

2024 HL D&I Halla Sustainability Report

2024-01-01 ~ 2024-12-31





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STRIDE for Higher Life

HL D&I Halla was founded in 1980 and has played a pivotal role in Korea's economic development through a wide range of domestic and international construction projects.

We have earned recognition for our excellence in civil engineering, architecture, housing, plant, and environmental businesses. From developing national infrastructure to creating architecturally distinguished buildings that integrate advanced technologies, from operating diverse industrial and environmental plants to launching the premium 'EFETE' brand of residential spaces, we have grown into a company beloved by our clients for our outstanding quality and competitiveness.

Going forward, we will focus our core capabilities on SOC, turnkey, and large-scale planning and proposal-based projects, [prioritize customer value, and continuously challenge ourselves while evolving into a better company.](#)

[HL D&I Halla Homepage](#) →

HL D&I Halla Achievement

	Obtained 'Green Technology' certification for raw material reduction construction methods	Developed technology that reduces raw material use by approximately 49% compared to conventional methods
	Strengthened the 'quality management system' led by the CEO	Enhanced quality control through the introduction of the MINE quality inspection system
	Received the highest grade in the 'Evaluation of Mutual Cooperation among Construction Companies' conducted by the Ministry of Land, Infrastructure and Transport	Obtained the top grade in the Evaluation of Mutual Cooperation among Construction Companies for two consecutive years
	Won the Grand Award at the 'LACP Vision Awards' for two consecutive years	Received the Grand (Platinum) Award at the LACP Vision Awards
	Obtained an A+ grade in the KCGS ESG evaluation, becoming the only construction company to receive the rating	Obtained a comprehensive A+ grade in the 2024 KCGS ESG evaluation
	Carried out ESG industry-academia collaboration activities	Signed an agreement with Halla University to strengthen ESG practices
	Conducted biodiversity risk assessments	Analyzed physical and reputational biodiversity risks at business sites
	Performed detailed analysis of the financial impacts of climate change risks and opportunities	Enhanced the ability to measure climate-related risks and opportunities using scenario-based methodologies
	Improved shareholder voting convenience	Introduced an electronic voting system to protect shareholder rights and increase participation

2030 HL D&I Halla's Goals

Strengthening climate change response based on a mid- to long-term roadmap

HL D&I Halla will pursue more advanced carbon reduction efforts by implementing sustainable, low-carbon, eco-friendly workplace practices.

Climate Change Response →



Uncompromising commitment to safety and health management

To achieve zero workplace incidents, HL D&I Halla will pursue rigorous safety and health management, demonstrating our responsibility for safe operations.

Safety & Health →

Building a sustainable supply chain
by advancing the value of shared
growth

HL D&I Halla will deepen collaborative activities
with our subcontractors, strengthening mutual trust
and leading joint growth.

Shared Gowth →



Strengthening the role of the Board
of Directors and advancing risk
management capabilities

HL D&I Halla will proactively manage risks based on
its philosophy of integrity management.

Risk Management →

Enhancing quality capabilities to improve customer value

HL D&I Halla will continuously strengthen its quality capabilities to provide better experiences to customers.

Customer Value →



Optimizing resource efficiency and environmental impact management

HL D&I Halla will implement eco-friendly construction that maximizes resource efficiency and minimizes environmental pollution.

Environmental Impact Management →

About this report

About this report

About this Report

HL D&I Halla has published a sustainability report each year since 2020. This is the fifth sustainability report issued by HL D&I Halla, detailing the company’s major ESG activities and achievements over the past year, organized by key ESG topics. Through this report, HL D&I Halla will continue to share transparently with internal and external stakeholders its efforts to realize economic, environmental, and social value and to build a better tomorrow.

Reporting Period and Scope

This report covers the period from January 1, 2024, to December 31, 2024. To ensure timeliness and relevance, some significant activities through the first half of 2025 are also included. Quantitative performance data for the past three years are provided to enable trend analysis, and any changes from the previous report are clearly annotated. Financial information is prepared on a consolidated K-IFRS basis, while non-financial data, including environmental performance, covers HL D&I Halla’s head office and domestic business sites.

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. It also integrates the UN Global Compact principles, the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, the Sustainability Accounting Standards Board (SASB) industry standards, and the Korea Sustainability Standards Board (KSSB) disclosure guidelines.

Report Assurance

To ensure reliability and fairness, this report has undergone third-party assurance by an independent external professional body, BSI Group Korea. The statement can be found in the 'Appendix: Independent Assurance Statement'.

Report Inquiries

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CEO Message

CEO Message

Dear stakeholders,

Despite the challenging business environment last year, caused by interest rate increases, a slowdown in the real estate market, stricter building regulations, and unstable international conditions, HL D&I Halla has fulfilled its responsibilities unwaveringly based on the core value of sustainable management. Therefore, with the publication of our fifth Sustainability Report for 2025, we look back on our efforts and achievements over the past year and lay the groundwork for a new sustainability management milestone.

Under the vision ‘STRIDE for Higher Life,’ HL D&I Halla has further solidified its ESG management system. HL D&I Halla’s differentiated competitiveness in securing sustainability has been highly recognized. In the ESG evaluation of the Korea Institute of Corporate Governance and Sustainability (KCGS), we were the only domestic construction company to achieve the highest grade of A+. In the Vision Awards, organized by the League of American Communications Professionals (LACP), we won the grand prize (Platinum) again in 2024 following 2023, demonstrating our sustainability management achievements both domestically and internationally.

We will not rest on past achievements but will prepare for a greater leap forward through an action-oriented sustainability management system. We view ESG activities not as temporary measures to overcome short-term crises but as stepping stones for long-term corporate resilience improvement and sustainable growth direction, enabling us to overcome crises. Furthermore, we will strive to secure competitiveness across all ESG areas as follows:

We will strengthen the company-wide safety and health system based on a sense of responsibility.

In 2024, we achieved zero accidents at all worksites, following 2023, marking two consecutive years of zero serious accidents, a meaningful result. Since my inauguration as CEO, safety has been the most emphasized area. HL D&I Halla operates a preventive management system grounded in strong awareness of safety accidents. Every member will thoroughly carry out safety and health activities in their respective roles, internalize their value, and embody them in daily practice.

We will enhance customer trust and value through rigorous quality management.

Based on the firm philosophy that ‘No survival without quality,’ we practice thorough quality management at all worksites. In 2024, we introduced the quality inspections Make it No Error (MINE) and EFETE TIME as joint activities accompanied by the CEO. We will also advance our quality audits from four stages to six and hold regular quality meetings aimed at strengthening company-wide quality awareness. These efforts will enable us to quickly implement corrective actions for major defects and deliver greater value to our customers.

We will enhance climate change response capabilities through climate risk analysis and reduction indicator management.

We have been systematically implementing our climate change response strategies, building on the mid- to long-term roadmap following our TCFD support declaration in 2023. At the same time, we have set greenhouse gas reduction targets according to SBTi criteria and quantitatively manage implementation performance. To reduce carbon emissions and improve energy efficiency, we focus on developing eco-friendly construction methods and technologies, continuously expanding green technology certifications. In addition, we plan to enhance our resilience by precisely analyzing the financial impact of climate risks and preparing response strategies tailored to each risk level.

We will realize integrity management through transparent governance and ethical culture internalization.

The core foundation for a sustainable future arises from transparent and responsible governance. HL D&I Halla practices integral and ethical management centered on a board of directors characterized by diversity, independence, and expertise. Through an integrated risk management system covering financial and non-financial issues, we enhance management stability. We also conduct ethics, compliance, and fair trade training for employees, fostering a culture where ethical judgment and responsible actions become routine.



Sustainable management is not the task of any single individual or department but our shared responsibility and a journey requiring continuous practice. HL D&I Halla will work with all stakeholders to create a safe and healthy society, an environmentally friendly industry, and a transparent corporate culture. We ask for your steadfast trust and support.

Thank you.

Executive President of HL D&I Halla Corp.

Hong Suk-hwa



HL D&I Story

About the Company

Since its founding in 1980, HL D&I Halla has successfully carried out construction projects in diverse areas such as architecture, housing, and infrastructure, establishing itself as a key contributor to the development of South Korea’s construction industry. Based on technology and experience accumulated over many years, we have earned recognition for our excellence in civil engineering, architecture, housing, plants, and environmental business. We continue to grow by leveraging differentiated strengths in each field. HL D&I Halla provides tangible value to clients and society through a wide range of projects from social overhead capital (SOC) that forms the nation’s foundation to high-quality structures that combine innovative design with advanced technology, and industrial and environmental plants with enhanced energy and environmental responsiveness. Going forward, we will actively respond to changing market conditions and technological trends and fulfill our responsibility as a leader in promoting a sustainable construction culture.

Overview

As of December 2024

	Company Name	HL D&I Halla Corp.
	Date of Establishment	May 2, 1980
	Date of Stock Listing	August 12, 1994
	CEO	Hong Seok-hwa
	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.)
	Employees	1,152 people

Global Network



HL D&I Halla Global Network

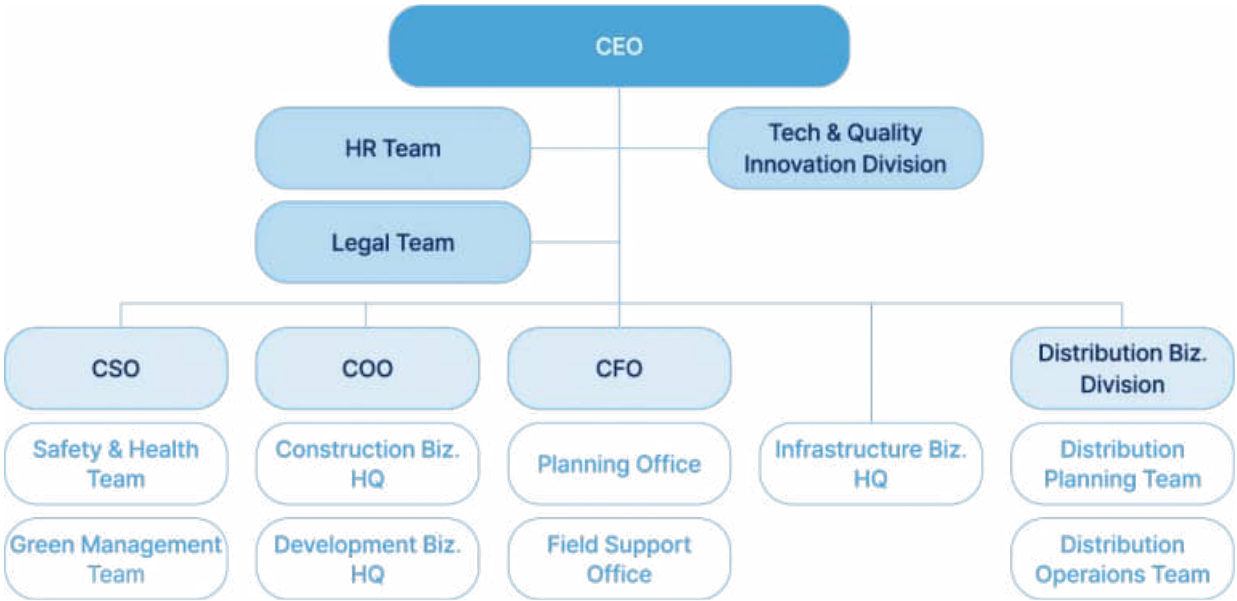
Nation	Company Name
South Korea	Head office of HL D&I Halla
Vietnam	HL D&I Halla Corportation-project Office in Vietnam
Bangladesh	HL D&I Halla Corportation-project Bangladesh Branch Office
USA	HL Properties America Corporation
Mexico	Halla E&C Mexico S. de R.L. de CV in Mexico

Major Subsidiaries

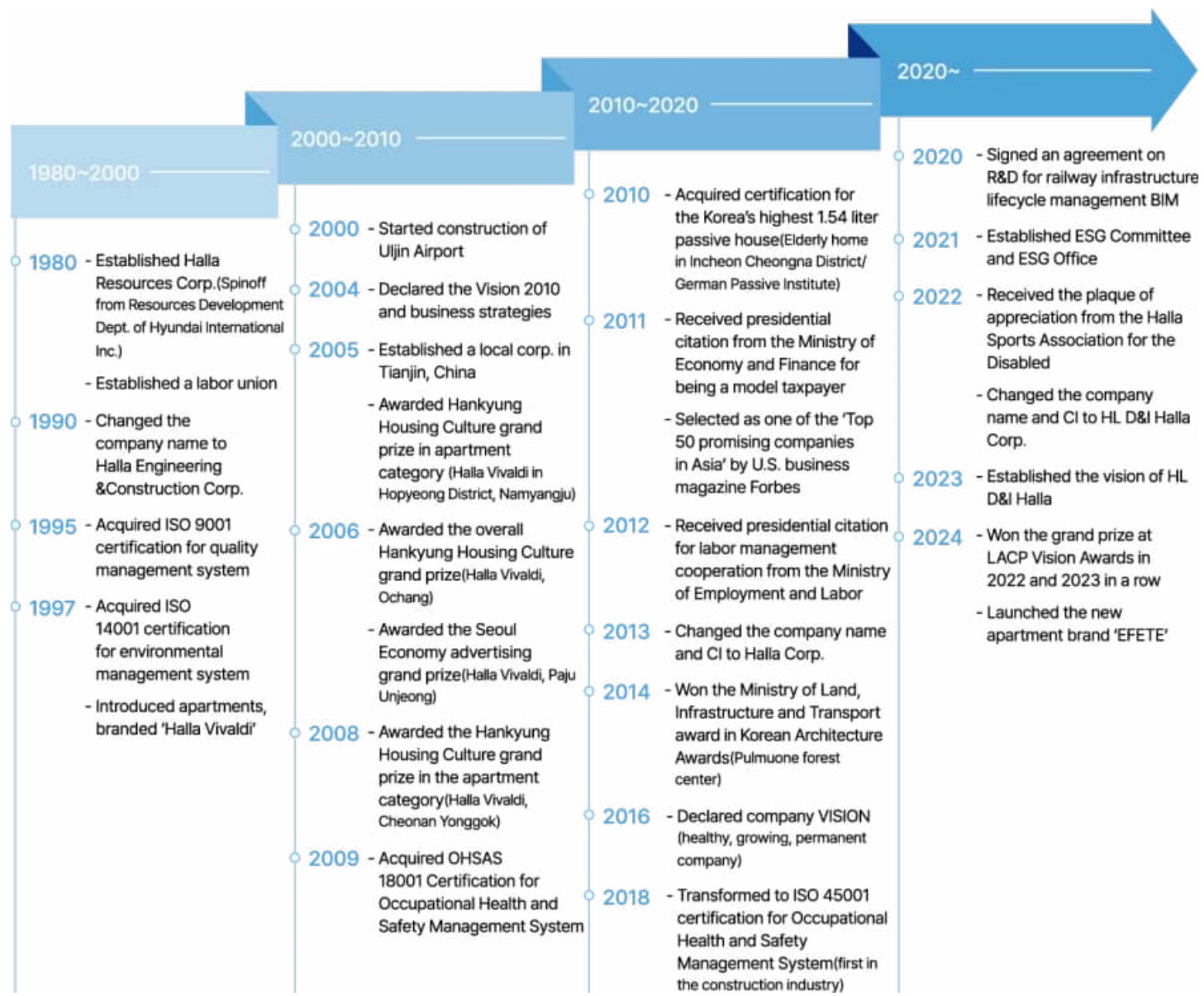
		
HL Logis & Co.	HL Mokpo NewPort Terminal	HL Ecotech
Integrated logistics, warehousing	Port, maritime transportation	Waste incineration, facility maintenance, operation, and management
Operation and leasing of large-scale integrated logistics complexes, provision of logistics services and consulting	Consigned management of port facilities in Mokpo New Port, provision of land and sea transportation services	Design, construction, and operation of environmental pollution prevention facilities, general construction, civil engineering, and architectural projects

