900.9
Liabilities	Liabilities ⁽²⁾		KRW billion	1,279.4	1,104.8	1,240.2
	Current liabilities		KRW billion	875.3	650.9	679.5
	Non-current liabilities		KRW billion	404.1	450.7	560.7
Capital	Capital		KRW billion	374.2	416.5	427.2
	Capital stock		KRW billion	245.2	245.2	245.2
	Capital surplus		KRW billion	148.9	150.1	150.1
	Other components of equity		KRW billion	(6.9)	(1.8)	(1.6)
	Accumulated other comprehensive income		KRW billion	1.7	1.9	2.3
	Retained earnings		KRW billion	(21.7)	21.1	31.1
	Non-controlling interest		KRW billion	6.8	-	-
Ordering status	Order backlog	Consolidated basis	KRW trillion	3.9	4.7	4.6
		Non-consolidated basis	KRW trillion	3.8	4.6	4.5
Asset ratio	Current ratio		%	89.9	119.6	112.8
	Debt-to-equity ratio		%	341.9	265.2	290.3
	Equity-to-asset ratio		%	22.6	27.4	25.6

Classification		Unit	2020	2021	2022
Income Statement	Sales	KRW billion	1,550.9	1,475.3	1,472.1
	Cost of sales	KRW billion	⁽³⁾ 1,373.6	1,290.7	1,326.6
	Gross profit	KRW billion	177.3	184.6	145.5
	Operating profit	KRW billion	89.8	78.6	52.6
	Net profit before tax	KRW billion	127.4	74.5	36.7
	Corporate tax	KRW billion	23.4	1.3	11.5
	Profit from continuing operation	KRW billion	104.2	73.2	25.1
	Profit from discontinued operation	KRW billion	5.9	26.8	0
	Net profit	KRW billion	109.9	99.9	25.1
	R&D workforce ⁽³⁾	Persons	13	19	9
Technological Innovation	R&D investment	KRW million	1,615	3,213	3,880
	R&D-to-sales ratio	%	0.1	0.22	0.26
	Patent	Cases	77	68	55
	Construction new technology	Cases	5	5	5
	Environmental new technology and green technology	Cases	1	1	2
	Disaster safety new technology	Cases	-	1	1
	Design patent right	Cases	1	1	2
	Trademark	Cases	6	6	2

(1) Including KRW 16.1 billion of non-current assets scheduled for sale in 2021

(2) Including KRW 3.2 billion of non-current liabilities scheduled for sale in 2021

(3) Reported data for 2020 cost of sales was corrected due to misrepresentation of the previous year

(4) Number of persons are reduced due to organizational change (In Oct. 2022)

* Refer to 2023 Business Report (March 15, 2023)

ESG DATA CENTER

Environment

Classification			Unit	2020	2021	2022
Environmental audit	Implementation of environmental audit	First half	Cases	38	22	27
		Second half	Cases	34	24	32
		Total	Cases	72	46	59
		Ratio of workplaces with environmental management system certification ⁽¹⁾	%	100	100	100
Practice eco-friendly management	Eco-friendly investment	Total amount of environmental investment	KRW million	8,151	10,928	15,711
		Environmental management cost	KRW million	5,147	7,749	8,902
		Investment related to eco-friendly new business	KRW million	2,999	1,000	5,000
		Investment in IoT system	KRW million	-	2,163	1,801
		Investment in environmental technology	KRW million	4.3	15	8
	Eco-friendly products Purchasing and certification	Green certification status ⁽²⁾	Number	5	2	3
		Purchases of eco-friendly products and services	KRW 100 million	93.3	148.7	873.9
		Number of eco-friendly purchase items	Number	7	10	13
		Eco-friendly sales performance	KRW million	-	115,889	222,974
Environmental laws and regulation	Violation of environmental laws and regulations	Number of fines imposed on the company	Cases	1	0	0
		Amount of fines imposed on the company	KRW 10,000	200	0	0
Energy ⁽³⁾	Sum		TJ	172	220	296
	Gasoline		TJ	3	4	4
	LPG		TJ	0	0	0
	Brown coal		TJ	-	1	2
	Kerosene		TJ	7	24	50
	Diesel		TJ	22	15	41
	Propane		TJ	0	0	0
	Electricity		TJ	137	172	196
	LNG		TJ	4	4	3
	Usage per unit (compared to sales) ⁽⁴⁾		TJ/KRW 100 million	0.011	0.015	0.020
	Consumption by subcontractors		TJ	-	367	499
	Usage per unit (compared to sales) ⁽⁵⁾		TJ/KRW 100 million	0.111	0.04	0.054

(1) All workplaces

(2) Green building certification

(3) HL D&I Halla calculates energy consumption based on 'Construction Industry Greenhouse Gas Calculation Manual (Ministry of Land, Infrastructure and Transport, 2015)'

(4) Excluding subcontractors

(5) Including subcontractors

* There was no non-compliance with laws and regulations and sanctions imposed in 2022.

Classification			Unit	2020	2021	2022
Greenhouse gas ⁽⁶⁾	Total greenhouse gas emissions ⁽⁷⁾		tCO ₂ eq	8,965	11,492	16,206
	Scope1	Head office	tCO ₂ eq	427	475	439
		Place of business	tCO ₂ eq	6	26	27
		Construction site	tCO ₂ eq	1,990	2,743	6,362
	Scope2	Head office	tCO ₂ eq	349	364	215
		Place of business	tCO ₂ eq	3	6	6
		Construction site	tCO ₂ eq	6,191	7,877	9,157
	Emission per unit		tCO ₂ eq/ KRW 100 million	0.58	0.78	1.10
	Scope3 ⁽⁸⁾ subcontractor		tCO ₂ eq	-	25,371	34,378
Hazardous chemicals	Emissions per unit ⁽⁹⁾		tCO ₂ eq/ KRW 100 million	0.58	2.5	3.44
	Ratio of workplaces that disclose GHG emissions information		%	100	100	100
	Ozone-depleting substances ⁽¹⁰⁾	Output ozone-depleting substances	tCFC-11eq	0	0	0
		Imports of ozone-depleting substances	tCFC-11eq	0	0	0
		Exports of ozone-depleting substances	tCFC-11eq	0	0	0
Water	Water consumption	Total amount	Ton	177,689	208,869	192,956
		River water	Ton	112,287	111,230	52,924
		Underground water	Ton	5,470	14,900	15,033
		Waterworks	Ton	59,932	82,739	124,999
		Ratio of business sites that disclose water usage ⁽¹¹⁾	%	100	100	100
		Number of accidents involving excess hazardous substances in water	Cases	0	0	0
Water-pollution management	Water pollutants ⁽¹²⁾	COD emissions (concentration)	ppm	3.03	3.95	5.53
		BOD emission (concentration)	ppm	2.9	5.48	2.1
		SS emissions (concentration)	ppm	12.7	1.35	3.6

(6) HL D&I Halla calculates greenhouse gas emissions based on the principles specified in the Guidelines for Emission Reporting and Certification of the Greenhouse Gas Emissions Trading System (Ministry of Environment Notification No. 2021-21).

(7) Scope1+Scope2 (8) were calculated from 2021: Scope3 Category 1 GHG calculation theory reflected (9) Including subcontractors

(10) There is no source of freon gas, which is an ozone-destroying substance, at HL D&I Halla head office and construction sites, and regarding refrigerators and air conditioners, which are representative sources of freon gas, there are no freon gas leaks among the products in operation. HL D&I Halla uses eco-friendly refrigerants for refrigerators and air conditioners, and in principle, items that emit freon gas are completely banned.