Organizational Chart

Organizational Chart of HL D&I Halla

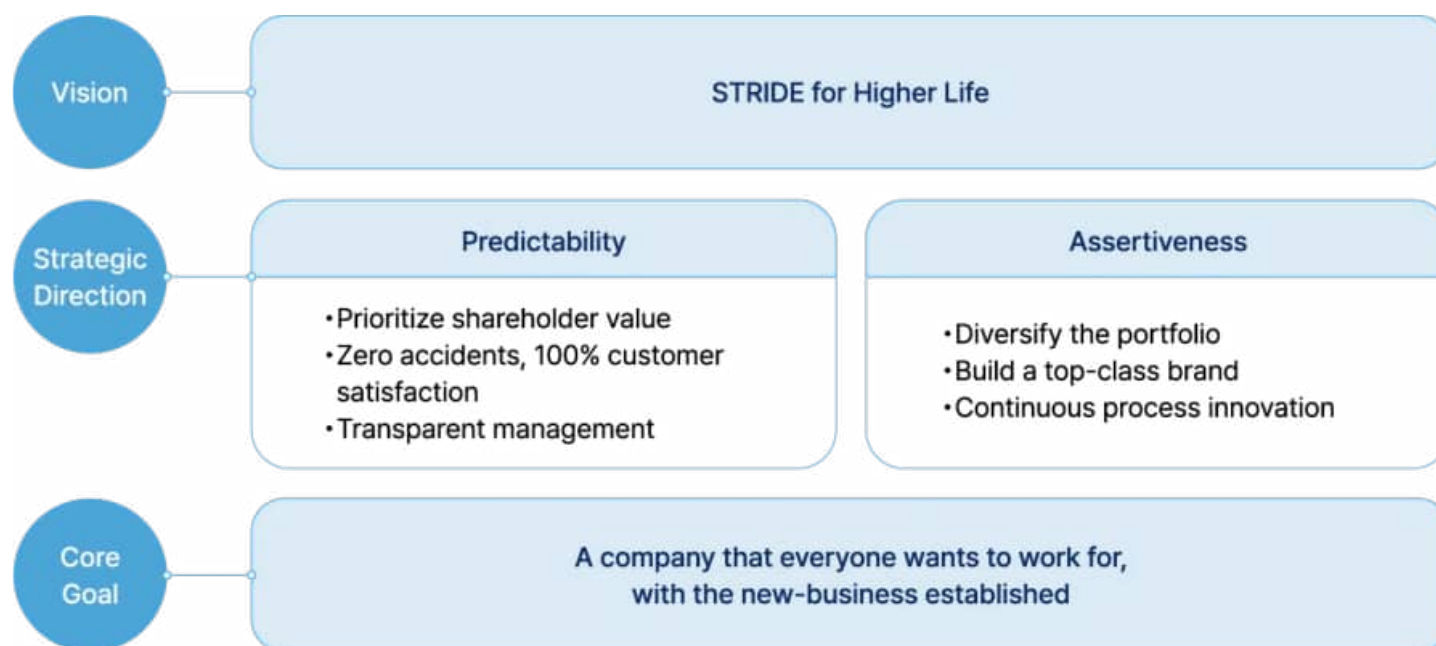


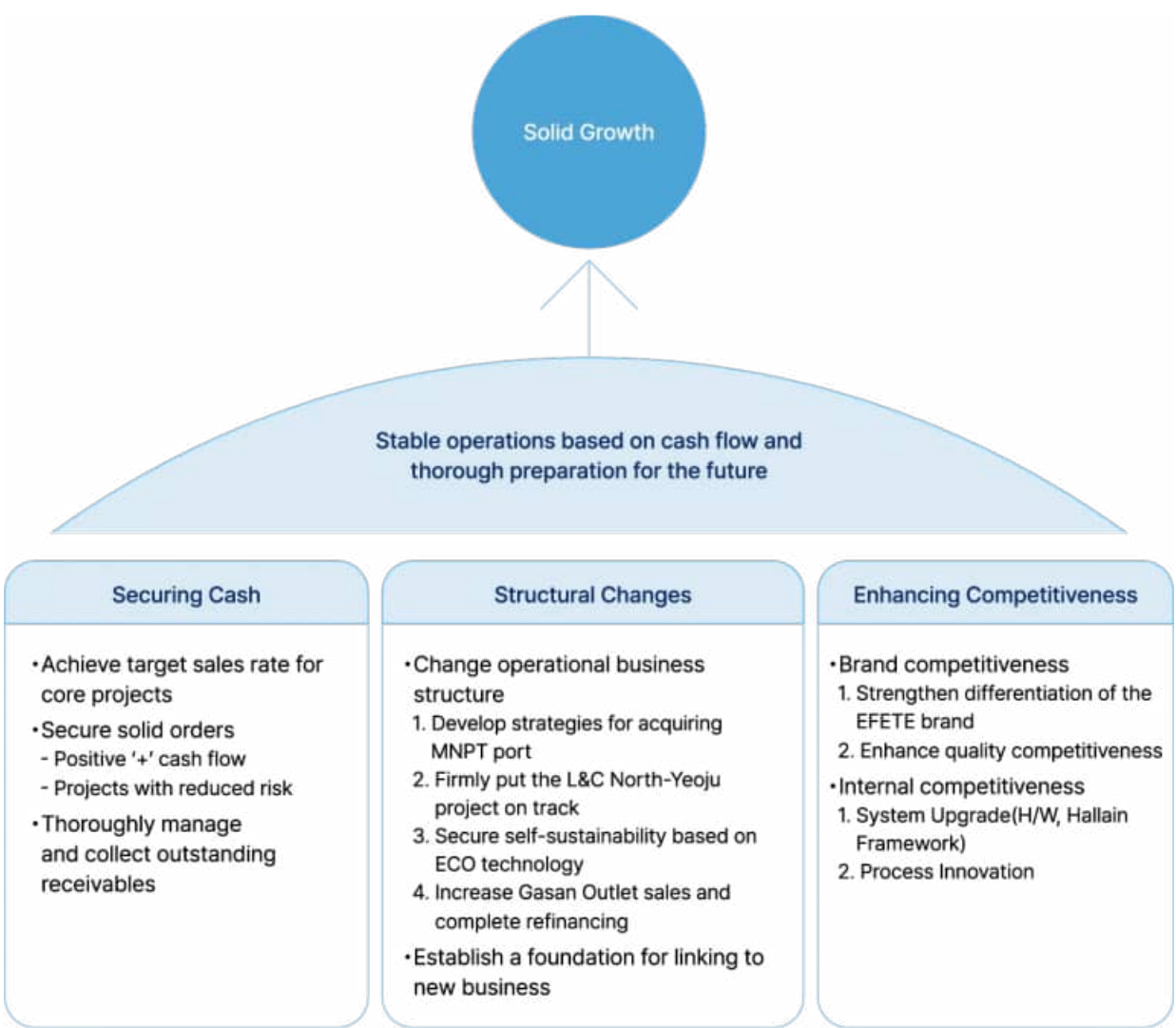
History



Management Vision

HL D&I Halla has set its 2025 management policy as “Solid Growth” under the vision ‘STRIDE for Higher Life.’ With stable operations based on cash flow and thorough preparation for the future, HL D&I Halla will pursue sustainable growth.





Major Business

Architecture/Development

HL D&I Halla actively adopts the latest construction methods and advanced systems to create high-quality buildings for various uses, such as commercial, logistics, and leisure. Based on technical innovation, we realize spaces that satisfy both functionality and aesthetics. We create user-centered environments that go beyond mere spaces to bring social and economic vitality.

Key Architecture/Development Business Information

Category	Halla Vivaldi Centro at Jangyu Station, Gimhae		Halla Vivaldi in Buseong District, Cheonan	
Exterior view				
Location	Gimhae-si, Gyeongsangnam-do		Cheonan-si, Chungcheongnam-do	
Building scale	5 buildings with 2 basement levels and 27-29 floors		9 buildings with 2 basement levels and 25 floors	
Household count	442 households		654 households	
Site area	21,455 m ²		32,532 m ²	
Gross floor area	99,186 m ²		115,001 m ²	

Infrastructure

HL D&I Halla, under the belief ‘We benefit the country with our technology,’ builds facilities that anyone can use with confidence. HL D&I Halla pursues sustainable infrastructure development that meets both public and industrial needs based on its quality risk management, from design to construction and maintenance, accumulated know-how, technical expertise, and thorough safety management system.

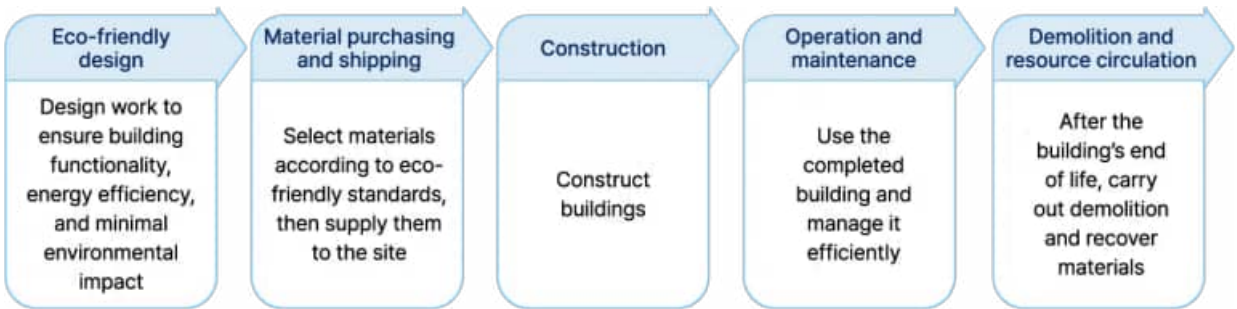
Key Infrastructure Business Information

Category	Gyeongbu-Dongtan Straightening Section 1&2	Seohae Line Section 10
Exterior view		
Location	Hwaseong-si, Gyeonggi-do	Hwaseong-si, Gyeonggi-do
Ordering party	Korea Expressway Corporation	Korea National Railway
Construction details	Total length 2.26km, two bridges (length 104.1m), etc.	Bridges 3.274 km, tunnels 2.435 km, stations, etc.

Value Chain Composition

HL D&I Halla strives to reflect sustainability across the entire value chain covering the full lifecycle of construction projects. From design through material purchasing and shipping, construction, operation and maintenance, to demolition, we aim to minimize environmental impact at each stage and implement an eco-friendly value chain.

HL D&I Halla Construction Project Value Chain



Key Business Performance

Key Financial Performance (Consolidated Basis)

Category		Unit	2022	2023	2024
Orders Received	Architecture/Development	KRW 100 million	16,044	10,434	17,859
	Infrastructure		2,282	1,981	5,512
Order Backlog		KRW 1 trillion	4.6	4.8	5.8

ESG Strategy

HL D&I Halla has established strategies and action items across environmental, social, and governance areas and pursued both enhanced corporate value and strengthened social responsibility by connecting its group core values with the ESG strategy. We will reinforce execution capability and governance centered on the ESG promotion organization and the ESG Committee, realizing the vision ‘STRIDE for Higher Life.’

ESG Management Strategy

ESG Core Values and Promotion Strategy

HL D&I Halla has linked the group’s core values ‘Integrity,’ ‘Frontier,’ and ‘Together’ with key ESG topics to establish nine ESG promotion strategies. HL D&I Halla shares two goals across the entire organization: sustainable growth throughout business operations and fulfillment of social responsibility. We strive to put into practice the vision “STRIDE for Higher Life.”

HL D&I Halla Core Values and ESG Promotion Strategy

Core Values		ESG Promotion Strategy
	FRONTIER	• Climate Change Response • Eco-friendly site management • Low carbon eco-friendly portfolio Expansion
	TOGETHER	• Enhanced safety management • Spreading human rights management • Strengthening sustainable value chain and stakeholder communication
	INTEGRITY	• Sustainable activities of Board of Directors • Integrated risk management • Strengthening ethics & compliance management

Sustainability Management Promotion Process



Goals and Performance by Promotion Strategy

HL D&I Halla UN SDGs-linked goals

Target	Linked SDGs					
Environmental	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND
Social	1 NO POVERTY	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES
Governance			16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS		

Goals and Performance by ESG Action Item

Promotion Strategy	Long-term goals	Sustainability Management KPI	Performance in 2024	2030 Goals
Climate change response	Advanced management of greenhouse gas emissions and reduction based on SBTi standard (compared to the base year)	Greenhouse gas reduction rate	-1)	42%
Eco-friendly worksite management	Zero environmental accident to minimize environmental impact at all worksites	Number of environmental accidents	1 case	0 case
	Achievement of 99% waste recycling rate	Waste recycling rate	100%	100%
Expansion of low-carbon, eco-friendly portfolio	Continuous expansion of eco-friendly products and technologies (eco-friendly buildings, technologies, etc.)	Number of eco-friendly products and technologies (cumulative)	5 cases	5 cases
Strengthening safety management	Achievement of zero employee industrial accident rate	Industrial accident rate	0.26%	0%
	Achievement of zero workplace fatalities	Number of deaths	0 person	0 person
	Achievement of zero labor loss rate	Loss of work rate	0.78%	0%
Expansion of human rights management	Expansion of the scope of continuous human rights management impact assessment implementation by more than 90%	Scope of Human Rights Impact Assessment	8 worksites	All worksites
Strengthening sustainable value chain and stakeholder communication	On-site due diligence on sustainable supply chain management	On-site inspection	4 worksites	Subcontractors 50%
	Implementation of socially responsible management through sustainable social contribution activities	Participation time in social contribution activities	525 hours	650 hours
	Implementation of socially responsible management through biodiversity-related social contribution activities	Biodiversity social contribution activities	1 case	2 cases
Sustainable activities of Board of Directors	Strengthening ESG operations through smooth Board communication	Number of major ESG agenda items within the board of directors	5 cases	4 cases
Strengthening ethics & compliance management	100% internal control monitoring for transparent management	Inspection performance rate	-2)	100%
Integrated risk management	Establishment and internalization of a company-wide risk management system for sustainable growth	Building an integrated ESG computing system	-3)	Establishment completed

1) No reduction in greenhouse gas emissions compared to the previous year
2) Internal control monitoring rate for 2024 was not calculated
3) The system is under development

Key Sustainability Management Policies

Quality, Environment, and Safety Policy

Download

HL D&I Halla develops and faithfully implements systematic work procedures to deliver outstanding quality and competitiveness, contributing to human well-being and responding to environmental changes. HL D&I Halla recognizes that environmental responsibility, safety, and quality must be managed in close coordination.

HL D&I Halla Human Rights Management Declaration

Download

HL D&I Halla pursues development based on mutually respectful human rights practices with its stakeholders. In line with its human rights management principles, HL D&I Halla declares that all employees and subcontractors involved in its business relationships are obligated to comply with this declaration.

Supply Chain ESG Management Policy

Download

Under the company’s vision, we have established ongoing management policies to foster mutual and sustainable growth with all subcontractors and to build a healthy value chain ecosystem. These policies apply to every stakeholder across HL D&I Halla’s supply chain.

Subcontractor Code of Conduct

Download

HL D&I Halla is committed to building a sustainable supply chain and setting clear standards for ethical conduct and value-based decision-making. All subcontractors in business relationships with us shall implement and comply with this code of conduct.

Customer Service Charter

Download

In line with HL D&I Halla’s vision of 'STRIDE for Higher Life,' we pledge to enhance customer experience by delivering greater value to our clients.

ESG Management System

ESG Committee

HL D&I Halla has made ESG management a core pillar of corporate operations. To strengthen decision-making systems across environmental, social, and governance areas, we renamed the ‘Integrity Management Committee’ to the ‘ESG Committee’ in October 2024. The ESG Committee consists of four board members, including three non-executive directors. Based on independence and expertise, it conducts in-depth discussions on the company’s sustainability issues and approves the strategic direction for key ESG management. The committee also reviews the progress of ESG initiatives, such as understanding environmental and social responsibilities and ensuring compliance with ethics and fair trade, and plays a central role in reinforcing HL D&I Halla’s transparency and accountability through risk management activities like deliberation on internal transactions among affiliates. Centered on the ESG Committee, HL D&I Halla will actively pursue ESG management and build a sustainable growth framework grounded in stakeholder trust.

ESG Committee Activity Details in 2024

Date of event	Agenda Item	Approval Status
February 7, 2024	2024 ESG Promotion Plan	Reported
	Approval on transactions between directors, etc., and the company	Approved
February 22, 2024	Approval on transactions between directors, etc., and the company	Approved
April 29, 2024	Appointment of the Integrity Management Committee chairperson	Approved
July 25, 2024	Publication of the Sustainability Report and key environmental performance	Reported
December 19, 2024	2024 Sustainability (ESG) implementation results	Reported
	Approval on transactions between directors, etc., and the company	Approved

ESG Management Promotion Organization

HL D&I Halla operates a dedicated ESG organization directly under the Chief Safety Officer (CSO) to ensure systematic ESG management. Centered on the Green Management Team, which handles ESG operational tasks, the ESG Working Council is formed to closely discuss and develop implementation plans across departments on key ESG issues for HL D&I Halla, such as climate change response, safety and health, supply chain management, labor and human rights, and consumer protection.

Organizational Chart for ESG Management



ESG Fundamental

HL D&I Halla has systematically identified sustainability issues according to the principle of double materiality assessment to strengthen the foundation of ESG management. We will enhance the credibility and transparency of ESG management by identifying priority issues reflecting ESG risks and opportunities in corporate operations and by refining management strategies.

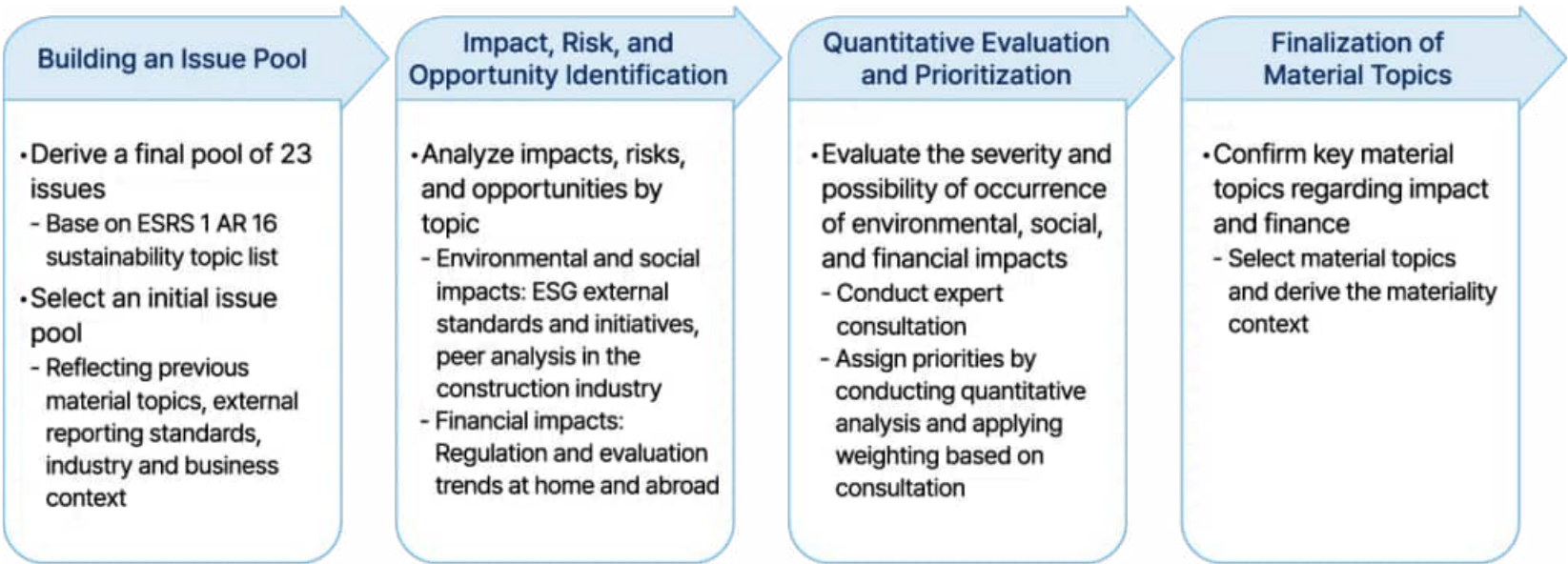
Materiality Assessment

HL D&I Halla selects material sustainability topics affecting the company each year through materiality assessments and discloses the results in the Sustainability Report. HL D&I Halla also conducts these assessments from a double materiality perspective, considering both the impact of our business activities on external factors (such as the environment and society) and the potential impact of ESG issues on company value or financial performance.

Materiality Assessment Process

HL D&I Halla has advanced its materiality assessment process based on the double materiality guidelines provided by the European Financial Reporting Advisory Group (EFRAG). First, using the list of sustainability topics in ESRS Set 1 AR 16, HL D&I Halla derived a pool of 23 ESG issues by considering the previous year’s material topics, external reporting standards, and business context. The derived topics were then quantitatively evaluated through expert consultation to identify environmental and social impacts as well as financial impacts, risks, and opportunities, while also considering the severity and possibility of occurrence. Based on this evaluation, HL D&I Halla confirmed the final material topics.

Materiality Assessment Process



HL D&I Halla Sustainability Topic Pool

Environment	Society	Governance
• Climate change response • Clean tech innovation • Environmental compliance • Management of environmental pollutants • Water resource management • Resource circulation and circular economy • Biodiversity and ecosystems	• Worksite safety and health • Sustainable supply chain • Quality management • Talent recruitment and development • Fair performance evaluation and compensation • Human rights management	• Shared growth • Customer satisfaction management • Workforce diversity • Community engagement and social contribution • Labor-management relations • Enhancing governance transparency and independence • Establishing ESG management system • Fair trade • Ethical management • Information protection

Materiality Assessment Results

HL D&I Halla quantitatively evaluated both impact materiality and financial materiality, and incorporated internal and external stakeholder and expert opinions to select the material topics. Using thresholds for both impact and financial materiality, we identified a total of seven material topics, including ‘worksite safety and health,’ which was considered important from both perspectives. Compared to last year’s selection, two topics were newly included. For each identified material topic, we analyze the specific context of impact, as well as risk and opportunity factors, and establish response strategies to manage potential impacts.

Analysis of Material Topic Selection Results

Material Topic List and Management Status¹⁾

No.	Topic Name	Impact/Risk/Opportunity Analysis	Response and Management Activities	Key Achievements in 2024
1	Worksite safety and health	- Strengthened safety and health regulations including the Serious Accidents Punishment Act - Advanced safety management based on AI and IoT technologies, and reduced safety and health risks	- Obtain a safety and health management system (ISO 45001) certification - Implement a resolution conference for serious accident prevention practices - Implement a 100-day resolution for zero serious accidents - Carry out disaster response drills	- Achieved a fatality rate of 0.00‰ per 10,000 workers - Conducted on-site safety and health inspections 140 times - Conducted construction equipment inspections 657 times - Achieved a 100% on-site application rate of industrial safety and health management systems
2	Quality management	- Increased quality sensitivity among end consumers leading to a rise in defect-related complaints - Increased brand value and sales by ensuring superior quality	- Obtain a quality management system (ISO 9001) certification - Operate the quality review system (HL-QMS) - Conduct MINE quality inspections with CEO - Issue a quality conference and CS Report	- Issued defect case studies 52 times - Issued Q-Brief 4 times - Upgraded site quality audits from 4 to 6 stages - Achieved ‘Very Excellent’ rating in Cheonan multi-family housing quality inspection (Halla Vivaldi, Cheonan Buseong)
3	Climate change response	- Excessive fuel and power use exacerbating climate risks - Enhanced climate resilience through eco-friendly projects	- Manage greenhouse gas emissions by site - Conduct third-party verification of greenhouse gas emissions - Measure and manage supply chain emissions (Scope 3) - Install solar panels on the roofs of apartments under construction for energy self-sufficiency	- Reduced greenhouse gas intensity by 9% (Scope 1+2+3, including subcontractors) - Reduced energy intensity by 9% (including subcontractors) - Installed 504kW solar panels - Achieved 100% electrification of aerial work platforms
4	Ethical management <i>New</i>	- Expanded roles that demand ethical awareness from members - Minimized financial losses and improved operation efficiency by addressing ethical risks	- Issue anti-corruption guidelines - Provide integrity and ethics training - Operate corruption reporting channel	Provided ethical management training to 1,149 employees, averaging 12.4 hours per person (integrated training covering information security, personal data protection, and ethical management)
5	Fair trade <i>New</i>	- Risks of administrative sanctions from unfair market practices - Established orderly transactions through fair trade risk management	- Define four key fair trade practices - Establish a management system based on CP programs - Encourage voluntary compliance	Provided 254 employees with internal accounting management training (satisfaction 4.1/5)
6	Talent recruitment and development	- Talent outflow due to insufficient recruitment and development - Strengthened business competitiveness by securing top talent	- Expand workforce diversity - Operate on-boarding programs and employee training programs - Conduct regular performance evaluations and compensation systems - Support employee mental well-being	- Achieved a women employee rate of 9.1% - Hired 20 employees with disabilities - Spent KRW 5.86 billion on welfare expenses
7	Resource circulation and circular economy	- Accelerated waste of natural resources and increased resource consumption - Reduced environmental impact through waste reduction and recycling	- Operate ‘Allbaro System’ for waste management - Monitor waste generation and recycling rates monthly - Promote waste resource recovery - Disclose pollutant data in real time via IoT smart monitoring system	- Introduced renewable asphalt concrete and cement materials - Achieved a 100% waste recycling rate - Achieved a 100% waste recycling rate

1) Ethical management and fair trade were newly selected as material topics in the materiality assessment.

Stakeholder Engagement

Stakeholder Communication

Stakeholder Communication

Stakeholder Category	Definition of Key Stakeholders	Key Concerns			Engagement & Communication Channels
		Environmental	Social	Governance	
Shareholders and Investors	Individuals or groups providing financial capital to the company	Respond to strengthened environmental regulations	Improve worksite management culture for safety issues	Need to address inherent ESG risks in the construction industry	- General shareholders' meeting - Reports (business, audit, sustainability, governance)
Subcontractors	Suppliers of products or services in transactions or cooperation with the company	- Recycle waste - Continuously manage environmental pollutants such as fine dust, noise, etc.	- Prevent project delays via on-site complaint handling - Leverage expertise and know-how in site operations	Continuously invest in future growth areas	- Subcontractor meetings - Subcontractor suggestion system
Employees	The entity responsible for the company's management and business activities	- Respond to strengthened environmental regulations - Need to address environmental issues inherent to the construction industry	- Diverse workforce development plans for site and business operations - Develop preventive measures for employee safety accidents	- Expand investment in new growth engines - Manage governance risks through integrity management	- Online management briefing sessions - Labor-management Council - The group's internal PR channel 'Hallo' - Employee training and workshops - Business plan presentation sessions
Customer	Individuals or groups using the company's products and services	- Reduce fine dust generated at sites - Use renewable energy for residential facilities	- Implement safety management at construction sites - Operate customer feedback channels	- Ensure transparent governance - Secure quality competitiveness	- Voice of the Customer - Pages dedicated to contractors
Local Communities	Residents or groups in areas where the company's worksite is located or business activities are conducted	Engage in environmental protection activities	- Practice sharing with local communities - Address local issues through communication with the communities	- Strengthen ethical management - Raise internal ESG awareness among employees	- HL D&I Halla website - Local volunteer activities - Local welfare organizations
Government, Media, Academia	Organizations involved in legislation, research, or monitoring related to the company's business	- Expand share of renewable energy use - Increase investment to address environmental issues	- Resolve conflicts with labor and local residents through smooth communication - Need to enhance on-site safety awareness	- Implement HL D&I Halla's ESG practices - Prepare for rising raw material prices such as cement	- Reports (business, audit, sustainability, governance) - Industry or academic association - Industry seminars - Off-line meetings

Distribution of Stakeholder Value

Stakeholder Value Distribution

Unit: KRW million

Category	Details	2022	2023	2024
Subcontractors	Outsourcing costs for domestic construction	764,593	771,701	683,744
Employees	Total annual salary	123,358	121,511	128,470
Local communities	Donations	247	136	149
Government	Corporate tax paid	9,640 ¹⁾	8,810	5,116
Shareholders	Dividends	-	-	-
	Purchase of treasury stock (stock retirement)	-	-	-

1) 2022 data has been corrected based on the comprehensive income statement in the business report

2024 Highlight

2024 Highlight

Top Company for Mutual Cooperation in 2024, recognized by Ministry of Land, Infrastructure and Transport

Top rating



Enhancing protection of shareholders' rights and interests

Introduction of electronic voting



Waste recycling rate

100%



Strengthening safety management: workplace fatalities

Maintaining zero

(including employees and subcontractors)



Human rights impact assessment implementation

8 worksites / 22 subcontractors



Analysis of financial impacts from climate change risks and opportunities



Enhancement

Climate Change Response



HL D&I Halla recognizes responding to the climate crisis as a core task for securing sustainability. We have set science-based reduction targets and established a greenhouse gas management system to prepare for the transition to carbon neutrality. We will actively adopt low-carbon technologies and eco-friendly solutions to evolve as a responsible company in the era of the climate crisis.

Climate Change Response

Climate change poses significant business risks not only through physical impacts such as extreme heat, floods, and droughts but also via financial strains caused by project delays, workforce management burdens, and other factors. Accordingly, HL D&I Halla has set ‘realizing sustainable low-carbon, eco-friendly worksites’ as a strategic objective and established a mid- to long-term roadmap to address climate change. We have officially declared support for the Task Force on Climate-related Financial Disclosures (TCFD) and participated in the global Carbon Disclosure Project (CDP) from 2025, setting up a climate disclosure framework and enhancing transparent communication on our climate response.

Climate Change Response Strategy and Roadmap

	Climate change response foundation establishment (to 2022)	Climate change response strategy and management system advancement (to 2025)	Climate change response leadership achievement (to 2030)
Governance	- Establish ESG Committee under the Board of Directors (now Sustainability Management Committee) - Set up ESG working groups within affiliates - Form and operate dedicated ESG team (Green Management Team) and Sustainability Management Council - Build environmental performance evaluation system	- Enhance governance of climate risk management: Develop Board-level climate response management indicators - Incorporate ESG items into executive KPIs - Introduce environmental performance indicators into CEO and all employees' KPIs	- Perform leading role as a climate response pioneer - Activate low-carbon, eco-friendly supply chain management and support
Strategy	- Build environmental performance evaluation system and maintain environmental management certification to realize low-carbon, eco-friendly worksites - Establish mid- to long-term reduction targets and strategies for climate change and carbon neutrality - Include strategies for internal emissions (Scope 1 & 2) and supply chain emissions (Scope 3) - Expand low-carbon, eco-friendly technologies and construction methods	- Set reduction targets and strategies based on SBTi criteria - Build and operate a greenhouse gas inventory system for emissions management - Develop climate scenario analysis methodology - Expand investment and portfolio in low-carbon, eco-friendly new businesses	- Execute resilience and response enhancement strategies based on climate scenario analysis - Implement climate response tasks, monitor greenhouse gas reduction, and apply feedback to become an eco-friendly, sustainable company - Expand low-carbon, eco-friendly investments
Risk Management	Review climate transition and physical risks and opportunities considering construction industry characteristics	- Review risks and opportunities based on climate scenario analysis and develop response plans for high-emission businesses - Introduce a financial impact-based evaluation system reflecting climate risk	- Build and stabilize a corporate ESG risk evaluation system - Strengthen company-wide integrated ESG risk management and response systems
Indicators and Goals	- Measure and disclose greenhouse gas emissions - Internal emissions (Scope 1 & 2) and supply chain emissions (Scope 3) - Measure and disclose energy use intensity - Disclose the company's achievements, including the investment amount of environmental management and eco-friendly/new businesses and green expenditures	- Expand scope of supply chain emissions measurement (Scope 3) and monitor performance - Monitor performance on energy, environmental management, investment, and green expenditures	- Check implementation of mid- to long-term low-carbon, eco-friendly goals and revise strategies accordingly - Achieve eco-friendly investments, energy savings, and greenhouse gas reductions (by 2030)

Governance

HL D&I Halla has established a governance system to effectively respond to climate change-related impacts. The system comprises the Board of Directors, management, and working-level teams, with clearly defined roles and responsibilities for each group. These parties engage in organic communication throughout the process of managing environmental and climate-related matters. We also analyze how climate-related risks and opportunities affect corporate management and incorporate findings into mid- to long-term policies and strategies. To ensure these strategies are effective, we monitor the implementation status of each detailed task.

Climate Change Response Organization and Roles

Category	composition	role
Board and Committee	Board of Directors	- Deliberate and decide company-wide climate response and ESG promotion strategies and plans - Make final decisions on climate-related issues
	ESG Committee	- Manage and oversee all ESG and climate/environment issues - Serve as a focal point to strengthen the climate-driven risk response system
Management	CSO	- Check the status of implementation of company activities in accordance with climate change strategy - Overall management activities in response to climate change
	CEO	- Take charge of overall ESG issues - Establishment of climate change strategy and implementation plan - Dissemination of annual roadmap - Encouragement of ESG implementation throughout the company
Working Group	Green Management Team	- Directly under the CSO - Handle core practical tasks for climate change response management - Operate the Sustainability Management Council
	Sustainable Management Council	- An organization established to facilitate collaboration with related departments - Set climate change response targets for each department, site, and facility - Engage in activities and manage performance

2024 Climate Change Response and Environment Agenda Resolution Status

Meeting Date	Agenda Item	Details	Approval Status
February 7, 2024	2024 ESG Promotion Plan	Report 2024 sustainability management materiality assessment and promotion plans	Reported
April 29, 2024	Report on 2023 greenhouse gas emissions	Report 2023 total greenhouse gas emissions, sector emissions, and future plans	Approved
	Approval on mid-to-long-term climate change roadmap	- Establish climate response strategy and mid-to-long-term roadmap - Review implementation of low-carbon, eco-friendly mid-to-long-term targets and establish strategies - Implement greenhouse gas reduction measures for carbon neutrality	Approved
July 25, 2024	Publication of the Sustainability Report and key environmental performance	- Report major sustainability strategies and KPIs - Report results and strategic direction for key environmental outcomes (greenhouse gas, water usage, waste)	Reported
December 19, 2024	Report on the implementation results of sustainability (ESG) management in 2024	Report key action tasks (climate change response, human rights management) and evaluation results in 2024	Reported

Strategy

Climate Change Scenario

HL D&I Halla conducted climate change scenario analysis to identify potential climate impacts across its business operations and management activities and to respond proactively. Based on global scenario analysis standards*, the company addresses uncertain future conditions in a scientific and systematic manner. Through regular monitoring, HL D&I Halla manages climate-related parameters such as energy consumption by source, greenhouse gas emissions, supply chain greenhouse gas emission data, and carbon pricing. Based on this information, the company identifies, defines, and assesses climate-related risks.

*Used scenarios provided by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA)

In 2024, HL D&I Halla analyzed risks and opportunities that may arise during corporate management and business execution, and conducted financial impact assessments for climate-related risks and opportunities by category. Going forward, the company plans to establish a scenario analysis methodology reflecting the characteristics of the construction industry to further refine analysis of the financial impact scale of climate change risks. Based on this, HL D&I Halla will enhance resilience and strengthen long-term response capabilities.

Risk and Opportunity Identification

Through climate change scenarios, HL D&I Halla derived risks and opportunities that may occur during business execution and activities. This scenario analysis, grounded in the previously established climate change scenario methodology, utilized a climate modeling-based analysis tool to better measure the impact of various risk and opportunity factors. Based on this, HL D&I Halla identifies mid- to long-term impacts on its business arising from various environmental changes and secures resilience in responding to climate change.

Transition Risk¹⁾

Category	Potential Financial Impacts	Response Strategies	Short-term	Mid- to long-term	Scale of Financial Impacts ²⁾
Policies and Laws	- Increased burden from carbon pricing due to strengthened domestic and international carbon regulations - Strengthened carbon-related regulations including greenhouse gas emission costs and carbon taxes	- Reduce carbon tax expenses through greenhouse gas emission reduction - Adopt a greenhouse gas emission reduction monitoring system - Adopt renewable energy resources	High	High	KRW 36.9 billion
	Risk of fines and penalties from non-compliance with environmental regulations	Strengthen environmental monitoring systems	High	High	Medium
Technologies	- Eco-friendly and low-carbon technology transition - Investment in energy efficiency and greenhouse gas reduction technologies	Expand R&D on new and substitute technologies for low-carbon technology transition	Low	High	KRW 600 million
Markets	Increased raw material costs from supply chain carbon regulations and carbon tax burdens	Manage the value chain of core raw materials and continuously monitor carbon-related risks	High	High	KRW 800 million
Reputation	Changes in consumer and investor preferences	Expand zero-energy building certifications and increase renewable energy adoption	Medium	High	KRW 6 billion
	Decline in corporate value due to low external evaluation ratings for insufficient climate change response and environmental management	- Expand activities and investments to position as an eco-friendly company - Strengthen ESG management to address external evaluations	Medium	High	KRW 24.9 billion

1) Distinguished the likelihood by timing of occurrence into short-term and mid-to-long-term, and classified the likelihood as high, medium, or low in order of probability.
2) Classified the financial impacts that cannot be quantified due to data uncertainty or limitations in the analysis scope as high, medium, or low based on the expected scale of impact.

Physical Risk¹⁾

Category	Potential Financial Impacts	Response Strategies	Short-term	Mid- to long-term	Scale of Financial Impacts
Acute	Construction schedule delays caused by rapidly changing extreme weather events	Develop measures to mitigate schedule delays through extreme weather monitoring	Medium	High	KRW 1.7 billion
Chronic	- Decreased labor productivity from heat and sudden heavy rain - Increased community dissatisfaction from prolonged construction periods	Establish energy and environmental monitoring and predictive management systems	Medium	High	KRW 2 billion

1) Distinguished the likelihood by timing of occurrence into short-term and mid-to-long-term, and classified the likelihood as high, medium, or low in order of probability.