(11) Head office/place of business/construction site

(12) HL D&I Halla does not have a wastewater treatment facility, which is a water pollution discharge facility, and only manage the pollution concentration of private sewage treatment facilities (sewage treatment facilities) (20ppm or less)

ESG DATA CENTER

Environment

Classification			Unit	2020	2021	2022
Building materials	Material usage	Reinforcing bar	Ton	70,139	77,286	63,245
		H-Beam	Ton	10,767	15,470	13,232
		Sheet-Pile	Ton	564	920	1,034
		Ready-mixed concrete	m ³	609,965	628,315	661,561
		Aggregate	m ³	197,038	103,937	156,009
		Ascon	Ton	54,614	32,763	6,192
		Cement	Ton	285,989	119,409	85,847
	Recycled material usage	Reinforcing bar	Ton	70,139	77,286	63,245
		Recycled aggregate	m ³	77,862	27,514	22,194
		Regenerated ascon	Ton	520	1,794	162
		Cement ⁽¹⁾	Ton	235,693	88,515	17,822
Biodiversity	Number of bioprotected species in the project area ⁽²⁾		Species	8	5	13

(1) Slag cement, fly ash, hardening agent

(2) In 2022: Giant goose, mandarin duck, salamander, Suwon Green Frog, Golden Frog, Hobby, Zalpi Colony, Birdbrain, Black-headed gull, yellow-billed egret, whooper swan, stork, otter

In 2021: Hobby, Golden Frog, Suwon Green Frog, Birdbrain, Ranunculus kazusensis

In 2020: Suwon Green Frog, Golden Frog, Zalpi Colony, camellia tree, oak tree, pine tree, mountain cherry tree, and Birdbrain

Classification			Unit	2020	2021	2022
Waste	Waste generation	Total amount	Ton	⁽⁵⁾ 348,367	154,858	⁽⁶⁾ 236,916
		Construction	Ton	347,863	148,320	232,171
		Place of business	Ton	484	6,538	4,706
		Designated	Ton	20	0	⁽⁷⁾ 39
	Waste treatment quantity	Total treatment quantity	Ton	348,367	154,858	236,916
		Incineration	Ton	18	4	0
		Landfill	Ton	20	0	⁽⁸⁾ 1,939
		Recycling	Ton	348,329	154,854	234,977
	Waste recycling rate		%	99	99	99
	Ratio of workplace that disclose waste emissions		%	100	100	100
	Amount of construction waste by type	Construction waste ⁽³⁾	Ton	146,191	52,803	117,110
		Waste wood	Ton	1,635	2,198	2,551
		Waste synthetic resin	Ton	448	1,063	1,322
		Mixed construction waste	Ton	197,590	91,457	95,589
		Others ⁽⁴⁾	Ton	2,000	800	15,599

(3) Waste concrete, waste asphalt concrete, waste brick, waste block, waste tile, construction waste stone

(4) Construction sludge, waste boards

(5) The total amount of waste generated in 2020 was 160,000 tons of landfill waste found during the parking lot construction at the Goyang Starfield.

(6) The total amount of waste generated in 2022 is the sum of 106,000 tons of construction waste generated during demolition work at APT New Construction in Siheung Eunhaeng District 2 and development of persimmon tree aggregate at Seosin-dong.

(7) 39 tons of designated waste generated in 2022 is waste oil found during the demolition work at APT New Construction in Siheung Eunhaeng District 2, and is 100% recycled through a fuel/solid fuel product manufacturing treatment method.

(8) 1,939 tons of landfill waste in 2022 is waste soil generated during the demolition work at APT New Construction in Siheung Eunhaeng District 2.

ESG DATA CENTER

Social

Safety

	Classification	Unit	2020	2021	2022
Safety Management	Number of employees applied by the occupational safety and health management system ⁽¹⁾	Persons	7,290	6,362	6,809
	Ratio of employees applied by the occupational safety and health management system	%	100	100	100
	Number of employees applied by the occupational safety and health management system and the internal audit	Persons	7,290	6,362	6,809
	Ratio of employees applied by the occupational safety and health management system and the internal audit	%	100	100	100
	Number of construction sites applied by the occupational safety and health management system and the internal audit	Number	58	48	45
	Ratio of construction sites applied by the occupational safety and health management system and the internal audit	%	100	100	100
	Ratio of construction sites with certification applied by the occupational safety and health management system as well as external	%	100	100	100
On-site safety inspection	Number of safety inspection at construction sites	Times	10	23	98
	Number of inspections of construction equipment	Times	193	573	860
	Number of target sites	Number	29	29	33
Safety education	Workshop	Persons	80	93	196
	e-learning	Persons	504	542	893
	Subcontractors	Persons	209	199	138
	Mindset training for all employees	Persons	-	-	888
Industrial disaster	Industrial accidents ⁽²⁾	Cases	34	53	60
	Industrial accidents	Persons	34	53	60
	Industrial accident rate ⁽³⁾	%	0.13	0.23	0.33
	Mortality rate	‰	0	1.10	-
	Frequency rate of injury	%	2.00	3.94	4.43
	Labor loss rate	%	1.11	2.06	1.41

(1) Formula for the number of full-time employees: (average monthly wage in the construction industry × number of months worked) / (division amount × labor ratio), the number of full-time workers is calculated based on the estimated sales in 2022

(2) Number of approved industrial accidents

(3) Formula: (number of accidents victims + number of disease victims)/number of workers covered by workers' compensation insurance × 100 *The mortality rate in 2022 will be finalized in November.

Classification			Unit	2020	2021	2022
Work-related Death/Injury	Employees	Fatal accident	Cases	0	0	0
		Fatal accident rate	%	0	0	0
		Injury accident ⁽⁴⁾	Cases	0	0	0
		Injury accident rate ⁽⁴⁾	%	0	0	0
		Occurrence of an injury accident requiring record/retention	Cases	0	0	0
		Occurrence rate of work-related injuries requiring record/retention	%	0	0	0
		Deaths due to work-related diseases	Persons	0	0	0
		Occurrence of work-related diseases requiring record/retention	Cases	0	0	0
		Total deaths	Persons	0	0	0
	Subcontractors	Fatal accidents due to work-related injuries ⁽⁵⁾	Cases	0	0.7	1
		Rate of fatal accidents due to work-related injuries ⁽⁶⁾	‰	0	1.10	1.10
		Injury accidents ⁽⁷⁾	Cases	19	24	11
		Injury accident rate ⁽⁸⁾	%	0.26	0.38	0.16
		Occurrence of a work-related injury accident requiring record/retention	Cases	19	24	11
		Occurrence rate of work-related injuries requiring record/retention ⁽⁹⁾	%	0.26	0.38	0.16
		Deaths due to work-related diseases	Persons	0	0	0
		Occurrence of work-related diseases requiring record keeping	Cases	9	6	9
		Total deaths ⁽⁵⁾	Persons	0	0.7	1
		Frequency rate of injury	%	4.62	9.72	8.31
		Labor loss rate	%	2.54	5.01	2.85

(4) Excluding deaths

(5) Joint contractors' equity ratio reflected

(6) Formula: accidental deaths/number of workers covered by workers' compensation insurance × 10,000

* Data for 2022 will be finalized in November.

(7) Injured persons with more than six months of medical care, excluding deaths

(8) Formula: (Number of injured with more than six months or more of medical care / Number of full-time employees) × 100

(9) Formula: (Number of injured/Number of full-time employees)×100

ESG DATA CENTER

Social

Labor

Classification			Unit	2020	2021	2022
Employee management	Employment type ⁽¹⁾	Full-time employees	Persons	674	635	651
		Temporary workers	Persons	264	300	311
		Sum	Persons	938	935	962
	Gender	Male	Persons	865	855	886
		Female	Persons	73	80	76
		Sum	Persons	938	935	962
	Employee diversity	Ratio of female employees	%	7.8	8.5	7.9
		Number of female managers ⁽²⁾	Persons	20	26	28
		Ratio of female managers	%	3.2	4	4.1
		Number of people with disabilities	Persons	5	5	5
New employment	Newly hired workers		Persons	180	205	239
	Age	Under 30	Persons	38	55	51
		Over 30	Persons	120	120	163
		Over 51	Persons	22	30	25
		Ratio of new hires under the age of 30	%	21	27	21
		Ratio of newly hired workers between the ages of 30 and 50	%	67	58	68
		Ratio of newly hired workers age of 51 and over	%	12	15	11
	Gender	Female	Persons	14	21	20
		Male	Persons	166	184	219
		Ratio of women among newly hired workers	%	8	10	8
		Ratio of men among newly hired workers	%	92	90	92
Turnover employees management	Turnover employees		Persons	103	201	224
	Total turnover rate		%	1	1.9	1.9
	Voluntary turnover rate ⁽³⁾		%	0.5	1.2	1.2
	Gender	Female	Persons	4	16	22
		Male	Persons	99	185	202
		Ratio of female employees among turnover employees	%	4	8	10
		Ratio of males among turnover employees	%	96	92	90
	Age	under 30	Persons	14	23	39
		Over 30 and under 50	Persons	64	122	158
		Over 51	Persons	25	56	27
		Ratio of turnover employees under the age of 30	%	14	11	17
		Ratio of turnover employees between the ages of 30 and 50	%	62	61	71
		Rate of turnover employees over the age of 51	%	24	28	12

(1) Number of employees who are not included in regular and non-regular workers are not included / Number of non-affiliated workers (dispatch, outsourcing workers, etc.): Total 15 (2 males, 13 females)

(2) Manager: Manager or higher position

(3) Voluntary resignation: In case of resignation during the contract period

Classification			Unit	2020	2021	2022
Years of service	Average years of service of employees	Total	Years	11 years	10 years 10 months	10 years 11 months
		Female	Years	7 years 2 months	6 years 10 months	7 years 9 months
		Male	Years	11 years 4 months	11 years 2 months	11 years 1 month
Parental leave	Persons eligible for parental leave ⁽⁴⁾		Persons	267	253	267
	Gender	Male	Persons	254	239	250
		Female	Persons	13	14	17
	Employees on parental leave ⁽⁵⁾		Persons	7	3	7
	Gender	Male	Persons	4	1	4
		Female	Persons	3	2	3
	Employees returning from parental leave		Persons	5	5	2
	Gender	Male	Persons	2	4	0
		Female	Persons	3	1	2
	Employees who have worked for more than 12 months after returning from parental leave		Persons	5	2	1
	Gender	Male	Persons	2	1	0
		Female	Persons	3	1	2
	Rate of return from parental leave	Male	%	50	100	0
		Female	%	100	100	100
	Rate of employees serving the company after returning from parental leave	Male	%	100	25	0
		Female	%	100	100	100
Benefits package	Employee benefit expenditure		KRW 100 million	62.7	91.3	45.1

(4) Persons eligible for parental leave: Employees with children under the age of 8 or in the 2nd grade of elementary school

(5) Data has changed due to omission of one parental leave user in 2021

ESG DATA CENTER

Social

Education

Classification		Unit	2020	2021	2022
Talent development	Total employee education hours	Hours	13,782	21,849	25,457
	Completion of education program	Cases	1,830	6,145	2,654
	Average education hours per person	Hours	15	⁽¹⁾ 23	26
	Gender	Male	-	20.5	22,960
		Female	-	9.4	2,497
	Position	Managerial position	-	26.2	5,290
		Non-managerial position	-	18.1	20,167
	Employee education expenses	KRW million	817	936	1,117
	Average education cost per person	KRW	446,360	806,535	1,161,123
	Ratio of employees by position who received regular performance evaluations ⁽²⁾	%	100	100	100
Information security/ Personal information protection/Ethical management training	Employees subject to regular performance evaluation ⁽²⁾	Persons	817	898	996
	Total number of employees who complete the education	Persons	878	1,021	1,047
	Training hours per person	Hours	4.7	5.0	5.2

Wage

Classification			Unit	2020	2021	2022
Employee salary	Statutory minimum wage		KRW	1,795,310	1,822,480	1,914,440
	Starting salary for new employees ⁽³⁾	Male ⁽⁴⁾	KRW	43,852,850	43,852,850	46,156,790
		Female	KRW	40,182,370	40,182,370	42,488,675
	Average salary for employees in managerial positions ⁽⁵⁾	Male	KRW	80,473,791	80,325,012	83,612,393
		Female	KRW	70,929,258	71,290,732	75,846,143
	Ratio of women to men in management positions		%	88.14	88.75	90.71
	Average salary for employees in non-managerial positions ⁽⁶⁾	Male	KRW	51,696,685	51,450,146	55,930,060
		Female	KRW	51,526,386	51,645,011	56,996,184
	Wage ratio of women to men in non-management positions		%	99.67	100.38	101.91

(1) The average education hours per person in 2021 was corrected due to an error in the previous year.

(2) Employees subject to personnel evaluation (3) Based on employees at the head office

(4) Annual salary (salary class in military is recognized) (5) Manager or higher among employees at all workplaces

(6) Assistant manager or lower among employees at all workplaces

Labor and Management

Classification		Unit	2020	2021	2022
Labor-management relationship	Minimum notice period for changes in management ⁽⁷⁾	Days	60	60	60
	Number of labor union members ⁽⁸⁾	Persons	611	577	590
	Labor union membership rate	%	92	96	95
	Number of workers covered by collective agreement	Persons	663	601	619
	Number of employees eligible for labor union membership ⁽⁹⁾	Persons	663	601	619

Win-win Growth

Classification			Unit	2020	2021	2022
Supply-chain management	Subcontractors Current situation	Total number of subcontractors	Number	1,036	1,164	1,161
		- architecture	Number	337	339	346
		- civil engineering	Number	197	224	217
		- equipment rental	Number	17	15	14
		- facility	Number	173	214	218
		- electricity	Number	186	215	209
		- common	Number	126	157	157
		Number of key tier 1 subcontractors	Number	-	62	58
		Subcontractors evaluated for ESG activities	Number	-	41	120
Ratio of subcontractors evaluated for ESG activities ⁽¹⁰⁾		%	-	4	10	
Customer satisfaction	Number of consumer comments and complaints received	Cases	49,915	57,963	58,234	
	Number of consumer comments and complaints processed	Cases	35,620	51,095	48,556	

(7) Notification of split, merger, transfer or closure of the company must be given 60 days in advance, and minimum notice period for disciplinary action of union members is 7 days.

(8) Only full-time employees can join the labor union.

(9) All full-time employees, excluding executives, are eligible for union membership.