Opportunities¹⁾

Category	Potential Financial Impacts	Response Strategies	Short-term	Mid- to long-term	Scale of Financial Impacts ²⁾
Products and Services	Secured competitiveness by expanding low-carbon construction projects	Develop investment plans for low-carbon construction including renewable energy and small modular reactors	Medium	High	High
	Increased customer preference for eco-friendly buildings	- Obtain eco-friendly design and eco-friendly building certifications - Expand installation of solar energy facilities	Medium	High	High
Energy Resources	Reduced carbon costs by transitioning energy use at all sites to clean and renewable energy	Reduce carbon emissions and energy consumption by using low-carbon equipment and construction methods	Medium	High	KRW 36.6 billion
Resource Efficiency	Circular economy systems established to enhance resource circulation and efficiency	Expand business structures for resource circulation	High	High	Medium
	Reduced fossil fuel procurement costs and carbon credit expenses due to the expansion of eco-friendly transportation	Expand the adoption of eco-friendly equipment across all business sites by 2030	High	High	Medium
Markets	Increased sales from rising consumer demand for eco-friendly products	Develop eco-friendly branding and draw up market strategies related to climate change	High	High	Medium
Resilience	- Expanded renewable energy use at the head office and other sites - Eco-friendly alternative resources identified	Formulate diversified business portfolio strategies	High	High	High

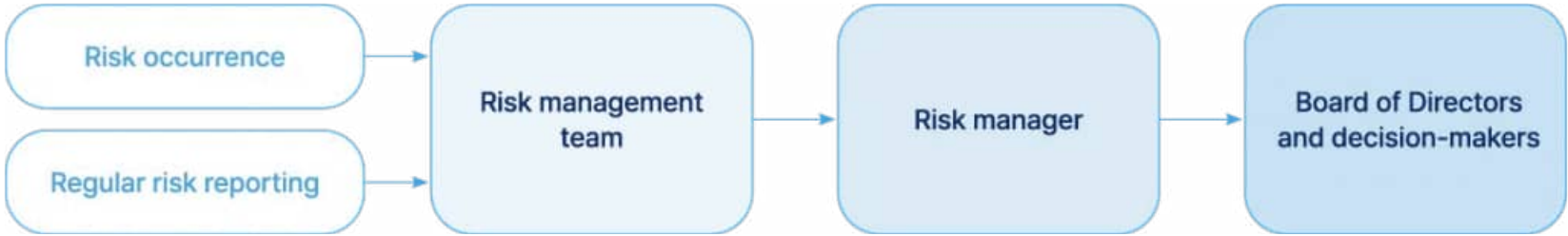
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2) Classified the financial impacts that cannot be quantified due to data uncertainty or limitations in the analysis scope as high, medium, or low based on the expected scale of impact.

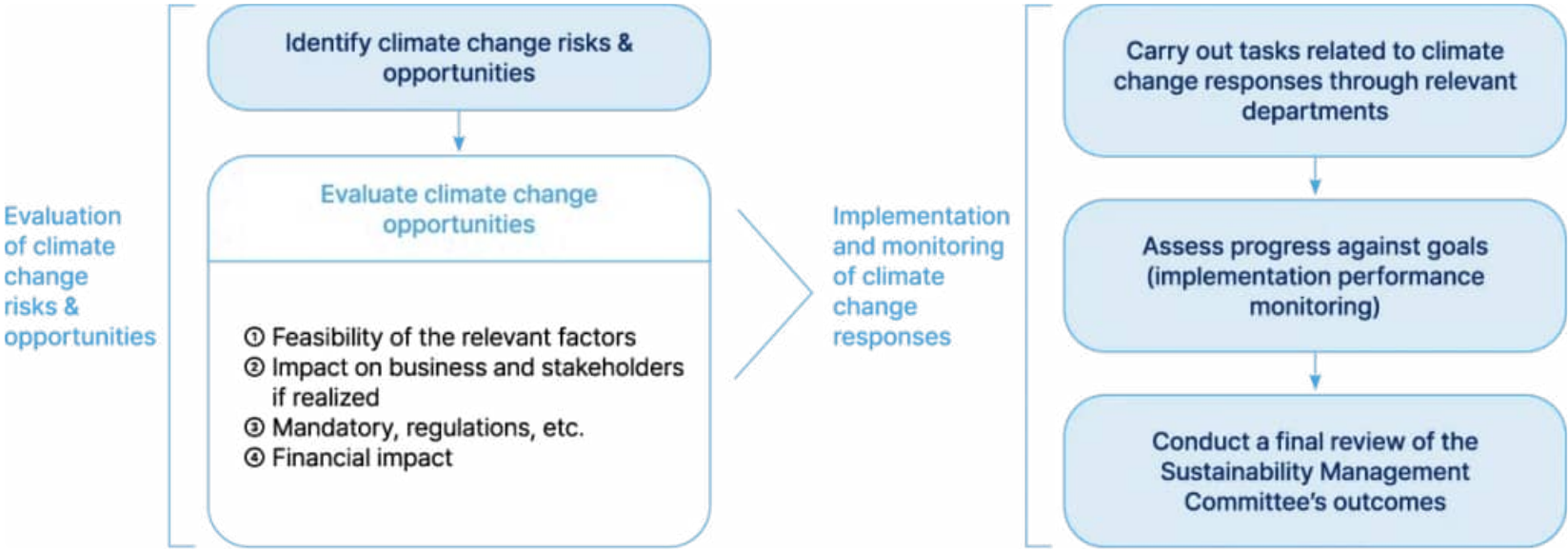
Risk Management

HL D&I Halla operates an integrated, company-wide ESG risk management system that includes risks arising from climate change. The Green Management Team, dedicated to climate change response, identifies climate-related risks throughout all corporate activities, such as new business development, investment review, and operational management, and establishes management measures for each risk type. Risk management outcomes are regularly reviewed and reported. In addition, we are building a response system that enables immediate action when another risk occurs through a rapid reporting mechanism.

HL D&I Halla Risk Reporting System



Climate Change Risk & Opportunity Evaluation and Monitoring Process



Metrics and Targets

Climate Change Management Indicators – Reduction Targets

HL D&I Halla manages key indicators such as greenhouse gas emissions and energy usage to systematically identify and respond to risks and opportunities driven by climate change. Although the company is not subject to mandatory GHG and Energy Target Management Scheme, as part of voluntary climate change response, it conducts third-party verification of its greenhouse gas emissions. Furthermore, HL D&I Halla has set greenhouse gas reduction targets in compliance with international standards* and is implementing a mid- to long-term reduction roadmap with the goal of achieving carbon neutrality by 2050.

* SBTi RCP 2.6 scenario

Climate Change Management Indicators – Reduction Targets¹⁾²⁾

Mid- to long-term roadmap							
Indicators	Unit	2024 Targets	2024 Performance	2024 Target Achievement Rate ¹⁾	Short-term (~2025)	Mid-term (2026~2030)	Long-term (2031~2050)
Greenhouse gas emissions ³⁾	tCO ₂ eq	13,227	13,338	100%	13,227	42% reduction	Reduction by 97.9%
Energy usage ⁴⁾	TJ/KRW 100 million	0.040	0.016	100%	0.040	0.040	0.035
Introduction of environmentally friendly vehicles	Unit	2	8	100%	2	Expanded to the head office (50%)	Expanded to all sites(50%)

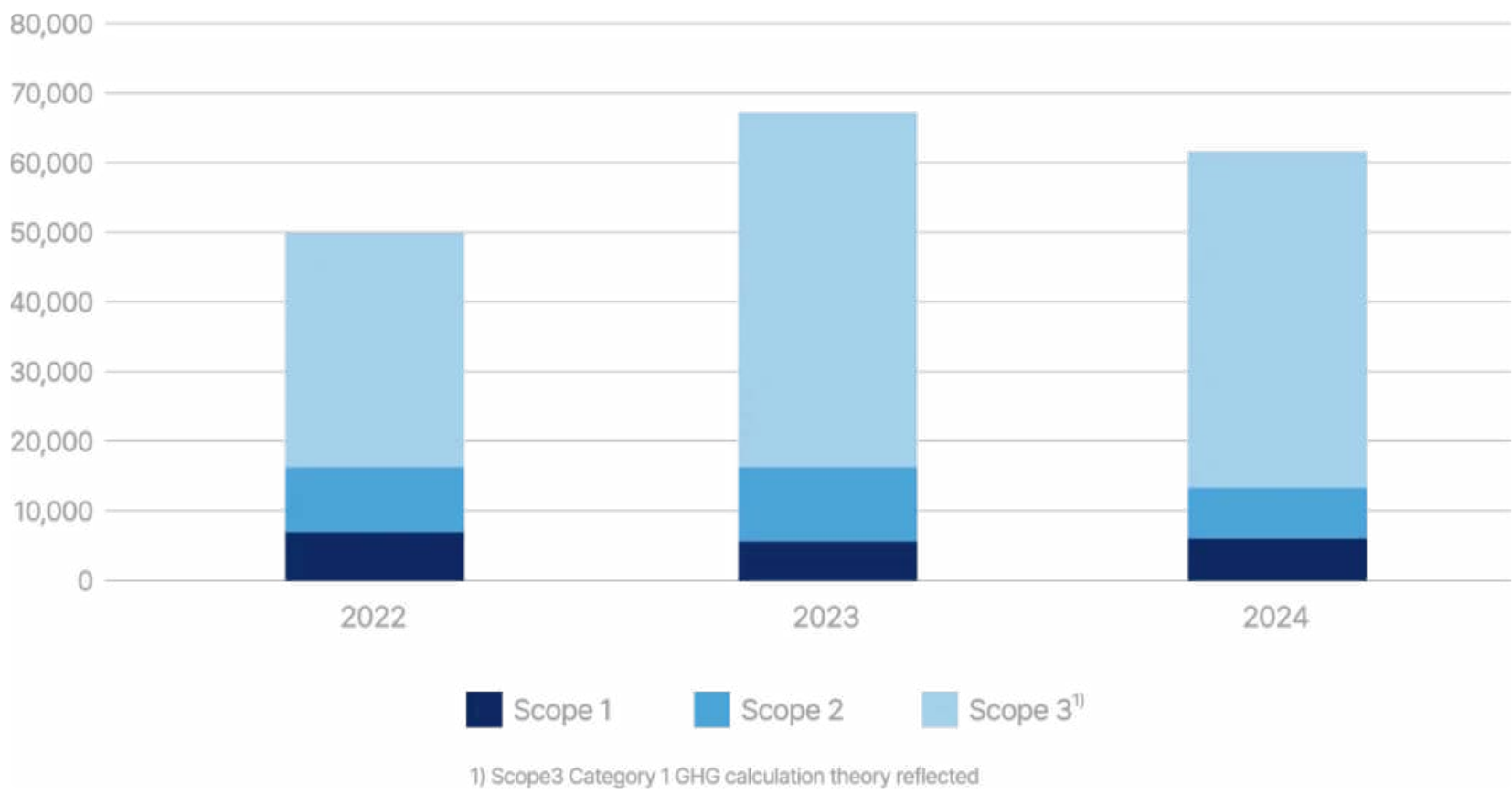
1) Achievement rate calculation: (1 - (Actual - Target) / Target) * 100 (%); the achievement rate is indicated as 100% when actual exceeds target
2) The 2024 GHG emissions data has been revised as of July 21, 2025, due to a mis-entry in the total sum [(Original) Total GHG emissions: 13,331 tons → (Corrected) 13,338 tons].
3) Greenhouse gas emissions compared to BAU
4) Energy use intensity

Greenhouse Gas and Energy Status

HL D&I Halla recognizes greenhouse gas emissions as one of the major ESG risks and strives for accurate measurement and transparent management of emissions. To this end, considering the characteristics of the construction industry, we calculate greenhouse gas emissions and energy use at sites and workplaces in compliance with the Ministry of Environment’s ‘Guidelines for Emission Reporting and Certification

of the Greenhouse Gas Emissions Trading System’ and the Ministry of Land, Infrastructure and Transport’s ‘Construction Industry Greenhouse Gas Calculation Manual.’

Greenhouse Gas Emissions



Greenhouse Gas and Energy Status¹⁾

Units: Greenhouse gas emissions (tCO₂eq), energy usage (TJ)

Category	Details	Unit	2022	2023	2024
Greenhouse gas emissions ²⁾	Scope 1	tCO ₂ eq	6,828	5,467	5,505
	Scope 2		9,378	7,827	7,833
	Scope 3 ³⁾		34,378	54,500	48,569
Energy usage	All worksites	TJ	296	245	245
	Subcontractors		499	789	701

1) The 2024 GHG emissions data has been revised as of July 21, 2025, due to a mis-entry [(Original) Scope 1: 5,506 tons, Scope 2: 7,834 tons → (Corrected) Scope 1: 5,505 tons, Scope 2: 7,833 tons].

2) HL D&I Halla calculates greenhouse gas emissions based on the principles specified in the Guidelines for Reporting and Verification of Emissions under the Emissions Trading Scheme (Ministry of Environment Notice No. 2023-221).

3) Scope3 Category 1 GHG calculation theory reflected

Greenhouse Gas and Energy Reduction Activities

HL D&I Halla has built a greenhouse gas inventory system and monitors emissions every month to manage greenhouse gases systematically. The management scope extends beyond our company to the entire supply chain to control emission sources. To reduce greenhouse gas emissions and energy use, we continue reduction campaigns at the head office and construction sites, and convert company vehicles and construction equipment to eco-friendly alternatives. Since 2021, HL D&I Halla has installed solar power generation systems on the rooftops of all its apartment buildings to support energy self-sufficiency, demonstrating its commitment to tangible carbon reduction. As a result of these efforts, both our greenhouse gas emission intensity, covering Scope 1 through 3, and our energy use intensity, including that of our subcontractors, each decreased by 9% compared with the previous year.

Greenhouse Gas Reduction Measures

Own scope (Scope 1+2)	Value Chain (Scope 3)
- Introduce renewable energy - Electrify construction equipment and optimize operations - Establish a low-carbon operation system - Adopt eco-friendly and low-carbon technologies and processes	- Expand use of low-carbon building materials (cement, steel, etc.) - Optimize material transportation and adopt eco-friendly design (passive design, high-efficiency systems, etc.) - Encourage carbon emissions reduction after occupancy (smart homes, renewable energy systems – solar, geothermal, etc.) - Electrify construction equipment and introduce high-efficiency equipment

HL D&I Halla Greenhouse Gas and Energy Reduction Activities

Head Office	Sites	Energy Self-Sufficiency Support
• Energy-saving campaigns ▪ Turn off office lights during lunch breaks ▪ Maintain appropriate indoor temperature (26°C in summer, 20°C in winter) ▪ Turn off electronics when leaving ▪ Adopt computer power-saving programs • Convert company vehicles to eco-friendly models	• Operate a greenhouse gas inventory system ▪ Monitor and manage greenhouse gas emissions generated per site • Manage office insulation efficiency ▪ Install rubber gaskets on doors, etc. • Install and monitor power meters for each subcontractor • Replace temporary lighting with LED at sites • Power on-site CCTVs with solar energy	• Introduce eco-friendly energy and support self-sufficiency ▪ Install solar panels on all HL D&I Halla apartments built since 2021

Excellent Example

On-site Energy Reduction Activities



HL D&I Halla has introduced various measures at construction sites to reduce energy consumption. To improve energy efficiency during concrete curing, we plan to produce dedicated curing blankets based on thermoplastic resin TPP (Thermo Plastic Professional) with excellent insulation performance. This approach will enhance energy efficiency and improve curing quality. Moreover, we have installed solar equipment and used it to power key systems, such as CCTVs, to achieve energy savings.

Dedicated curing blanket based on thermoplastic material (left); Solar equipment for CCTVs (right)

Performance of Greenhouse Gas and Energy Reduction Activities

Category		Unit	2022	2023	2024
Solar power generation facility installation scale ¹⁾		kW	432	1,506	504
	Business vehicles ²⁾	%	0	4	40
Environmentally friendly vehicle and equipment conversion		Unit	0	1	8
	Aerial work platform ³⁾	%	-	-	100
		Unit	-	-	153
	Forklift ³⁾	%	-	-	30
		Unit	-	-	10

1) Based on completed and occupied multi-family housing buildings

2) Based on company vehicles by the Act on Promotion of Development and Distribution of Eco-Friendly Automobiles

3) Conversion targets set in 2023 and equipment electrification managed from 2024

Environmental Management



HL D&I Halla recognizes the environment as a core element of corporate management and implements systematic, company-wide environmental management. We aim to build eco-friendly workplaces by improving resource efficiency and reducing environmental risks, and to actively fulfill our environmental responsibilities for sustainable growth

Environmental Management System

Environmental Management System and Policy

HL D&I Halla has obtained ISO 14001 certification, the international standard for environmental management systems, to ensure the objectivity and reliability of its environmental management. Based on this certification, the company maintains and manages its environmental management system in a systematic and ongoing manner. ISO 14001 is a global standard requiring organizations to establish systems for minimizing environmental impact. By faithfully reflecting these requirements, HL D&I Halla prevents environmental risks in advance and achieves efficient management of resources and energy. In addition, HL D&I Halla recognizes that environment, safety and health, and quality are not separate elements but closely connected areas that require integrated management. Accordingly, the company has established a ‘Quality, Environment, and Safety Policy,’ obtained approval from the Board of Directors, and shared it across the organization. This policy serves as the standard for operations at all workplaces and for the actions of all employees. It raises internal management levels while clearly defining the criteria for sustainable corporate activities. Going forward, HL D&I Halla will continue to strengthen its integrated ESG management system to further solidify the foundation for sustainable management.