(10) Formula: Number of subcontractors evaluated for ESG activities / Total number of subcontractors

ESG DATA CENTER

Social

Human Rights

Classification		Unit	2020	2021	2022
Human rights	Human rights education hours per person	Hours	-	4	4
	Ratio of employees who received human rights education	%	-	93	98
	Ratio of workplaces that conducted human rights impact assessment	%	-	100	100
	Workplaces which have established human rights violation mitigation plans	Number	-	1	1
	Occurrence of incidents of discrimination and harassment	Cases	-	4	2
	Occurrence of indigenous rights violation	Cases	-	0	0

Social Contribution

Classification		Unit	2020	2021	2022
Donation	Total cost of spending	KRW 100 million	12.4	16.9	2.5
	- Cash donations	KRW 10,000	121,700	164,350	19,056
	- In-kind donations	KRW 10,000	2,067	3,464	2,664
	- Business expenses management expenses	KRW 10,000	200	1,336	3,024
Volunteer activities	Employee volunteer activities amount	KRW 10,000	-	30,176	15,483
	Total voluntary service hours	Hours	702	916	470
	Number of participants	Persons	234	319	111

Governance

Board of Directors

Classification			Unit	2020	2021	2022
Composition of the Board of Directors	Total number of Board members		Persons	8	8	
	Number of Executive Directors within the Board of Directors		Persons	4	4	
	Number of Non-executive Directors and independent Directors within the Board of Directors		Persons	4	4	
	Number of other Non-executive Directors		Persons	0	0	
Board of Directors	Number of Non-executive Directors whose BOD attendance rate is less than 75%		Persons	0	0	
	Number of Board meetings		Times	11	11	
	Number of meetings of the Non-executive Director Candidate Recommendation Committee		Times	0	4	
	Agenda for resolution		Cases	25	35	27
	Attendance rate		%	97	97	97
Board diversity	Average term of office of the Board of Directors		Years	4.2	3.6	4.2
	Non-executive Directors with industry experience, other Non-executive Directors		Persons	1	2	2
	Gender	Number of male Directors in the Board of Directors	Persons	8	7	7
		Number of female Directors in the Board of Directors	Persons	-	1	1
		Ratio of female Directors	%	-	12.5	12.5
		Ratio of male Directors	%	100	87.5	87.5
	Age	Ratio of Directors under the age of 30	%	-	0	0
		Ratio of Directors between the ages of 30 and 50	%	-	0	0
		Ratio of Directors age of 51 and over	%	100	100	100
	Number of female executives who are not the largest shareholder and related parties among registered executives		Persons	-	1	1

ESG DATA CENTER

Governance

Audit Committee

	Classification	Unit	2020	2021	2022
Operation of Audit Committee	Total number of Audit Committee members	Persons	3	3	3
	Number of Non-executive Directors in the Audit Committee	Persons	3	3	3
	Audit Committee meetings	Times	5	6	6

CEO Remuneration

	Classification	Unit	2020	2021	2022
CEO remuneration	Total annual remuneration of the highest salary executive compared to the median remuneration of employee salary ⁽¹⁾	Times	8.97	8.91	9.75
	Total annual remuneration of the highest salary executive	KRW	707,200,000	702,200,000	730,450,000
	Median value of the annual salary of all employees ⁽¹⁾	KRW	78,812,020	78,811,120	74,941,830
	Total annual remuneration growth rate for highest salary executive	%	⁽²⁾ 52.38	-0.71	4.02
	Median value of the annual growth rate of total salary of all employees ⁽¹⁾	%	8	3.69	-0.44

(1) When calculating the median value of salary of all employees, the highest paid person (CEO) is excluded

(2) Data in 2021 report has a changed due to formula change

Shareholder Rights

	Classification	Unit	2020	2021	2022
Shareholder rights	Location of ordinary shareholders' meeting and date of prior notice of agenda	Days in advance	15	15	15
	Number of IR (Company road show)	Times	3	4	8

Sustainability Management KPIs

HL D&I Halla newly established an ESG management promotion strategy and selected performance indicators and goals for each sector according to the strategic direction linked to each ESG sector.

Large category	Medium category	Details	KPIs	2022 (Performance)	2030 (Goal)
Environment	Response to climate change	Response to changed indicator management through greenhouse gas emission management	GHG emissions (Scope1)(tCO ₂ eq)	6,828	42% savings
			GHG emissions (Scope2)(tCO ₂ eq)	9,378	42% savings
			GHG emissions (Scope3)(tCO ₂ eq)	34,378	42% savings
	Strengthening energy and resource management	Strengthening resource circulation by managing water and reused water usage and expanding recycling of construction raw and subsidiary materials	Waste recycling rate (%)	99	100
			Water reuse rate (%)	-	More than 10% of total water consumption
		Improvement of energy use efficiency through energy management	Energy consumption per unit (TJ/KRW 100 million)	0.054	0.0515
			Waste generation per unit (ton/KRW 100 million)	16.1	14.76
			Water consumption per unit (ton/KRW 100 million)	13	12
	Development of eco-friendly technology	Expansion of technology and construction method research through eco-friendly investment such as development of environmental pollution reduction technology	Performance against the planned investment in environment (%)	-	100
			Number of green technologies acquired (cases/year)	1	1
Social	Strengthening safety management	Prevention of serious accidents through workplace safety management and advancement of occupational safety and health management system	Number of deaths (persons)	1	0
			Industrial accident rate (%)	0.33	0
			Number of industrial accidents (cases)	60	0
			Construction site safety inspection rate (%)	100	100
	Strengthening human rights management	Advancement of HR management through talent management system, securing diversity and inclusiveness, etc.	Non-regular worker satisfaction survey (score)	-	90
			Average education hours per person (hours/year)	26	30
			Diversity of employees (%)	7.9	15
	Expansion of stakeholder communication	Improvement of customer satisfaction and brand value through safety/quality management	Consumer opinion and complaint handling rate (%)	100	100
			Defect repair rate (%)	83	100
		Establishment of domestic social contribution strategy and performance management	Customer satisfaction survey (score)	-	90
			Social contribution expenses compared to sales (%)	0.0136	0.05
	Sustainable supply chain management	Supporting win-win growth with subcontractors and strengthening sustainability management	Hours of social contribution volunteer work (hours/year)	470	500
			Ratio of subcontractors which conduct ESG evaluation (%)	20	50
			Win-win growth index rating (rating)	Average	Excellent
			Number of subcontractors participating in networking between subcontractors (number)	40	44
			Number of providing on-site technical support (cases/year)	19	30
Governance	Internalization of sustainable Board of Directors ESG operation	Establishment of optimized ESG management through participation in sustainable global initiatives	ESG rating (rating)	B+	A
		Internalization of ESG operation through active Board communication	Number of major ESG agendas submitted to the Board of Directors (cases/year)	2	4
			Internal evaluation of the Board of Directors (points)	4.7	5
	Reinforcing Ethics & Compliance management	Prevention of violation through compliance with laws and regulations	Compliance assessment rate (%)	100	100
		Reinforcing the demand for transparency in governance, securing Board members with independence/expertise	Number of Non-executive Directors with industry experience and other Non-executive Directors (persons)	4	4
		Emphasis on ethical awareness so that employees do not engage in anti-corruption and unethical behavior	Employee education hours related to fair trade and ethics (hours/person)	4	4
	Strengthening integrated risk management	Strengthening control over financial risk management and ESG risks (non-financial)	Evaluation of implementation of Fair Trade Commission agreement (rating)	-	Best
			Internal control inspection rate (%)	100	100
			Ratio of projects subject for ESG business review (%)	-	100
		Establishment dividend policy and activities to return shareholder value	Ratio of subcontractors which implement ESG (%)	20	50
			Location of the ordinary shareholders' meeting and date of prior notice of agenda (days)	15	30
			Internal Audit Quality Evaluation rating (rating)	-	Very satisfied
		Faithful tax payment and securing transparency in accounting	Number of internal accounting audit violations (cases)	0	0