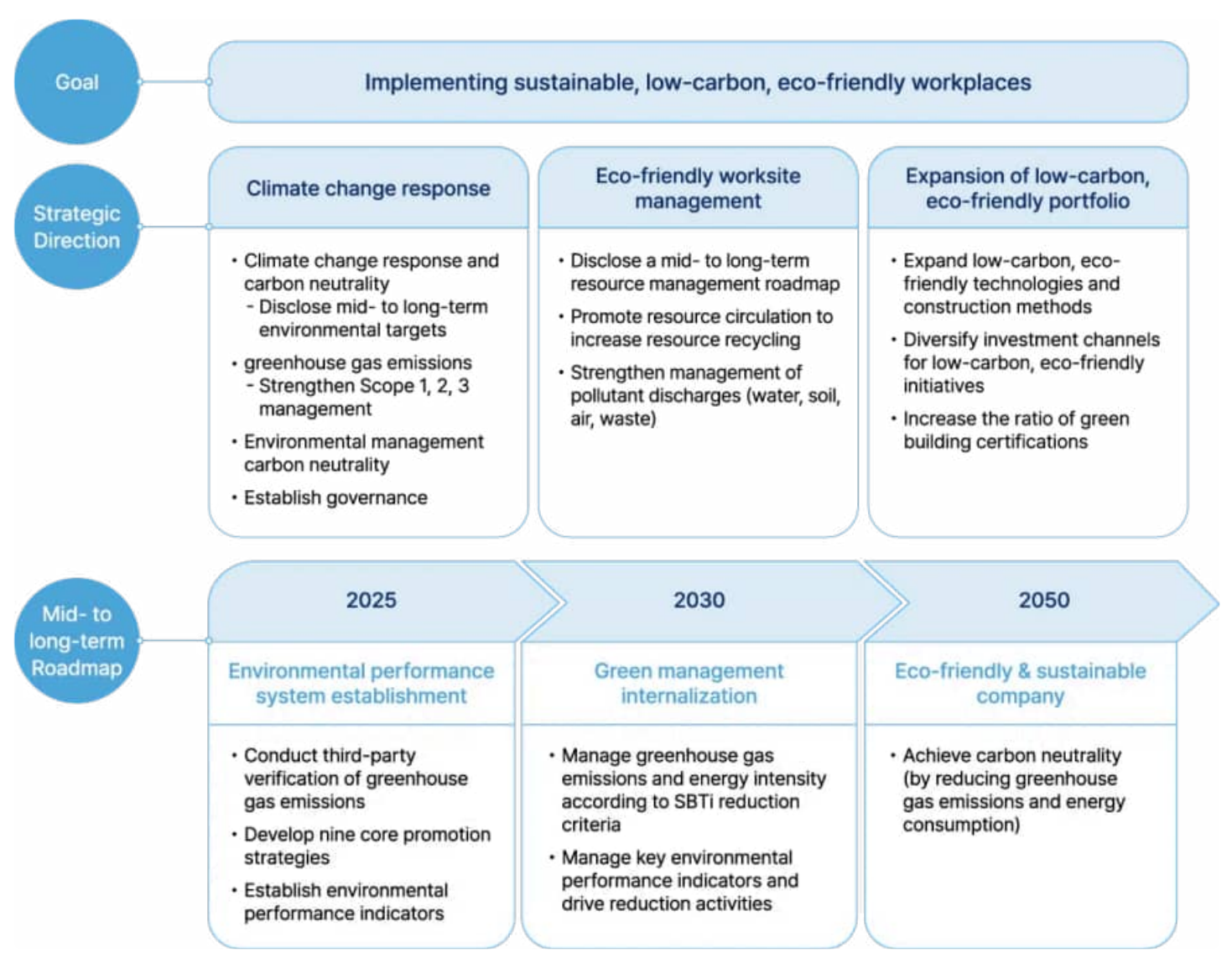
Quality, Environment, and Safety Policy

Environmental Management Policy

HL D&I Halla Environmental Management System Certification (ISO 14001)

Environmental Management Strategy

HL D&I Halla has set three strategic directions and developed a mid- to long-term roadmap to actively respond to global changes in environmental management and minimize environmental impacts. Based on these strategies, we carry out systematic environmental management. As the foundation for sustainable growth, the company has identified climate change response, eco-friendly site management, and expansion of a low-carbon, eco-friendly portfolio as core strategies, and has developed a mid- to long-term roadmap to achieve them. HL D&I Halla continuously strengthens its environmental management system so that all members can actively participate in environmental management and generate tangible environmental outcomes.



Environmental Management Mid- to long-term Roadmap

Mid- to long-term roadmap ¹⁾							
Category	Unit	Targets			Response Strategies		
		Short-term	Mid-term	Long-term	Short-term	Mid-term	Long-term
Water usage ²⁾	ton/KRW 100 million	13	12	11	- Establish monitoring systems for water usage in key processes - Strengthen non-point source pollution management and operation of reduction facilities	- Expand application of reclaimed water systems - Introduce water footprint analysis	Operate water circulation systems at all sites
Compliance with environmental laws ³⁾	Case	0	0	0	Achieve zero environmental law violations and strengthen related training	- Conduct environmental risk self-assessments at each site - Automate environmental inspection processes	Operate an integrated, company-wide EMS and adopt a self-regulation model
Waste recycling rate ⁴⁾	%	100	100	100	Manage performance of waste segregation and disposal	Expand reuse and recycling of materials	Implement zero-waste construction sites
Green technology acquisition ⁵⁾	Case	1 or more	1 or more	2 or more	Monitor government-certified green technologies	Secure at least one green-certified technology and support its introduction	Build a smart construction platform based on green technology

1) Target timelines are defined as short-term (to 2025), mid-term (2026–2030), and long-term (2031–2050)

2) Water usage intensity

3) Number of fines for environmental law violations

4) Waste recycling rate

5) Number of green technology acquisitions

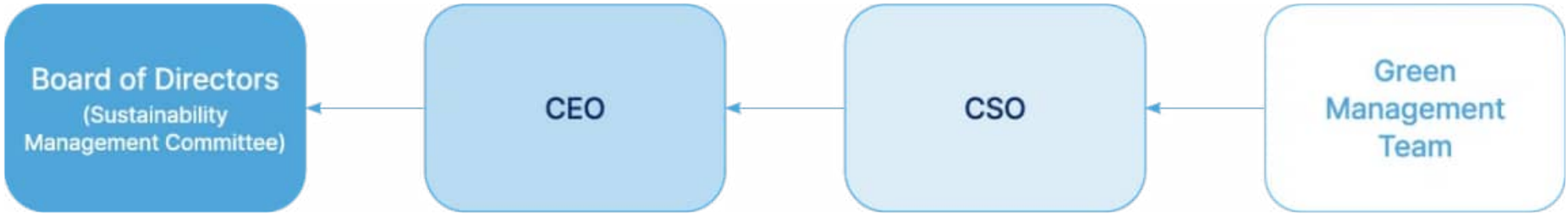
Environmental Management Organization

Based on the ‘Quality, Environment, and Safety Policy,’ HL D&I Halla has established a systematic environmental management system. We promote practical operation and implementation to reinforce environmental management across the company. Under the leadership of the CSO, the Green Management Team oversees working-level environmental management tasks, develops strategies on major environmental

issues such as climate change response and carbon neutrality, and implements action items. For major topics such as climate change, carbon neutrality, and natural capital, the company reports regularly to the Board of Directors. When needed, the Board deliberates and decides on strategic directions and action plans, ensuring a governance structure where leadership makes accountable decisions.

To boost actual implementation, HL D&I Halla incorporates key environmental performance indicators, such as greenhouse gas reduction, energy savings, and waste reduction, into the KPIs and sites for the CEO and all employees. These KPIs are tied to monetary rewards, encouraging voluntary participation throughout the organization. Through these measures, HL D&I Halla raises awareness of environmental management company-wide and secures the execution capacity needed to achieve tangible results.

Environmental Management Organization Reporting Structure



Eco-friendly Supply Chain Management

To manage a sustainable supply chain, HL D&I Halla conducts regular evaluations of subcontractors and completed assessments on 9 companies in 2024. Through these assesments, HL D&I Halla inspects overall environmental management and systematically diagnosing environmental risks to identify areas for improvement. Starting from the subcontractor selection stage, HL D&I Halla conducts evaluations that cover various environmental management aspects, including implementation status and regulatory compliance. Subcontractors that fail to meet the required standards are excluded from engagement, preventing environmental risks in the supply chain.

HL D&I Halla also engages in various activities to support subcontractors in building sustainable environmental management capabilities. Based on evaluation results, the company provides environmental consulting and tailored training to subcontractors with low environmental performance or identified areas for improvement, helping them achieve meaningful progress.

Subcontractor Environmental Evaluation Indicators

Environmental Management System	Greenhouse Gases	Water and Wastewater	Waste	Air Quality
- Environmental management system certification status - Environmental policy status	- Greenhouse gas emissions - Greenhouse gas reduction target activities	- Water usage and wastewater discharge status - Water and wastewater management activities	- Waste discharge volume - Waste discharge reduction activities	- Air pollutant emissions - Air pollutant reduction activities

Training Example2024 HL D&I Halla Subcontractor Environmental Training

HL D&I Halla operates systematic environmental training on a regular basis to jointly fulfill environmental responsibilities with subcontractors. In 2024, we conducted a program to disseminate environmental management practices to subcontractors, with 305 participants in total. The training covered practical topics, focusing on environmental laws and regulations, waste disposal standards, and site and surrounding environment management measures.

Category	Unit	2024
Subcontractor participants	Person	305

Eco-friendly Purchasing Policy

As part of our commitment to sustainable environmental management, HL D&I Halla is refining policies and execution systems to expand the purchase of eco-friendly products. To this end, we have established an eco-friendly product purchasing process, specified supporting policies and guidelines, and applied them company-wide. We continuously review various items, from traditional construction materials to office supplies used at the head office and project sites, for possible transition to eco-friendly alternatives. We prioritize products certified under reputable eco-friendly programs, such as the Ministry of Environment’s Low-Carbon Certification, Good Recycled (GR) Certification, and Environmental Product (EPD) Declaration. We have established clear criteria for eco-friendly products, created a green product list, and use it to guide our purchasing decisions.

We are revising the existing subcontractor evaluation process to include criteria related to the delivery of eco-friendly products. In the future, we plan to introduce an incentive system that awards additional points to subcontractors supplying eco-friendly products, encouraging the shift toward greener sourcing. Going forward, HL D&I Halla will enhance the effectiveness of the eco-friendly purchasing system and further advance purchasing strategies to reduce environmental impact.

Eco-friendly Purchasing and Sales Status

Category	Unit	2022	2023	2024
Eco-friendly products purchased	Number	13	11	11
Eco-friendly product and service purchase amount ¹⁾	KRW 10 million	873.9	1,226.5	1,245.4
Eco-friendly sales ²⁾	KRW 10 million	2,229.7	4,783.0	7,842.6

1) Total material purchase amount: 2022 (KRW 211.79 billion), 2023 (KRW 230.21 billion), 2024 (KRW 421.03 billion)
2) Eco-friendly sales basis = green buildings + cost of eco-friendly materials used

Expansion of Eco-friendly Construction

HL D&I Halla takes responsibility for the transition to a low-carbon society and the creation of sustainable urban environments with an aim to continuously expand its low-carbon, eco-friendly portfolio. Accordingly, the company continues to apply eco-friendly design principles and obtain green certifications, taking into account the entire lifecycle of buildings under construction. In addition, HL D&I Halla has installed solar power generation systems as renewable energy facilities on the rooftops of all apartment complexes that began construction after 2021. These installations support residents’ energy self-sufficiency and help foster an eco-friendly residential culture. They are expected to contribute to carbon neutrality by reducing energy consumption in multi-family housing while simultaneously lowering greenhouse gas emissions.

Excellent Example

Logistics Center in Iljuk, Anseong

The ‘Hines Logistics Iljuk.’ completed in November 2024 in Iljuk-myeon, Anseong-si, Gyeonggi-do, Republic of Korea, is a representative achievement in eco-friendly construction by HL D&I Halla. It successfully obtained LEED certification, the U.S. green building certification system. LEED certification is a global standard that comprehensively evaluates environmental performance across design, material selection, construction, and operation of buildings. The Hines Lgostics Iljuk achieved high ratings in energy efficiency, use of recyclable resources, water conservation, and indoor environmental quality. This certification demonstrates that HL D&I Halla’s green building design and construction capabilities meet global standards.



Worksite Environmental Management

Site Sustainability Management Evaluation

To enhance the practical application of sustainable management, HL D&I Halla conducts biannual evaluations of each project site to assess their sustainability practices. Through these evaluations, we systematically review environmental performance and, based on the findings, drive continuous improvement activities. HL D&I Halla evaluate all sites primarily on the implementation status of manuals, procedures, and guidelines grounded in the quality and environmental management system. Compliance with environmental laws and regulations, including those under the Construction Technology Promotion Act, is also checked. If any issues are identified, immediate action is taken to

continuously improve legal compliance. Sites achieving outstanding performance receive a ‘Sustainability Management Award,’ and their site managers are granted bonuses, providing motivation for sustainable management at the site level. This systematic evaluation and incentive system substantively improves autonomous environmental management and strengthens company-wide sustainability capabilities.

PDCA Process for Reviewing Sustainable Management

Plan	Do (Execution and Operation)		Check	Action (Management Review)
- Environmental impact assessment - Risk analysis - System operation review - Identification and registration of relevant regulations	- On-site environmental management - Risk factor management - Conducting environmental training - Emergency response drills - Regulatory compliance response		- Monitoring inspections - Due diligence on internal environments - On-site self-inspections	- Key management plan establishment - Corrective and preventive measures - Continuous improvement activities

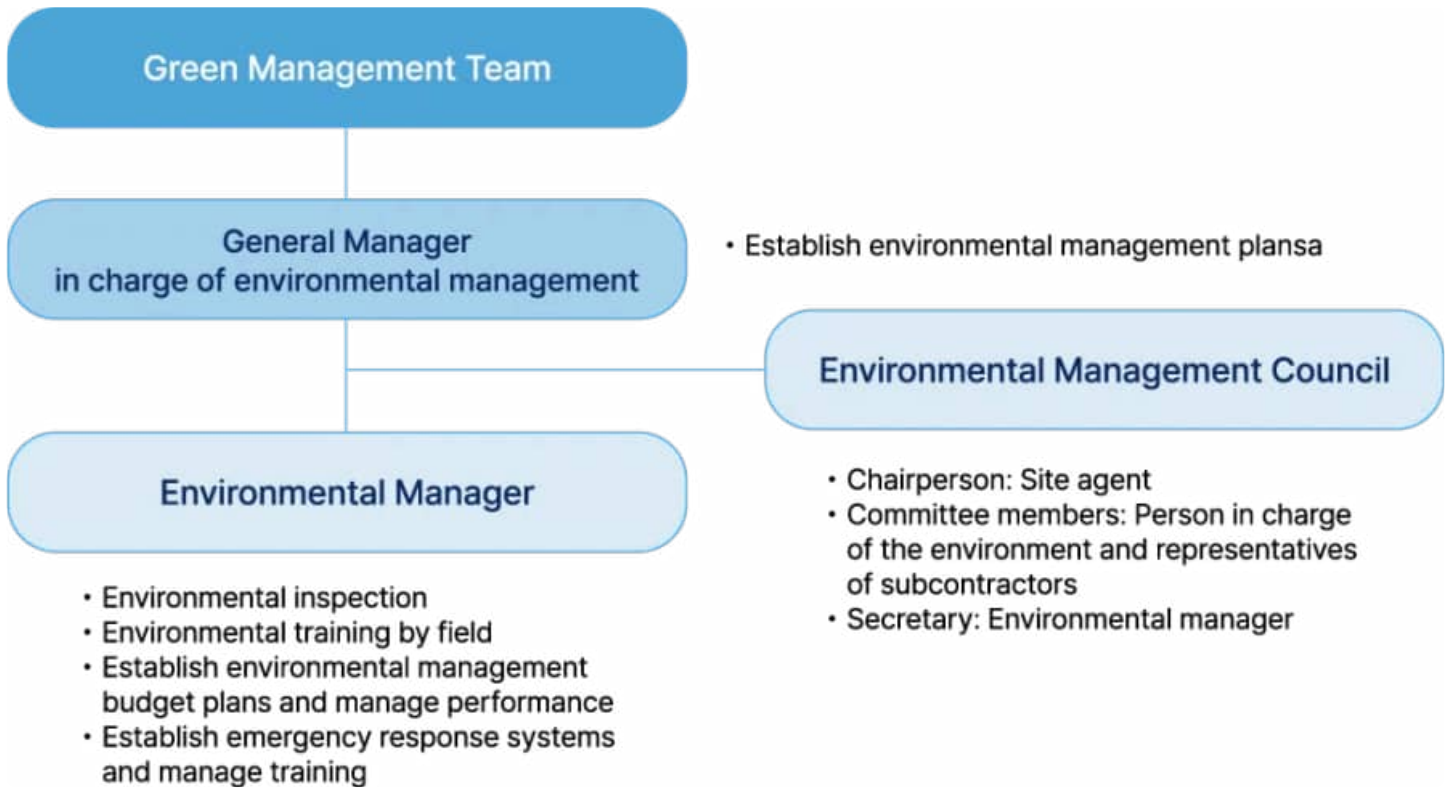
Field inspection items

Environmental	Social	Governance	System	Regulatory Compliance
Greenhouse gas management Pollutant management Ecosystem conservation	Human rights protection Education/training Social contribution Communication	Risk management Regulatory compliance Information security	Environmental impact assessment Conservation management Construction management Inspection/testing/monitoring Management system	Water Environment Conservation Act; Clean Air Conservation Act; Soil Environment Conservation Act Waste Control Act; Noise and Vibration Control Act; Act on the Safety Control of Hazardous Substances Groundwater Act; Sewerage Act; Construction Waste Recycling Promotion Act

Environmental Management Organization

HL D&I Halla establishes site-specific environmental management organizations to systematically elevate environmental management at construction sites. Through these organizations, we carry out consistent environmental management activities across all project phases. Various environmental regulations applicable to each site are clearly reflected in site guidelines from groundbreaking to completion. We rigorously check compliance and overall management performance against these standards. Additionally, HL D&I Halla reports the environmental management status of each site to the Board of Directors and the CEO on a semiannual basis, establishing a system that ensures management oversight and accountability. This system strengthens site-centered capacity to address environmental risks and makes a tangible contribution to raising company-wide environmental management standards.