GRI Standards 2021 Index

Indicators		GRI Standards 2021	Pages in report
		Description	
GRI1: Foundation 2021	Description	HL D&I Halla reports data from January 1, 2022 to December 31, 2022 based on the newly revised GRI Standards 2021.	
	GRI's used	GRI 1: Foundation 2021	
	Applicable GRI sector standards	Currently unavailable (as of May 2023, standard documents for industries in which HL D&I Halla engages have not been announced)	
GRI2: General Disclosures 2021	2-1	Organization details	8-9
	2-2	Entities included in the organization's sustainability report	8
	2-3	Reporting period, cycle and contact information	2
	2-4	Re-statement of information	Any changes are commented on separately.
	2-5	External verification	96-98
	2-6	Activities, value chains and other business relationships	10-11, 43-46
	2-7	Employees	8, 84
	2-8	Workers who are not employees	84
	2-9	Governance structure and composition	77-78
	2-10	Recommendation and selection of the highest decision-making body	78
	2-11	Chairman of the highest decision-making body	77
	2-12	The role of the highest decision-making body overseeing impact management	13, 48-49
	2-13	Delegation of responsibility for impact management	13, 48
	2-14	The role of the highest decision-making body for sustainability reporting	13, 16-17
	2-15	Conflict of interest	77
	2-16	Reporting important issues	13, 17, 86
	2-17	Comprehensive knowledge of the highest decision-making body	77-78
	2-18	Evaluation of the performance of the highest decision-making body	78
	2-19	Remuneration policy	78
	2-20	Remuneration determination process	78
	2-21	Annual total compensation rate	78
	2-22	Statement on sustainable growth strategy	4-5
	2-23	Commitment on policy	4-5
	2-24	Implicit commitment on policy	13
	2-25	Negative impact improvement process	48, 58
	2-26	Mechanism for raised concerns and advice	58
	2-27	Compliance with laws and regulations	61, 81
	2-28	Membership of association	95
	2-29	Approach to stakeholder engagement related to the organization	14-15
	2-30	Collective agreement	85

GRI Standards 2021 Index

GRI Standards 2021			Pages in report
Indicators	Description		
GRI3: Material Topics 2021	3-1	Material issue decision process	16
	3-2	List of material issues	17
Focus 1. Creation of the Safest and Healthiest Work Environment			
GRI3: Material Topics 2021	3-3	Management of key issues	21
Safety and health management Workplace safety management activities Subcontractors safety and health management Safety accident prevention activities	403-1	Occupational safety and health system	21, 83
	403-2	Identification of risk factors, assessment of risk, investigation on accident	22-23
	403-3	Occupational safety and health service	24
	403-4	Employee engagement and communication in the occupational safety and health field	25-26
	403-5	Employee training on occupational health and safety	27
	403-6	Promotion of employee health	24
	403-7	Prevention and mitigation of occupational health and safety impacts	23-25
	403-9	Accident rate	83
Focus 2. Creation of Sustainable and Eco-friendly Workplaces			
GRI3: Material Topics 2021 			

GRI Standards 2021 Index

GRI Standards 2021			Pages in report
Indicators	Description		
Focus 4. Realization of Value Growth through Win-win Management			
GRI3: Material Topics 2021	3-3	Management of key issues	43
Reinforcement of win-win cooperation activities	413-1	Workplaces that have implemented local community engagement, impact assessments and development programs	44, 46
	414-1	New subcontractors that undergo examination according to social criteria	44
Focus 5. Strengthening Company-Wide Integrated Risk Management			
GRI3: Material Topics 2021	3-3	Management of key issues	48
Integrated risk management Strengthening audit system Protection of shareholders' rights and interests	2-25	Negative impact improvement process	48, 58

Other general reporting issues			Pages in report
Indicators		Description	
Anti-corruption	205-2	Communication and education on anti-corruption policies and procedures	75
	205-3	Verified corruption cases and counteractions	58
Employment	401-1	Recruitment and turnover	84
	401-3	Parental leave	84
Labor-management relationship	402-1	Minimum notice periods related to operational changes	85
Training and education	404-1	Average education hours per employee	85
	404-2	Programs to strengthen employee competencies and support transition	54-55
Diversity and equal opportunity	405-1	Governance organization and employee diversity	84, 86
	405-2	Basic salary and compensation ratio of women to men	85

SASB

Topic	Code	Measurement index	Current Status of HL D&I Halla
Environmental impact of project development	IF-EN-160a.1	Number of violations of permits, standards and regulations related to the environment	Not applicable as of 2022.
	IF-EN-160a.2	Discussion process to evaluate/manage environmental risks related to project design, site, and construction	HL D&I Halla operates three systems, namely: 'environmental operation management', 'environmental impact assessment', and 'emergency management' – to evaluate and manage environmental risks occurring throughout the entire project process. Under the environmental operation management system, we monitor and improve air pollutants, specific air pollutants, wastewater, waste, and soil pollution, and manage environmental goals and related risks through environmental impact assessment, and establish improvement goals, and implement improvement plans. In addition, under the emergency management system, we identify predictable risk factors in environmental impact assessments and risk assessments, establish response scenarios, and record the review results.
Structural stability and safety	IF-EN-250a.1	Rework costs due to defect and safety	As of 2022, it is KRW 4.51 billion.
	IF-EN-250a.2	The amount of monetary loss caused by legal procedures due to defects and safety-related accidents	As of 2022, it is KRW 3.02 billion.
Workplace safety and health	IF-EN-320a.1	Total accident rate and mortality rate of directly employed/contracted workers	As of 2022, the accident rate is 0.33%, and performance in occupational safety and health including the relevant matters is reported on page 83 of the report.
Impact of buildings/infrastructure	IF-EN-410a.1	Number of projects obtaining third-party sustainability management certification and projects under certification	We have 15 green building certifications.
	IF-EN-410a.2	Procedures for consideration of energy and water efficiency in project planning and design	HL D&I Halla enhances the efficiency of resource- and energy-management through the active introduction of new technologies and state-of-the-art facilities. We increased energy efficiency by recovering waste heat from effluents such as buildings and sewage from septic tanks, and reduced greenhouse gas emissions when generating energy with renewable energy (hydropower). In the design process, we apply BIM technology, which creates a virtual model in a 3D environment and proceeds with the design to prevent overdesign and we effectively manage waste generation by accurately identifying the quantity of building materials required. At the construction sites, we reduce water consumption by using high-efficiency watering equipment to suppress fugitive dust. Going forward, HL D&I Halla will establish and analyze environmental performance indicators to establish plans to reduce resources such as energy and waste used in the course of implementing the projects.
Business impact on climate change	IF-EN-410b.1	Order backlog of hydrocarbon and renewable energy related projects	As of 2022, there are no such projects.
	IF-EN-410b.2	Cancellation of hydrocarbon-related project order backlog	As of 2022, there are no such projects.
	IF-EN-410b.3	Order backlog of non-energy projects related to climate change mitigation	As of 2022, there are no such projects.
Business ethics	IF-EN-510a.1	Number of projects and order backlog in the bottom 20 countries in the Transparency International's Corruption Perception Index (CPI)	As of 2022, there are no such projects.
	IF-EN-510a.2	The amount of financial losses incurred due to legal proceedings resulting from bribery, corruption, or anti-competitive behavior	As of 2022, there are no such projects.
	IF-EN-510a.3	Policies or guidelines prohibiting bribery or corruption or anti-competitive conduct in the bidding process	Since 2011, HL D&I Halla has established and operated Code of Ethics and Detailed Ethical Guidelines to practice the Integrity Management, the Group's founding philosophy. The Code of Ethics stipulates the criteria for value judgment that stakeholders, such as employees and subcontractors, must abide by, and the Detailed Ethical Guidelines present detailed behavioral guidelines. Details of the Code of Ethics and Detailed Ethical Guidelines can be found at https://ethics.hlcompany.com/Ethical/Main .
Activity indicator	IF-EN-000.A	Number of projects in progress	As of 2022, 88 projects are underway.
	IF-EN-000.B	Number of certified projects	As of 2022, 18 projects have been completed.
	IF-EN-000.C	Total order backlog	As of 2022, it is approximately KRW 4,568.7 billion.












TCFD

HL D&I Halla has established a climate-change response system based on the standards of the Taskforce on Climate-related Financial Disclosures (TCFD), and applied the framework to disclose it in the Sustainability Report.

Classification	Recommendation	Implementation Status				Page								
Governance	a) The role of the Board of Directors in addressing risks and opportunities related to climate change	HL D&I Halla decided to change the name of the Internal Transaction Committee to the Integrity Management Committee (ESG Committee) and expand the authority of the Committee by a Board resolution on February 26, 2021. In addition, we operate the Green Management Team, a dedicated department, to analyze climate change risks and opportunities on a regular basis and reflect them in decision-making. The ESG Committee deliberates and decides on climate change-related risk and opportunities and strategies on a regular basis (once a year) in accordance with international standards such as SASB and TCFD.				13, 31-32								
	b) The role of management in assessing and managing climate change-related risks and opportunities	We evaluate and manage risks and opportunities related to climate change through the Management meeting attended by the management, including the CEO, as well as the Green Management Team, a dedicated department. Furthermore, as an ESG control tower directly under the supervision of the CSO, it plays a key role in establishing an ESG/environmental management system that meets global standards. We have also internalized climate change response and ESG management throughout the company and maximized operational effectiveness by reflecting ESG performance, including response to climate change, in the performance indicators of the ESG management TF.				31-32								
Strategy	a) Analysis of the risks and opportunities related to climate change identified by the organization over the short, medium and long term period	Climate change has direct and indirect ripple effects on the real economy, and HL D&I Halla analyzes risks and opportunities by dividing climate-related risks into physical risks and transition risks.				31								
	b) Impact of risks and opportunities related to climate change on the organization's business, strategy and financial plans	We are identifying the potential impact of physical risks (acute risks, chronic risks) and transition risks (policy and regulatory risks, reputation risks) on each business and financial plan of HL D&I Halla. In addition, we are identifying safety risks related to climate change, and dealing with transition risks with great importance to actively respond to climate change.				31								
	c) Resilience of the organization's strategy, which considers various climate change-related scenarios, including below 2°C scenarios	HL D&I Halla has set a greenhouse gas reduction target based on the annual 1.5 degrees C reduction scenario according to the methodology of the SBTi initiative, and plans to strengthen resilience against climate change by establishing a plan to reduce greenhouse gas in the construction industry.				32								
Risk management	a) Organization's process for identifying and assessing risks related to climate change	HL D&I Halla has established a system to identify financial and non-financial risks, including climate change, reflect them in decision-making and continuously manage them. We are carrying out activities to prevent risks by integrating this system into the company-wide risk-management system.				32								
	b) Organization's processes for managing climate change-related risks	HL D&I Halla identifies and manages climate change and integrated risks according to a horizontal decision-making structure centered on the Green Management Team, the dedicated department. We are preventing the occurrence of risks by creating and implementing action plans according to the level of risk impact. The identified climate change and integrated risks are disseminated to each department and selected as performance indicators to reinforce participation of each department in activities responding to climate change.				32								
	c) How the processes which identifies, assesses and manages climate change-related risks are integrated into the organization's overall risk management	We review the integrated risks considering diverse risk factors such as risks related to climate change as well as environmental damage, human rights violations, undermining of win-win growth, violation of laws, anti-corruption, and unethical behavior.				32								
Indicators and reduction targets	a) Indicators used by the organization to assess risks and opportunities related to climate change in accordance with its strategy and risk management processes	HL D&I Halla establishes and manages quantitative goals to respond to climate change by using greenhouse gas emissions, water reuse, and pollutant emissions as performance indicators.				32, 88								
	b) Scope1, Scope2 and, if applicable, Scope3 GHG emissions and associated risks	<div>Every year, we disclose greenhouse gas emission data through the Sustainability Report. Details can be found in the Environment Data of the Appendix.</div> <table><tr><th>Total emissions (tCO₂eq)</th><th>Scope1</th><th>Scope2</th><th>Scope3</th></tr><tr><td>50,584</td><td>6,828</td><td>9,378</td><td>34,378</td></tr></table>				Total emissions (tCO ₂ eq)	Scope1	Scope2	Scope3	50,584	6,828	9,378	34,378	81
	Total emissions (tCO ₂ eq)	Scope1	Scope2	Scope3										
50,584	6,828	9,378	34,378											
c) Goals and performance against goals used by the organization to manage climate change-related risks and opportunities	Although we are not included in the existing system, we are continuously carrying out greenhouse gas reduction activities by independently verifying greenhouse gas emissions and establishing greenhouse gas reduction targets.				98									

UN SDGs

The UN Sustainable Development Goals (SDGs) consist of 17 goals and 169 detailed goals that the international community must accomplish together to solve universal problems of mankind, global environmental problems, and economic and social problems. HL D&I Halla actively supports the goals aimed at by the UN SDGs, and strives to achieve nine goals of the UN SDGs.

 <p>1 NO POVERTY</p>	<p>Goal 1. End poverty in all its forms everywhere</p> <p>HL D&I Halla is providing goods for the underprivileged in poor environments. We support childcare expenses for families with multiple children in the underprivileged group, and carry out customized social contributions, such as providing briquettes for heating in winter.</p> <p>Page in report: p69</p>	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>HL D&I Halla realizes eco-friendly construction by using eco-friendly materials and applying energy-saving design. As of 2022, we have obtained 15 green building certifications, and plan to expand the creation of eco-friendly buildings.</p> <p>Page in report: p37</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Goal 3. Ensure healthy lives and promote well-being for everyone at all ages</p> <p>HL D&I Halla operates a program to manage the health of construction site workers. We are committed to creating a safe construction site by implementing customized management for each factor, such as fine dust and noise, which are dangerous to the health of site workers.</p> <p>Page in report: p24</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Goal 12. Ensure sustainable consumption and production patterns</p> <p>HL D&I Halla reduced waste generated at the construction site by introducing new construction methods such as PRS, OS-beam, PC, and BIM. Going forward, we plan to reduce waste emission by introducing new technology research and development and eco-friendly construction methods.</p> <p>Page in report: p34</p>
 <p>4 QUALITY EDUCATION</p>	<p>Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> <p>HL D&I Halla strives to ensure educational opportunities by continuously providing support to children and youth from underprivileged groups who need support. We continue to provide scholarships and educational articles in connection with regional child center and educational institutions.</p> <p>Page in report: p70</p>	 <p>13 CLIMATE ACTION</p>	<p>Goal 13. Take urgent action to combat climate change and its impacts</p> <p>HL D&I Halla is managing company-wide greenhouse gas emissions. Since 2018, we have been measuring GHG emissions during business activities and carrying out activities to reduce them every year based on the GHG inventory system.</p> <p>Page in report: p33</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all</p> <p>HL D&I Halla is increasing energy efficiency by utilizing solar power, which is highlighted as a renewable energy, for buildings. Since 2021, we have installed solar power generation facilities on the rooftops of all apartments designed to enable self-production of energy.</p> <p>Page in report: p33</p>	 <p>15 LIFE ON LAND</p>	<p>Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems</p> <p>HL D&I Halla conducts an environmental impact assessment at the construction site prior to the commencement of project to manage endangered species and legally protected species at the construction site. In 2022, we discovered 11 protected species and took protection measures, and we are continuously monitoring them.</p> <p>Page in report: p35</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p>HL D&I Halla hired contract employees with excellent performance as full-time employees and provided the same rewards and support as regular employees. In addition, we are promoting and appointing talented people to specific positions regardless of the length of their service for promotion.</p> <p>Page in report: p55</p>	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Goal 16. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development</p> <p>HL D&I Halla conducted an effectiveness evaluation to review whether the grievance handling system in operation provides a solution to human rights violations. The HL Group, including HL D&I Halla, plans to improve the system supplementing the weakness identified by the evaluation results.</p> <p>Page in report: p58</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (Innovation & Infrastructure)</p> <p>HL D&I Halla takes the lead in domestic technology development and research support, including R&D and exploration of new business through the operation of the WG Campus. In 2022, we focused on research on the development of new technologies and new construction methods, and now we are conducting research for safety and convenience.</p> <p>Page in report: p39</p>		