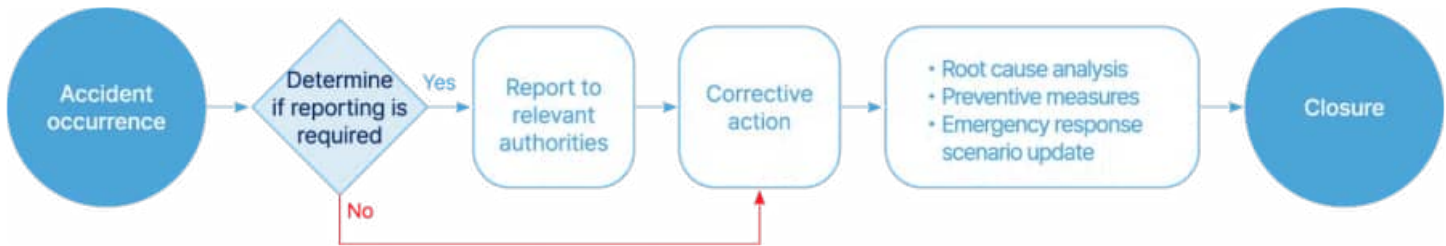
Environmental Management Organization



Environmental Accident Response System

HL D&I Halla operates a structured response system to address environmental pollution and incidents quickly and consistently. Potential environmental impacts and risk factors at each site are analyzed in advance. Based on that analysis, response scenarios are developed and shared across the company, ensuring a consistent and effective response if an accident occurs. The company also conducts semiannual emergency response drills for all sites. Any improvements identified during these exercises are immediately incorporated into the response system to continually advance its capabilities. Through these approaches, HL D&I Halla strives to ensure compliance and minimize potential damage from incidents.

Environmental Accident Response Process



Environmental Risk Management

HL D&I Halla systematically identifies environmental risks that may arise throughout the construction process, complies with relevant regulations, and analyzes risk and opportunity factors to respond strategically. For each area, HL D&I Halla assesses both financial and non-financial impacts and establishes tailored response strategies. In particular, the company is building an integrated risk management system covering major environmental issues such as air quality, noise and vibration, water resources, chemical substances, greenhouse gases, soil, and waste.

Risk Analysis Status by Environmental Impact Factor

Category	Risk and Opportunity Factors		Potential Financial Impact	Financial Impact Scale
Air	Reinforced legal requirements Civil complaints from local residents		Increase in facility investment costs and direct/ indirect costs for reducing environmental load	Medium (KRW 600 million per year)
Noise/Vibration				Medium (KRW 600 million per year)
Water resources				Low (KRW 100 million per year)
Chemical substances				Low
Greenhouse gases	Strengthened policies and regulations		Increase in operating costs due to the introduction of low energy and new and renewable energy	Medium (KRW 226 million per year)
Soil	Long-term soil degradation		Increase in contaminated soil remediation costs	Low
Waste	Securing waste treatment technology		Increase in operating costs for eco-friendly waste disposal	High (KRW 3 billion per year)

Employing response strategies tailored to area-specific risks, HL D&I Halla aims not only to comply with environmental regulations but also to reduce environmental risks over the mid to long term and contribute to the development of sustainable construction sites. In the areas of waste, air, and greenhouse gases, HL D&I Halla recognizes that direct and indirect financial impacts on the order of hundreds of millions of Korean won may arise annually, and therefore continues to make technical and financial investments to manage these risks proactively.

Response Strategies by Environmental Impact Factor

Category	Key Legislations	Regulations	Countermeasures
Air	Clean Air Conservation Act	Comply with process-specific emission standards	• IoT-based fugitive dust monitoring • Distribute company-wide guidance on process-specific responses for fine dust emergency reduction measures
Water resources	Water Environment Conservation Act	Appropriateness of non-point source pollution management standards	• IoT-based noise and vibration monitoring • Manage non-point source pollution reduction facilities and prepare operation ledgers
		Appropriateness of hazardous chemical management standards	• Install MSDS and bulletin board
Greenhouse gases	Framework Act on Carbon Neutrality	Implement greenhouse gas reduction measures	• Expand application of reduction practices at each phase and invest in related technology development
Soil	Soil Environment Conservation Act	Secondary pollution prevention measures	• Invest in soil remediation technologies
Waste	Wastes Control Act	Appropriateness of waste separation and disposal	• Invest in waste treatment technologies and expand recycling and reuse

Compliance with Environmental Regulations

HL D&I Halla has established a management and response system for environmental regulations across key areas to ensure compliance. Through this system, the company registers all applicable laws and regulations in its internal system and manages them systematically. At each site, HL D&I Halla conducts a semiannual regular inspection and a monthly environmental management evaluation based on a regulation compliance checklist. Any issues identified are immediately corrected, and follow-up actions are taken. These corrective measures are shared company-wide to prevent recurrence of similar cases and continuously improve regulation compliance at each site. Furthermore, HL D&I Halla continuously monitors legislative amendments and posts changes on its intranet platform, ‘Hanmaru,’ ensuring stable compliance management.

Regulatory Compliance Process



Spreading an Eco-friendly Culture

Environmental Management Training

HL D&I Halla conducts systematic environmental training to raise awareness among employees and strengthen site management capabilities. Training covers head-office personnel, site environmental managers, subcontractor site managers and supervisors, and workers, essentially all those directly or indirectly involved in the company’s environmental management. The curriculum focuses on environmental regulations, waste disposal procedures, and site and surrounding area management practices and is delivered on a regular, semiannual schedule.

For new sites, customized on-site training tailored to each location’s specific characteristics is conducted to enhance practical management skills. Since the easing of COVID-19 restrictions, group training for on-site workers has been reactivated to further boost environmental management awareness and support concrete efforts toward sustainable practices.

Environmental Training Program

Category	Training details
Employees	· Environmental laws and regulations · Waste storage and disposal · Response to emergency reduction measures for highly concentrated fine dust · Dissemination of site environmental management and incident cases
Subcontractors	· Environmental management tailored to site characteristics · Site and surrounding area management measures when opening a site · Guidelines for groundwater management at construction sites, etc.

Environment Training¹⁾

Category	Unit	2022	2023	2024
Number of persons who completed environmental training	Peroson	868	1,922	3,002
Hours of environmental training	Hour	150	56.25	178

1) Including employees of the company and subcontractors

Practicing Eco-friendly Activities in Daily Life

Eco-friendly Worksite Protection Program

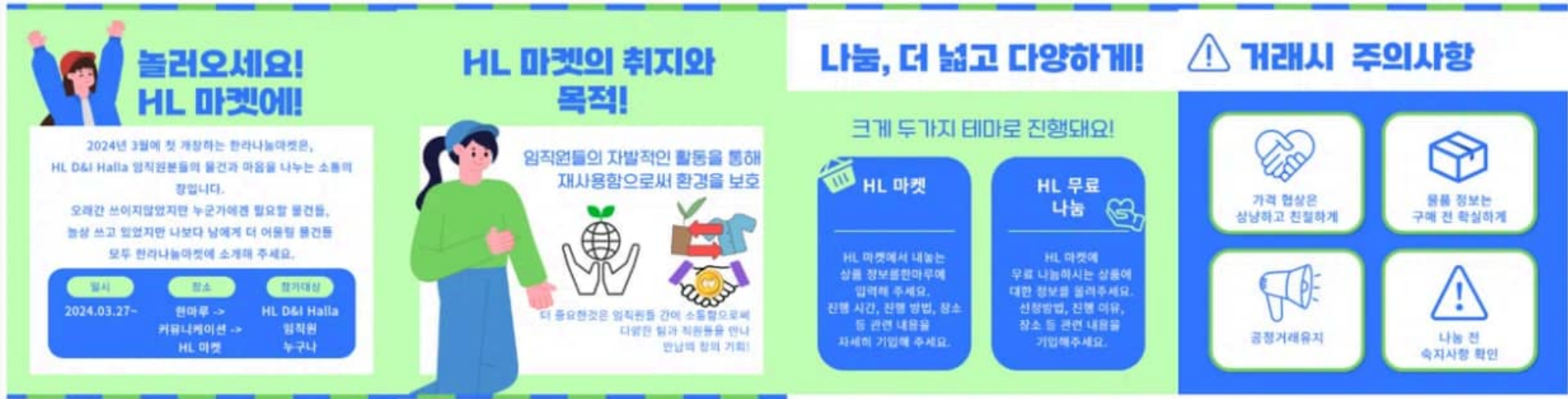
HL D&I Halla runs the “Commitment to Protecting Eco-friendly Worksites” campaign across all sites. This initiative aims to embed an eco-friendly culture company-wide by highlighting everyday environmental impacts that might be overlooked, raising awareness among all employees. It covers six areas: energy saving, paper saving, water saving, eco-driving, maintaining indoor temperature, and waste segregation. The program also provides simple and clear guidelines for each, encouraging all members to participate actively in environmental protection.



Excellent Example

HL Market

Since March 27, 2024, HL D&I Halla has operated ‘HL Market,’ an internal platform for trading and sharing used items. This encourages employees to lead resource circulation activities and makes environmental protection part of daily life. Through voluntary sharing and reuse of goods, HL Market reduces unnecessary waste and offers a convenient way to practice eco-friendly habits in daily life. HL Market serves not only as a marketplace but also as a community that facilitates communication among employees, encouraging them to share unused items with colleagues in need. It enhances resource efficiency while fostering a corporate culture rooted in the value of sharing.



Environmental Impact Management



HL D&I Halla closely analyzes potential environmental impacts that may arise at sites and operates an integrated management system to reduce them. The company strictly applies environmental management standards for each category such as water quality, air, and waste. Through a prevention-focused approach, HL D&I Halla is committed to realizing eco-friendly construction sites.

Environmental Impact Management

HL D&I Halla manages key environmental indicators to respond to shifts in the global environmental management paradigm and minimize environmental impacts that may arise from construction activities. Through this approach, we proactively prevent environmental risks and establish effective response measures, thereby embedding an eco-friendly management system. The indicators under management include greenhouse gas emissions, energy consumption, water usage, air pollutant emissions, waste generation, and recycling rates. Each indicator is regularly measured, recorded, and analyzed at the site level. Based on these data, we plan to review performance against annual targets and establish a system that enables immediate corrective action when necessary. Moreover, we link numerical tracking to operational improvements, such as adopting energy-saving technologies, expanding use of eco-friendly materials, and enhancing resource circulation processes, to increase environmental performance.

Key Environmental Performance Indicators¹⁾

Category	Management Standards	Unit	Goals in 2024	Performance in 2024	Achievement rate in 2024 ²⁾
Greenhouse gas emissions	Greenhouse gas emissions	tCO ₂ eq	13,277	13,338	100%
Energy	Energy intensity ³⁾	TJ/KRW 100 million	0.04	0.016	100%
	Energy usage	TJ	245	245	100%
Waste	Waste generation	ton	115,000	68,129	100%
	Waste recycling rate	%	100	100	100%
Water usage	Water intensity ⁴⁾	ton/KRW 100 million	10.5	10.6	99%
Green technology acquisition	Number of green technology acquisitions	Case	1	2	100%
Compliance with environmental regulations	Number of eco-friendly vehicles owned	Case	0	1	-
Expansion of eco-friendly vehicles	Number of environmentally friendly vehicles owned	Unit	2	8	100%

1) The 2024 GHG emissions data has been revised as of July 21, 2025, due to a mis-entry in the total sum [(Original) Total GHG emissions: 13,331 tons → (Corrected) 13,338 tons].
2) Achievement rate calculation: (1 - (Actual - Target) / Target) * 100 (%); the achievement rate is indicated as 100% when actual exceeds target
3) Energy usage/sales excluding subcontractors
4) Water usage/sales

Air Environment and Noise & Vibration Management

Air Environment Management

As part of effective measures to improve air quality, HL D&I Halla signed a ‘Voluntary Agreement on Fine Dust Management’ with the Ministry of Environment. This agreement provides a foundation for systematic control of fugitive dust and fine dust generated at construction sites, and we carry out effective dust control and reduction activities across all sites. At the site operation level, we distribute a ‘Fugitive Dust Management Manual’ to every site so that practitioners follow uniform standards for dust control. We also assign an environmental manager at each site to conduct regular monitoring and inspections. Through various measures such as adjusting key process schedules, limiting use of aged construction machinery, operating water-sprinkling vehicles, and improving work processes, we minimize fugitive dust emissions.

Noise and Vibration Management

HL D&I Halla has established internal standards that exceed legal requirements to protect the quality of life for residents near construction sites and minimize environmental impacts. Specifically, for noise and vibration, the company has set process-specific limits below the statutory thresholds (65 dB for residential areas, 70 dB for other areas) and enforced a strict management system accordingly. We have installed noise meters at all sites and monitor them in real time through IoT-based smart monitoring systems. The data are linked to the head office, enabling immediate monitoring and response. For direct noise reduction, HL D&I Halla installs noise barriers such as air soundproof walls, limits construction vehicle speeds to minimize noise during transit at sites, and implements tailored mitigation strategies like adjusting work schedules and adopting low-noise processes.

Fugitive Dust and Noise, Vibration Management Standards

Category	Standards	Details
Fugitive dust management	PM2.5	24-hour average ≤ 25 µg/m³
	PM10	24-hour average ≤ 50 µg/m³
Noise and vibration management	Residential areas	≤ 60 dB (Legal standard: ≤ 65 dB)
	Other areas	≤ 65 dB (Legal standard: ≤ 70 dB)

Case

IoT Smart Monitoring System

HL D&I Halla has mandated the adoption of IoT smart safety and environmental monitoring systems at all sites and operates them in real time to strengthen company-wide environmental and safety management. These systems automatically measure key environmental factors such as fine dust, noise, and vibration, and display the collected data in real time on on-site display boards. The visual disclosure of this information serves as a practical alert for workers and helps enhance the transparency of the on-site safety management system. The collected environmental data are monitored in real time both at the sites and at the head office. A system has also been built to ensure immediate action is taken if environmentally harmful levels exceed the set standards. This immediate response system operates in line with the existing fine dust response framework, focusing on proactively preventing complaints and environmental impacts from fugitive dust as well as noise and vibration.

Water Resource Management

Due to the nature of the construction industry, HL D&I Halla uses water resources across various processes such as groundwork, excavation, concrete pouring, and fugitive dust control. To minimize environmental impacts from water use and pursue sustainable water resource management, HL D&I Halla is committed to efficiently using water and carrying out water quality protection activities. To encourage water savings from everyday domestic use to site operations, the company manages monthly water consumption, mandates the installation of environmentally certified toilets, faucets, and showerheads at worksites, applies sprinklers, fog systems, and vehicle detection sensors to structurally prevent unnecessary water waste during fugitive dust suppression and watering at construction sites. For water quality protection, HL D&I Halla has also set up a water pollutant monitoring system and conducts quarterly water tests under internal standards that are stricter than legal requirements, pursuing both resource sustainability and enhanced water safety.

Water Pollution Management Standards

Category	Standards	Water Pollution Management
Water Pollution Management	COD(Chemical Oxygen Demand)	≤ 15 ppm
	BOD(Biological Oxygen Demand)	
	TOC(Total Organic Carbon)	
	SS (Suspended Solids)	

Waste and Resource Circulation Management

HL D&I Halla systematically and efficiently manages the various types of waste generated during site operations to minimize negative impacts on local ecosystems and communities. The company has adopted the Ministry of Environment’s electronic waste management system, the ‘Allbaro System, to monitor monthly waste generation volumes and recycling rates by site for construction waste, worksite waste, designated waste and more, establishing a data-driven waste management system. From the initial generation stage, waste is thoroughly sorted, collected, and stored at designated locations, and then transported and disposed of appropriately according to its characteristics.

Waste Disposal Process

1. Environmental Impact Assessment	2. Waste Assessment	3. Registration and Segregation	4. Determining Proper Disposal	5. Waste Disposal
Conduct site-specific environmental impact assessments	Assess waste generation status	Register and sort waste	Determine appropriate waste disposal	- Self-recycling - Consigned recycling

HL D&I Halla enforces strict waste disposal standards across all our sites. Waste is disposed of according to its characteristics. Designated waste is managed separately in compliance with legal requirements, while recyclable waste is directed toward maximizing resource recovery. To promote a circular economy, we require the reuse of office furniture, containers, and testing equipment. In 2024 alone, we reused 127 pieces of equipment. We also actively incorporate materials made from recycled sources, such as scrap, as well as reused waste, including circular aggregates and reclaimed asphalt pavement, to increase the conversion rate of waste into resources. Furthermore, to foster transparent and responsible waste management, we manage the status of waste generation and disposal at all sites via an electronic system and publicly disclose the results. We achieved a 100% waste recycling rate in both 2023 and 2024.

Waste Recycling

Unit: %

Category	2022	2023	2024
Waste Recycling Rate	99	100	100
Ratio of Workplaces That Disclose Waste Emissions	100	100	100

Excellent Performance

Introduction of Resource-Efficient Construction Methods



HL D&I Halla actively pursues optimization of construction material use to realize resource circulation and eco-friendly construction sites. The company has introduced the Plastic Reusable System (PRS) method at key sites, which uses reusable plastic formwork.

By employing plastic that can be used repeatedly instead of traditional plywood formwork, the PRS method significantly reduces waste generation and enhances resource efficiency. Furthermore, applying prefabricated formwork on site improves work efficiency and helps reduce on-site carbon emissions. Through these efforts, HL D&I Halla leads the transition to sustainable construction methods while minimizing the environmental impact of the construction industry.

Hazardous Chemical Management

HL D&I Halla recognizes the importance of managing hazardous chemicals and proactively reviews relevant regulations to prepare for risks that may arise from chemical handling. To this end, the company distributes operation manuals to all sites, covering general Material Safety Data Sheet (MSDS) information, target substances, hazardous chemical handling standards, and guidelines for the installation and management of storage facilities. We ensure that all site workers strictly comply with these standards. In addition, to enhance the effectiveness of hazardous chemical management, HL D&I Halla conducts monthly self-inspections and performs semiannual regular audits to continuously verify adherence to the manuals. Through this systematic management, the company does its utmost to prevent chemical incidents and ensure worker safety.

Soil Management

HL D&I Halla recognizes soil protection as an important environmental responsibility and prevents and rigorously manages soil pollution at its sites. The company complies with the Soil Environment Conservation Act and related regulations and conducts regular site soil pollution surveys to identify potential contamination risks in advance. For soil pollution prevention facilities on site, HL D&I Halla performs monthly self-inspections and at least semiannual regular inspections to closely check for any leaks of pollutants. Additionally, the company operates an ‘Integrated Reporting Center’ to ensure a rapid response when contamination is suspected. A system has been established to enable on-site personnel to report and address suspected contamination immediately, helping to block potential pollution sources early and prevent further spread.