Major Association Memberships and Awards

Association Memberships

Field	Name of organization
Architecture	Korea Construction Defect Management Association
	Korea Construction Transport New-technology Association
	Korea Construction Environment Association
	Korea Federation of Construction Contractors
	International Contractors Association of Korea
	Construction Association of Korea
	Korea Housing Association
Safety	Korea Disaster Prevention Association
	Korea Facility Maintenance Association
	Korea Fire Facility Association
	Construction Safety Manager Committee
	Construction Safety and Health Manager Association
Environment	Korea Environmental Damage Prevention Association
Infrastructure	Korea Railway Association
	Korea Port and Harbors Association
	Korea Road Association
	Korea Railway Construction Engineering Association
Technology	Korean Professional Engineer Association
	Korea Proptech Forum
	Smart Modular Forum
	Korea Mech. Const. Contractors Association
	Korea Engineering and Consulting Association
	Korea Electric Contractors Association
	Korea Listed Companies Association
Etc.	Seoul Chamber of Commerce and Industry
	Korean Personnel Improvement Association (KPI)
	Construction Company Legal Affairs Association
	Korea Information and Communication Contractors Association

Awards

Year	Name of Award	Awarded by
2020	Order of Industrial Service Merit for West Coastal Line Construction Site 10	Ministry of Public Administration and Security
	Excellent prize for Gyeongbu Dongtan Straightening Construction Site 1 in the Safety Content Field in 2020	Korea Expressway Corporation
	Grand Prize for Safety Management in 2020	Maekyung Safety and Environment Research Institute
	Excellent prize for Janghang Line Construction Site 3 in Safety and Health Activities at Safety Report/Suggestion Contest	Korea National Railway
	Excellent award for KR Railroad Safety hosted by National Railroad Corporation for Gyeongui Line Bridge Improvement	Korea National Railway
2021	Prime Minister Award granted to Yeo Jong-goo, CEO at the Mokpo New Port	Korea Occupational Safety and Health Agency
	Awards in the Construction VE Contest in 2021	LH Corporation
	Award by Cheonan Branch Director of Daejeon Regional Employment and Labor Administration	Daejeon Regional Employment and Labor Administration
	Award by the Fair Trade Commission	Fair Trade Commission
2022	Award by the mayor of Seoul Metropolitan City for contribution to improving child welfare facilities	Seoul Metropolitan Government
	Award by the Minister of Land, Infrastructure and Transport for the East Coastal Southern Line double-track electrification construction project	Ministry of Land, Infrastructure and Transport
	Award by the Minister of Public Administration and Security at the New Government Complex Sejong	Ministry of Public Administration and Security
	Award by International Airport Corporation for Incheon Airport Facility Relocation Site	Incheon International Airport Corporation
	Award by the Minister of Land, Infrastructure and Transport for maintenance of Yesan sewage pipe	Ministry of Land, Infrastructure and Transport
	Award by the Minister of Trade, Industry and Energy for Siheung Eunhaeng District 2	Ministry of Trade, Industry and Energy
	Award by Chief of Yangpyeong Fire Station	Yangpyeong Fire Station
	Excellent prize at the Gyeonggi Headquarters Construction VE Contest (Housing Field) in 2022	LH Corporation
	Award by Gwangju City Hall	Gwangju City
	Grand Prize in the 2022 Safety Luxury Product Site Creation Contest	LH Corporation
	Award by the Fair Trade Commission for Win-Win Cooperation Culture	Fair Trade Commission
	Award by the Mayor of Gwangju for safe construction of Gwangju Metropolitan City Metro Line 2	Gwangju City
	Award by the Mayor of Gwangju for Safety Management of Disaster Vulnerable Facility	Gwangju City

Independent Assurance Statement



To: The Stakeholders of HL D&I Halla Corporation

Introduction and objectives of work

BSI Group Korea (hereinafter "the Assurer") was asked to verify HL D&I Halla Corporation 2023 Sustainability Report (hereinafter "the Report"). This assurance statement applies only to the relevant information contained in the scope of the assurance. HL D&I Halla Corporation is solely responsible for all information and assertion contained in the report. The responsibility of the assurance is to provide independent assurance statement with expert opinions to HL D&I Halla Corporation by applying the verification methodology and to provide this information to all stakeholders of HL D&I Halla Corporation.

Assurance Standards and Levels

This assurance was based on the AA1000AS v3 (2020) Assurance Standard and confirmed that the report was prepared in accordance with the GRI Standards, the international standards guidelines of sustainability reports. The assurance level was based on the Type 2 that confirmed compliance with the four principles of AA1000 AP (2018) in accordance with the AA1000 AS. The Type 2 verification type is based on data and information provided by the reporting organization, and is based on the Topic-specific Standards in Korea

Energy consumption, waste throughput, direct greenhouse gas emissions (Scope1), indirect greenhouse gas emissions (Scope2), and other indirect greenhouse gas emissions(scope3) , Limited validation was performed for water usage, and the ratio of basic salary for women to men.

Scope of Assurance

The scope of assurance applied to this report is as follows;

- Based on the period from January 1st to December 31st 2022 included in the report, some datas included 2023.
- Major assertion included in the report, such as sustainability management policies and strategies, goals, projects, and performance, and the report contents related to material issues determined as a result of materiality assessment.
- Conformity, appropriateness and consistency of internal processes and systems for information, data collection, analysis and review.

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

- Financial information presented in the report.
- Disclosures in the international standards and initiatives index excluding GRI presented in the report.
- Other related additional information such as the website, business annual report.

Methodology

As part of its independent assurance, the assurer has used the methodology developed to collect relevant evidence to comply with the verification criteria and to reduce errors in the reporting, and has performed the following activities;

- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and verification of the result to determine verification priorities,
- Review of the evidence to support the material issues through interviews with senior managers with responsibility for them
- Verification of data generation, collection and reporting for each performance index



Limitation

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

Assurance Opinion

On the basis of our methodology and the activities described above, it is our opinion that

- The information and data included in the report are accurate and reliable and the assurer cannot point out any substantial aspects of material with mistake or misstatement.
- The report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards)
- The assurance opinion on the four principles presented by the AA1000 AP (2018) is as follows.