Biodiversity Management

Biodiversity Principles

HL D&I Halla respects international agreements and the intent of global accords on the cross-border use of biological resources. The company has established strict criteria to prevent biodiversity loss around its worksites and has implemented these measures accordingly. Through these efforts, the company practices environmental management aligned with global standards while balancing conservation of local ecosystems and sustainable use. Against this backdrop, HL D&I Halla has set three principles. These principles are designed not just for short-term action but to lay the foundation for long-term ecosystem protection. To ensure effective implementation, the company actively strengthens internal training and external communication. HL D&I Halla broadens the base for action by providing employees with training on the importance of biodiversity and engaging local communities and stakeholders to build consensus.

Going forward, the company will continue to proactively identify potential environmental impacts that may arise from its operations and carry out protective measures and risk mitigation activities. A biodiversity-centered management philosophy represents not only corporate responsibility but also an essential commitment to realizing environmental value for future generations. Based on this philosophy, HL D&I Halla will create exemplary cases of sustainable ecological management.

HL D&I Halla Biodiversity Principles

1. We identify impacts on biodiversity that may occur at all stages of our business and strive to prevent or minimize the impacts thereof.
2. We identify threats to endangered plants and animals found within the business location and subcontractors’ business locations, continuously monitor them, and develop strategies to conserve the endangered species.
3. We promote and expand investments and activities for biodiversity conservation, restoration, and expansion, and actively participate in international biodiversity initiatives.

Biodiversity Strategy

HL D&I Halla continuously strives to minimize the impacts of its operations on the natural environment and to fulfill its responsibility for environmental protection. The company recognizes biodiversity conservation as a key element of corporate sustainability. Accordingly, it thoroughly reviews potential ecosystem impacts from the early stages of worksite development and operation, and prepares appropriate response strategies.

To minimize impacts on natural capital, HL D&I Halla conducts an environmental impact assessment before starting any development project. Through this process, it identifies biodiversity risks at worksites and nearby areas in advance, then systematically establishes and implements protection measures based on the findings. The implementation system for ecosystem conservation operates on a cyclical management process. Building on this approach, the company aims to prevent biodiversity loss, enhance ecosystem resilience, and take a leading role in protecting natural capital. Going forward, HL D&I Halla will continue to strengthen science-based proactive measures and practice-focused management to advance biodiversity-centered environmental management.

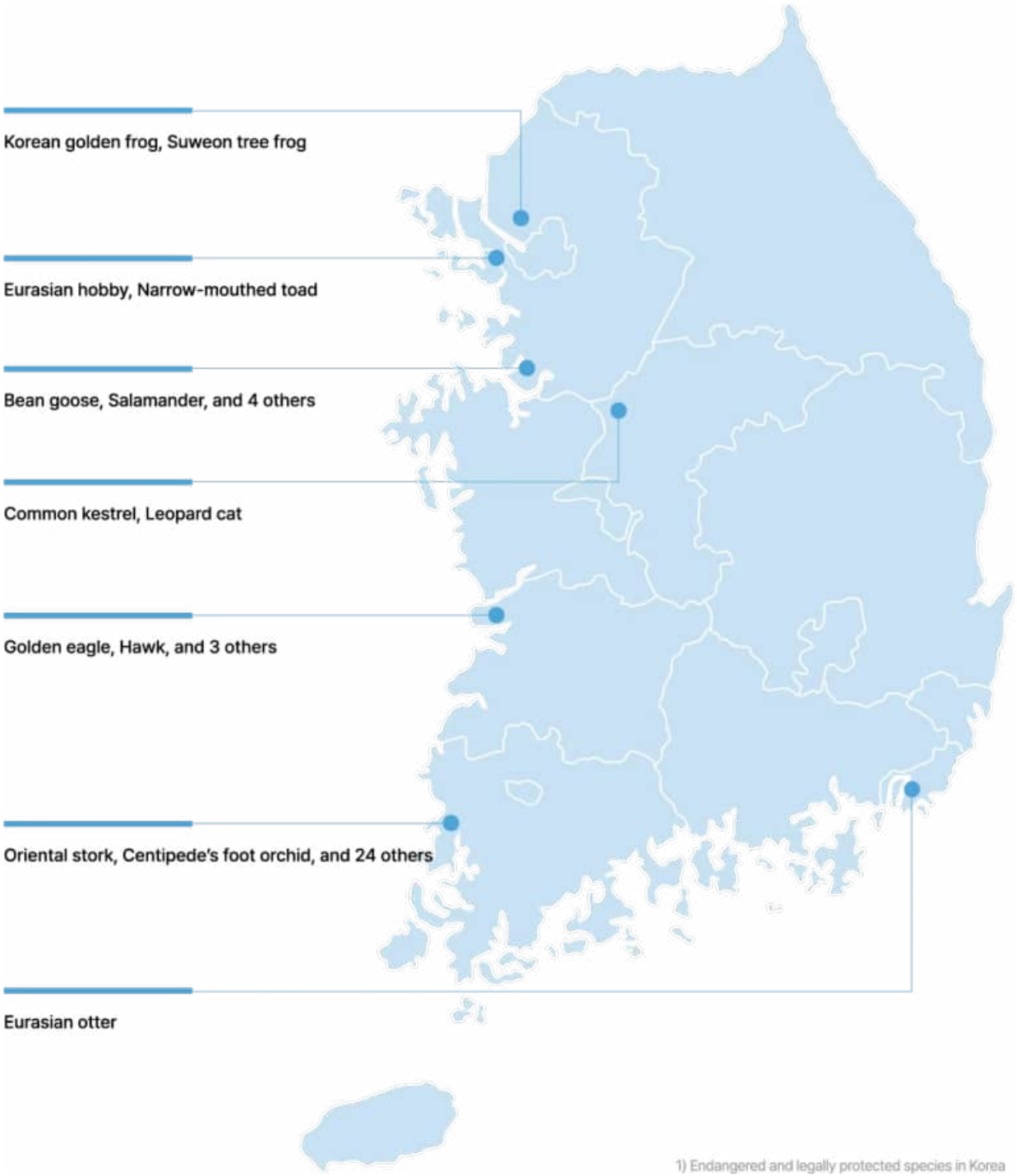
Biodiversity Strategy

STEP 1. Environmental Impact Assessment	STEP 2. Establishment and Implementation of Reduction Measures	STEP 3. Continuous Improvement Measures	STEP 4. Management and Monitoring
Identify environmental impact assessment factors	- Conduct biodiversity conservation activities - Provide biodiversity protection training	Monitor ecological environments including legally protected species	Conduct external consultations, etc.

Distribution and Conservation of Protected Species

HL D&I Halla conducts environmental impact assessments in advance to understand and minimize impacts on surrounding ecosystems. In 2024, the company identified 33 endangered or legally protected species near major infrastructure sites, including Pyeongtaek, Mokpo, Cheongju, and Buan, and carried out measures and monitoring to conserve them. HL D&I Halla is committed to minimizing ecological harm.

Status of Protected Species¹⁾



Biodiversity Protection Measures

Area	Site	Category	Construction Period	Protected Species	Impact	Protection Measures
Gangseo-gu, Busan	Busan New Port West Container 2	Port	Apr. 2019 - Aug. 2024	Phyllospadix japonicus seagrass colony	Habitat destruction	- Adjusting construction intensity by monitoring nearby sea areas to minimize environmental damage and interference - Implementing post-environmental impact survey for seagrass-related consultation (twice)
Gimpo, Gyeonggi	Gimpo-Paju Road Section 4	Road	Feb. 2019 - Dec. 2025	Korean golden frog, Suweon tree frog		- Conducting detailed survey of endangered species - Capturing and migrating 352 golden frogs
Seo-gu, Incheon	Wondang-Taerigan Metropolitan Road	Road	Jul. 2021 - Jul. 2024	Narrow-mouthed toad, Toad		- Installing protective fences to prevent damage from construction prior to migration - Capturing and migrating narrow-mouth toads and toads
Pyeongtaek, Gyeonggi	East Pyeongtaek Zone 1	Road	Dec. 2020 - Dec. 2024	Salamander, Mandarin duck		Direct impact on habitat is expected to be minimal, but we minimized the damage to forest and habitat and conducted monitoring on a regular basis
Mokpo, Jeollanam	Coast Guard West Maintenance Center	Port	Feb. 2019 - Mar. 2025	Sanders’s gull, Chinese egret, Whooper swan, Oriental stork	Noise pollution	Preventing water pollution by installing anti-pollution barrier, etc.
				Eurasian oystercatcher, Otter	Habitat destruction	- Preventing mudflat pollution by installing anti-pollution barrier, etc. - Minimizing water pollution, providing rest areas, and installing protection signs
				Centipede’s foot orchid		- Preserved area restoration - Planting 150 henon bamboos, 100 rose shrubs, 200 hydrangea herbs
Buan, Jeonbuk	Reinforcing the counter facilities of Wido Port	Port	Dec. 2022 - Dec. 2026	Golden eagle	Noise pollution	Training construction workers on legally protected species
				Eurasian oystercatcher, Otter		- Preventing mudflat pollution by installing anti-pollution barrier, etc. - Minimizing water pollution, providing rest areas, and installing protection signs

Excellent Example

Biodiversity Conservation Activities



HL D&I Halla promotes biodiversity conservation activities to raise awareness company-wide and ensure a sustainable future. In 2024, 17 employees spent four hours assisting the migration of the narrow-mouthed toads and common toads during their breeding season as part of efforts to raise biodiversity awareness and protect ecosystems. Beyond this, HL D&I Halla plans to pursue further conservation activities in collaboration with various stakeholders.

*Legal protection species (endangered wildlife class II)

Biodiversity Risk Assessment

HL D&I Halla assessed biodiversity risks at 46 domestic sites—27 building/development sites and 19 infrastructure sites—using the WWF (World Wide Fund for Nature) Biodiversity Risk Filter. Biodiversity risks were analyzed as two types: physical risks, where changes in biodiversity directly affect operations, and reputational risks, where stakeholders’ concerns about biodiversity loss impact the business.

The analysis identified Anseong-si, Icheon-si, Yangpyeong-gun in Gyeonggi-do and Cheongju in Chungcheongbuk-do as areas with relatively high physical risk. This is due to high ecological resource density and sensitivity in those regions, which may lead to stricter legal standards, such as greenbelt restrictions, or stronger demands for conservation when projects proceed. In contrast, regions with high reputational risk included Gunsan-si, Jeonju-si, and Buan-gun in Jeonbuk-do, reflecting strong community and NGO interest and expectation in biodiversity protection.

Based on these results, HL D&I Halla will develop customized biodiversity response strategies for each region. For high-risk areas, the company will create more detailed ecological conservation plans, collaborate with local communities to mitigate reputational risk, and strengthen investments and monitoring activities to reduce environmental impacts.

Sites Located near Biodiversity Risk Assessment Areas

Area	Site	Project Type	Detailed Type	Site Size ¹⁾	Adjacent Natural Environment
Cheongju, Chungbuk	Daeyul-Jeungpyeong IC	Infrastructure	Road	4.25 km	Daecheong Lake, Geum River
	Apartments at Wolmyeong Park, Cheongju	Architecture/Development	Multi-family housing	0.04 km ²	Daecheong Lake, Geum River
Yangpyeong, Gyeonggi	Power cable tunnels in Yangpyeong, Gyeonggi	Infrastructure	Power grid	9.1 km	Han River
Anseong, Gyeonggi	Iljuk Logistics Center in Anseong	Architecture/Development	Logistics center	0.04 km ²	Anseongcheon
Icheon, Gyeonggi	Mixed-use buildings at Bubal, Icheon	Architecture/Development	Multi-family housing	0.02 km ²	Bokhacheon
	Ami District in Icheon	Architecture/Development	Multi-family housing	0.04 km ²	Bokhacheon
Gunsan, Jeonbuk	New Station District in Gunsan	Architecture/Development	Multi-family housing	0.05 km ²	West Sea
	Gunsan Jigok-dong 1	Architecture/Development	Multi-family housing	0.03 km ²	West Sea
	Gunsan Jigok-dong 2	Architecture/Development	Multi-family housing	0.02 km ²	West Sea
Jeonju, Jeonbuk	Seoshin-dong Kamnamugol redevelopment	Architecture/Development	Multi-family housing	0.03 km ²	Jeonjucheon
Buan, Jeonbuk	Wido Poart’s counter facility reinforcement	Infrastructure	Port	0.14 km	West Sea

1) The scale of construction and development sites is measured by area, while that of infrastructure sites is determined by length.

Biodiversity Risk¹⁾

Site location	Physical risk category	Provisioning service	Regulating and supporting service	Regulating service	Cultural service	Pressure on biodiversity	Reputational risk category	Environmental factors	Socioeconomic factors	re
Cheongju-si, Chungcheongbuk-do	High	High	Low	High	Very Low	Very High	Moderate	Moderate	Moderate	
Yangpyeong-gun, Gyeonggi-do	High	Moderate	Moderate	High	Very Low	High	Moderate	Moderate	Moderate	
Anseong-si, Gyeonggi-do	High	Moderate	Moderate	High	Very Low	High	Moderate	Moderate	Moderate	
Icheon-si, Gyeonggi-do	High	Moderate	Moderate	High	Very Low	High	Moderate	Moderate	Moderate	
Gunsan-si, Jeonbuk-do	High	High	Low	High	Very Low	High	High	High	Moderate	
Jeonju-si, Jeonbuk-do	High	High	Low	High	Very Low	High	High	High	Moderate	
Buan-gun, Jeonbuk-do	High	High	Low	High	Very Low	High	High	High	Moderate	

1) Risk levels are assessed on a scale from 1.0 (lowest) to 5.0 (highest) and categorized into five ranges from Very Low to Very High

Distribution of Endangered Species near Biodiversity Risk Assessment Areas¹⁾

Unit: Species

Category	Cheongju, Chungbuk	Yangpyeong, Gyeonggi	Anseong, Gyeonggi	Icheon, Gyeonggi	Gunsan, Jeonbuk	Jeonju, Jeonbuk	Buan, Jeonbuk
Mammals	4	4	2	2	2	2	4
Birds	20	14	10	8	35	11	25
Amphibians and Reptiles	2	1	3	3	3	1	2
Fish	1	3	0	0	0	0	1
Insects	3	1	1	1	0	0	3
Invertebrates	0	0	0	0	2	0	3
Terrestrial Plants	0	1	0	0	3	1	6
Marine Algae	0	0	0	0	0	0	0
Higher Fungi	0	0	0	0	0	0	0
Total	30	24	16	14	45	15	44

1) Refer to the distribution status of endangered wild animals for each city and province in the Endangered Wildlife Statistical Data Book (National Institute of Ecology, 2023).

Safety & Health



HL D&I Halla places life and safety as its highest values and is advancing a preventive safety and health management system. We aim to fundamentally prevent serious accidents by conducting site-specific risk assessments and by fostering a company-wide safety culture. We will establish a safety and health culture in which all members participate autonomously and responsibly.

Safety & Health Management System

Safety & Health Management System and Policy

HL D&I Halla was the first in the construction industry to obtain ISO 45001 certification, establishing a global-level safety and health management system. The safety and health management system applies to all stakeholders, including employees, subcontractors, site workers, shareholders, customers, and local communities. We will continue to fulfill our social responsibility and strive to spread the safety and health culture through adopting best practices and improving the system.

Quality, Environment, and Safety Policy 

Safety and Health Management Policy 

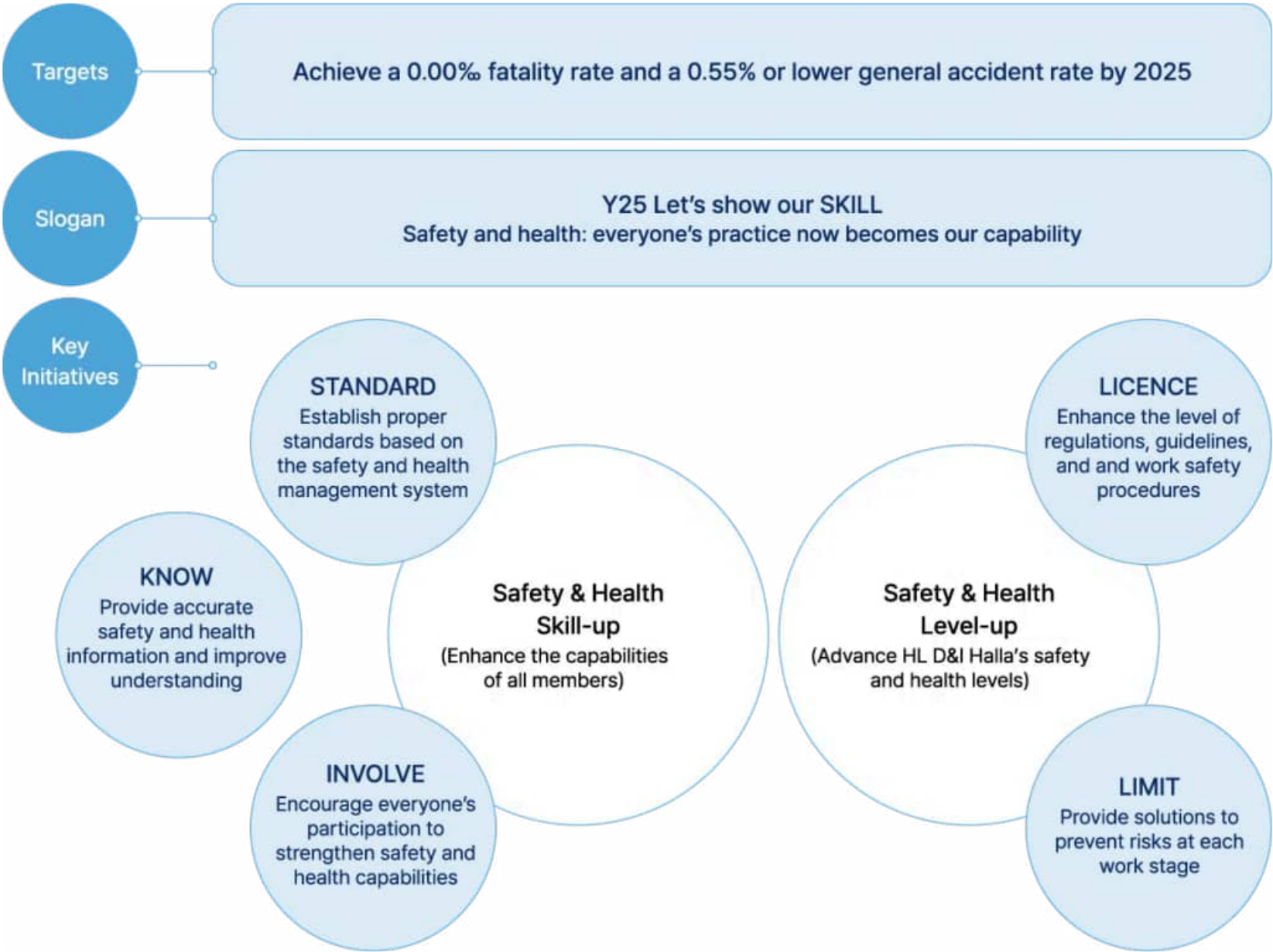
HL D&I Halla Safety and Health Management System Certification (ISO 45001) 

Safety and Health Management Strategy

HL D&I Halla makes company-wide efforts to prioritize safety and health and embed it into our corporate culture. We strive to create a safe working environment where everyone can work with confidence, and we systematically develop and improve our safety and health goals and strategies. In addition, we set and implement key initiatives centered on ‘SKILL’*.