AA1000 AP (2018)

Inclusivity: Stakeholder Engagement and Opinion

HL D&I Halla Corporation defined customers, employees, external stakeholders, and experts as key stakeholder groups, and operates communication channels for each group for stakeholder engagement. HL D&I Halla Corporation reflected key issues drawn through stakeholder channels in sustainability management decisions and disclosed the process in the report.

Materiality: Identification and reporting of material sustainability topics

HL D&I Halla Co., Ltd. established a strategy related to sustainable management and established a process to derive reporting issues and evaluate business relevance and social impact across 20 major ESG issues pools to determine the importance of the issue, select 10 critical issues and publish the process in the report.

Responsiveness: Responding to material sustainability topics and related impacts

HL D&I Halla Corporation established the management process for key reporting issues determined by the materiality assessment. In order to respond appropriately to the expectations of stakeholders, HL D&I Halla Corporation disclosed the process including policy, indicator, activity and response performance on key reporting issues in the report.

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

HL D&I Halla Corporation established the process to identify and evaluate the impact on organizations and stakeholders related to key reporting issues. HL D&I Halla Corporation used impacts, risk and opportunity factor analysis results for key reporting issues to make decisions to develop response strategies for each issue, and disclosed the process in the report.

Key areas for ongoing development

- HL D&I Halla Co., Ltd. manages the organization's sustainability issues through the Compliance Management Committee (ESG Committee) for ESG management activities and decision-making deliberations. Continuing to operate ESG Management Governance (ESG Committee, Board of Directors) activities to advance the sustainable management system can be helpful.
- The report describes HL D&I Halla Inc.'s key sustainability performance in 2022 and expresses its efforts to advance its activities. At the same time, deriving underperforming sustainability issues and specifying related mid- to long-term strategies and goals can help ensure a balanced reporting.



Statement of independence and competence

The assurer is an independent professional institution that specializes in quality, environment, safety and health, energy and anti-bribery, compliance related ESG management with almost 120 years history in providing independent assurance services. No member of the assurance team has a business relationship with HL D&I Halla Corporation. The assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as AA1000AS assurer, have a lot of assurance experience, and understand the BSI Group's assurance standard methodology.

Evaluation against GRI 'In Accordance' Criteria

The assurer confirmed that this report is prepared in accordance with the GRI Standards, and the disclosures related to the following Universal Standards and Topic Standards Indicators based on the data provided by HL D&I Halla Corporation, the sector standard was not applied.

[Universal Standards]

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

[Topic Standards]

201-1~2, 203-1~2, 205-2~3, 302-1, 302-3, 303-5, 304-1~2, 304-4, 305-1~3, 306-1~5, 307-1, 401-1, 401-3, 402-1, 403-1~8, 403-9, 404-1~2, 405-1~2, 413-1, 414-1

17 May 2023

S. H. Lim / BSI Group Korea, Managing Director

A handwritten signature in black ink, appearing to be 'S. H. Lim', written over a faint background watermark of a crest.



Greenhouse Gas Verification Statement



Verification Opinion

Scope

The GHG Emissions of HL D&I Halla's manufacturing sites in the calendar year of 2022.

The verification calculated direct and indirect GHG emission based on the activity data from the GHG Emission Report for HQ, business offices and construction sites of HL D&I Halla.

- Complying with the suggestion of WRI/WBCSD GHG Protocol, the sources and the quantity of GHG emissions are calculated by applying operational control approach.
- Emissions were calculated based on fixed combustion emissions, mobile combustion emissions and indirect emissions.

Assurance level of verification

Limited Level of Assurance

Materiality

Moderate

For material discrepancies (errors, omissions, or false records), the threshold for quantitative determination is 5% of the total emissions.

Data Verified

GHG emissions of HQ, business offices, construction sites in 2022 are as follows:

(Unit: ton CO₂-e/yr)

Country	scope1	scope2	Total
HQ	439	215	654
Business offices	27	6	33
Construction sites	6,362	9,157	15,519
Total	6,828	9,378	16,206

※ The total emissions can differ to a cut-off decimal point

GHG Criteria & Protocols used for Verification

This verification was performed at the request of HL D&I Halla applying the following criteria and guidelines:

- ISO14064-1:2018 & ISO 14064-3:2019
- WBCSD/WRI GHG Guidance - Revised March, 2004
- IPCC GHG Guidance – Revised 2006
- Guideline for Reporting and Certification of Amounts of Emissions in the Greenhouse Gas Emission Permits Trading Scheme (Notification No. 2022-279 of the Ministry of Environment of Korea)
- BSI GHGEV Manual
- Construction Industry Greenhouse Gas Emissions Calculation Manual - Ministry of Land, Infrastructure and Transport, January 2015
- Guideline for Calculating and Managing of Amounts of Emissions in the Greenhouse Gas(WI-36-01, Rev.0)
- 2022 Construction Work Standard Product Calculation

The standard confidentiality principle of BSI Group Korea was applied to all verification activities.

Verification Opinion

As a result of the verification in accordance with the protocols and the best practice listed above, it is the opinion of BSI that:

- The verification was conducted with activity data and evidence provided by HL D&I Halla based on a limited level of assurance
- No material misstatement in the GHG emission calculations were detected, and relevant records were maintained appropria

29 May 2023

Managing Director Korea, SeongHwan Lim

Third-party verification of Scope3 GHG emissions at domestic construction sites

Scope

- Scope3 Category 1 Purchased products and services: Emissions from electricity and construction equipment fuel used during service provision in the construction sites of subcontractors, excluding the purchase of raw and subsidiary materials
- GHG emissions for Scope3(Indirect-emissions from logistic, commuting etc.) as defined in WBCSD/WRI GHG protocol Chapter 4 "Setting Operational Boundaries"
- GWP applies the IPCC Second Assessment Report, 1995 (SAR)

Assurance level of verification

Limited Level of Assurance

Materiality

Moderate

For material discrepancies (errors, omissions, or false records), the threshold for quantitative determination is 5% of the total emissions

Data Verified

2022 Scope3 GHG Emissions are as follows and calculation methods for each Scope3 sector are described in the verification report.

Category 1: Purchased products and services (excluding raw and subsidiary materials, subcontractor's service in the construction sites)
34,378 ton CO ₂ -e/yr



GHG Criteria & Protocols used for Verification:

The verification was performed at the request of HL D&I Halla applying the following criteria and guidelines:

- Guideline for Reporting and Certification of Amounts of Emissions in the Greenhouse Gas Emission Permits Trading Scheme (Notification No. 2022-279 of the Ministry of Environment of Korea)
- WBCSD/WRI Technical Guidance for Calculating Scope3 Emissions (version 1.0)
- ISO14064-1:2018 & ISO 14064-3:2019
- HL D&I Halla GHG Emissions Calculation and Management Guidelines
- BSI GHGEV Manual

The standard confidentiality principle of BSI Group Korea is applied to all verification activities

Verification Opinion:

BSI Group Korea's verification opinions on the result of carrying out verification in accordance with the GHG criteria and protocols mentioned above are as follows.

- Data quality was considered acceptable in meeting the key international principles for greenhouse gas emissions verification.
- No material misstatement during the verification process for emissions was found, it was confirmed that relevant activity data and evidence were properly managed. Therefore, the BSI Group Korea Verification Team provides a verification opinion that is "appropriate".

29 May 2023

Managing Director Korea, SeongHwan Lim

HL D&I Halla