* Standard, Know, Involve, License, Limit

Safety and Health Goals and Strategies



Mid- to Long-term Safety Management Goals

Mid- to Long-term Roadmap				
Category	Unit	Short-term (2025)	Mid-term (2026)	Long-term (2027)
Fatality rate per 10,000 workers	‰	0	0	0
General accident rate	%	0.55	0.50	0.45

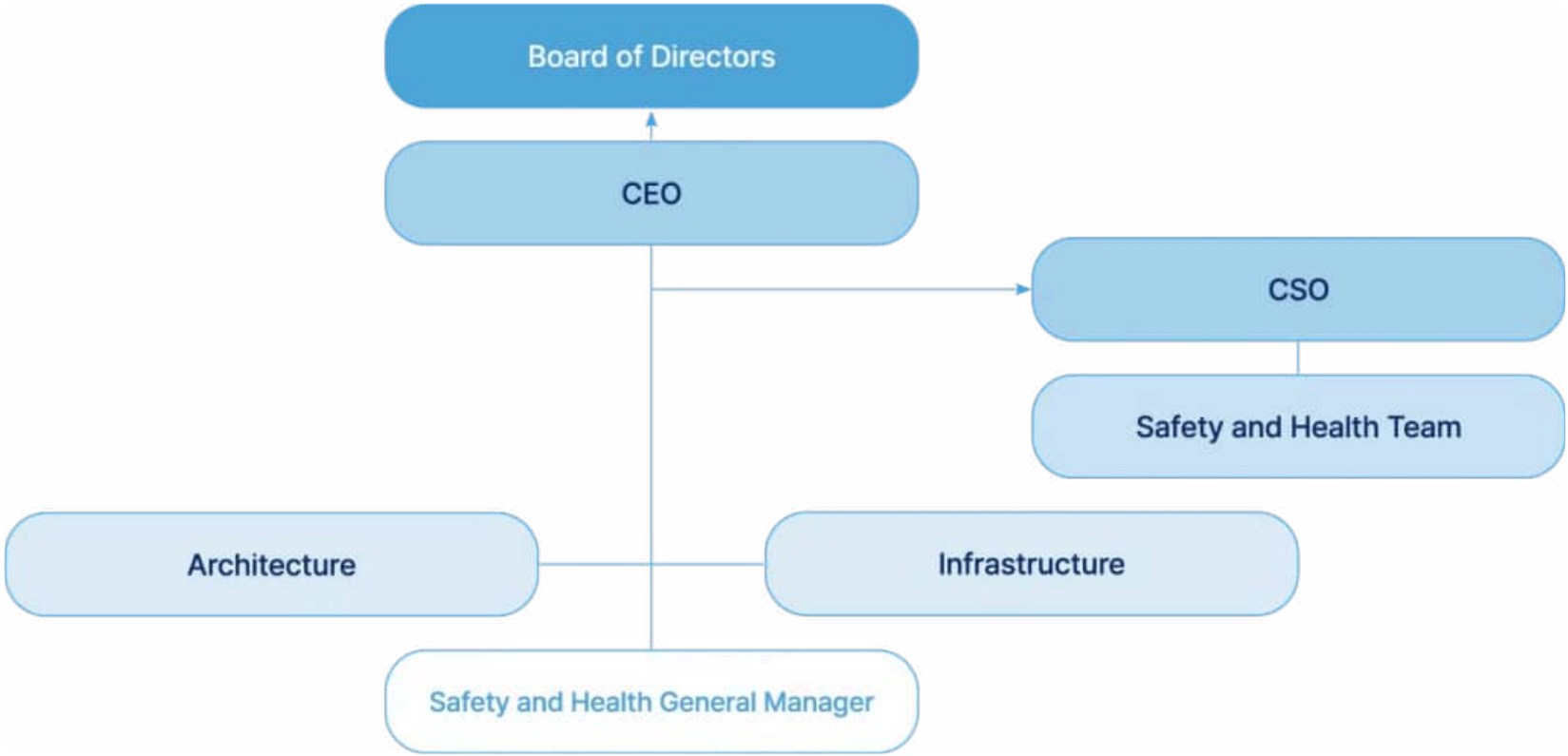
1) General accident rate = Number of work-related accident cases (excluding commuting accidents and occupational diseases) / Number of regular employees × 100

Safety and Health Management Organization

Safety and Health Organizational Operating System

HL D&I Halla has established and operates a company-wide safety and health management system, centered on a dedicated Safety and Health Team under the Chief Safety Officer (CSO). The Safety and Health Team functions as a control tower by planning, evaluating, and inspecting activities that reflect business characteristics and risks, collaborating closely with each business unit and site. Through this approach, the company proactively addresses risk factors and ensures practical application and outcomes on site, aiming to effectively control safety and health risks.

Safety and Health Management Organization

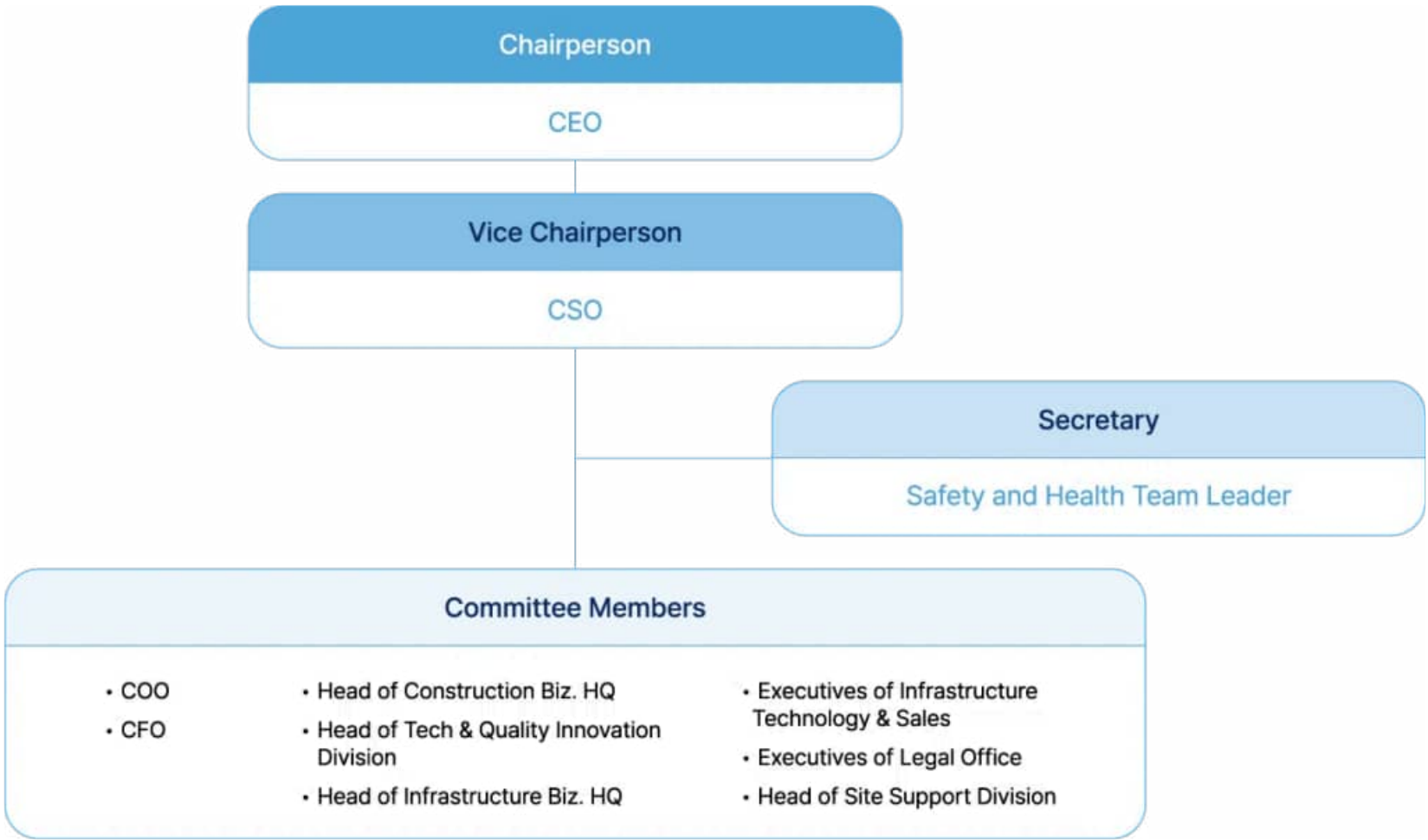


Safety and Health Advisory Committee

HL D&I Halla operates a Safety and Health Advisory Committee every quarter to comprehensively inspect safety and health status. The committee is chaired by the CEO and consists of members from relevant departments, sharing safety and health performance and future response plans. The committee analyzes major safety management issues* in depth and, through deliberation and resolution procedures, promptly decides on necessary measures. Committee decisions are immediately communicated to relevant departments and applied on site, moving beyond mere information sharing to actual decision-making and execution. Major issues discussed by the committee are also reported regularly to the Board of Directors for management oversight and feedback.

* Include accident occurrence status, measures to prevent recurrence, performance of the risk reporting center, external inspection results and corrective actions, etc.

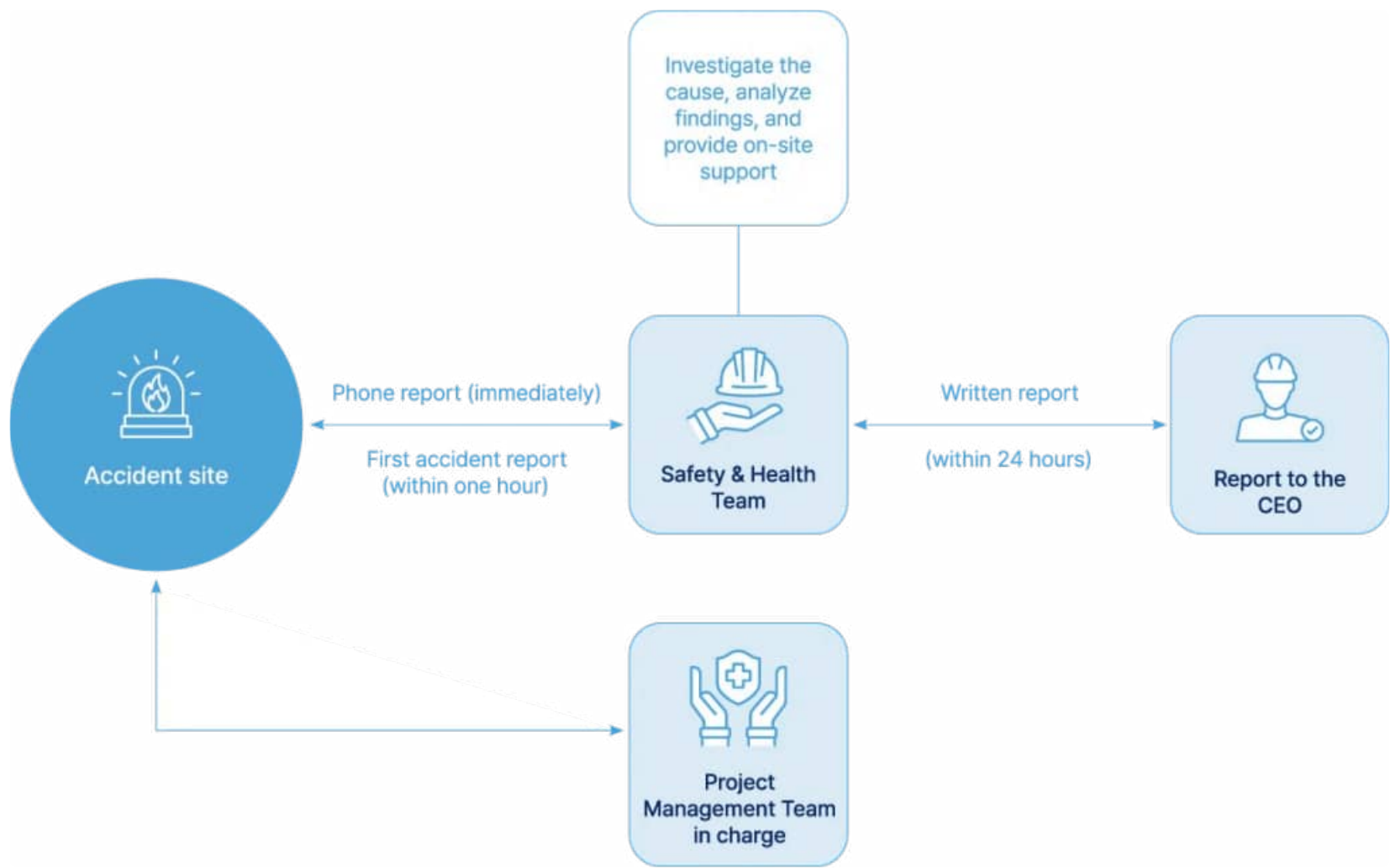
Safety and Health Advisory Committee



Safety Accident Response System

HL D&I Halla has built a response system that enables rapid action to minimize harm and prevent further incidents when a safety accident occurs. Serious accidents are reported immediately to management via the dedicated safety and health department as soon as they are recognized. General accidents are also reported through an online system within one hour of occurrence or detection. This swift reporting process enhances the speed of initial response and the accuracy of information transfer, facilitating prompt incident handling and follow-up actions. When an accident occurs, the on-site safety and health manager and the head office’s safety and health team immediately investigate the site, analyze causes according to procedures, and carry out response measures. After implementing necessary actions based on accident type and cause, related information is quickly shared across all sites to prevent similar incidents, and preventive measures are developed and executed. This response system strengthens safety accident handling capabilities across all sites and fosters a site-centered safety culture.

Safety Accident Response Process



Site Safety Management

Smart Risk Assessment Management System

HL D&I Halla identifies hazard or risk factors in advance to ensure worker safety and health, and actively promotes a digital risk assessment process to proactively prevent and eliminate them. In 2023, we piloted a mobile-based smart risk assessment system to verify its effectiveness, and have been expanding its application across the company since 2024. The system is designed to share site safety information in real time and enable immediate actions, enhancing on-site responsiveness. At each site, managers use a dedicated mobile app to check daily whether improvement measures have been implemented for risks rated medium or higher in the risk assessment form, and to manage the assessment results. Every morning, workers participate in a Tool Box Meeting (TBM) where risk assessment outcomes and precautions are shared to raise safety awareness and encourage involvement in prevention activities. Additionally, HL D&I Halla evaluates the effectiveness of mitigation measures to systematically identify safety and health risk factors at worksites. To drive actual safety improvements, we manage indicators showing changes in risk levels before and after mitigation actions.

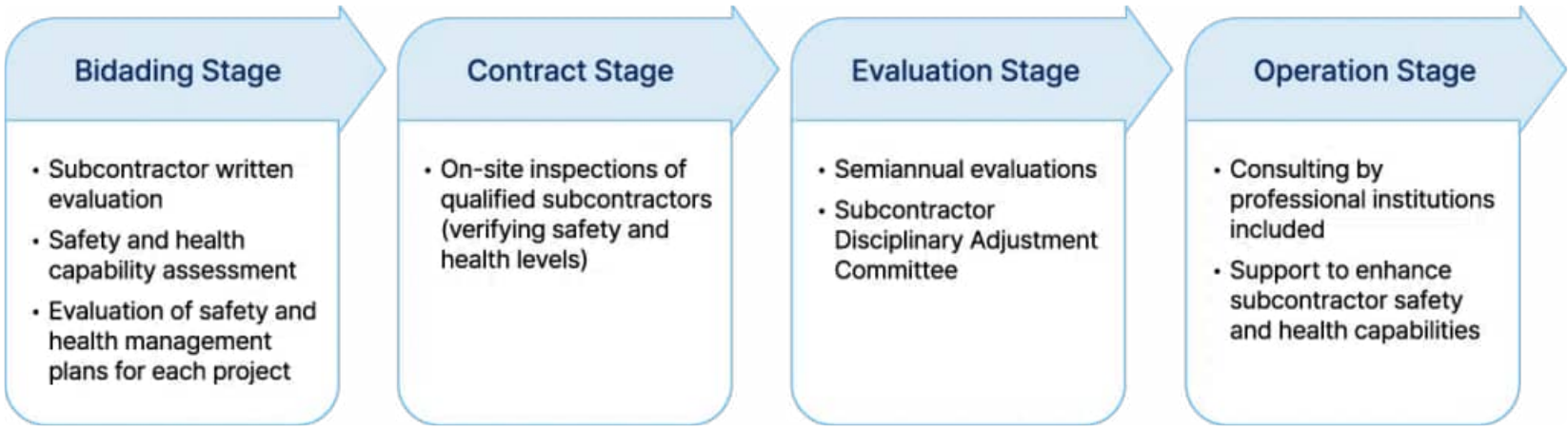
Mobile Risk Assessment System

Purpose of Introduction	Content details
Build an efficient safety and health system	• Streamline site-focused tasks • Standardize work procedures and forms
Shorten work hours	• Identify hazard or risk factors, and record and share improvement results in real time
Strengthen the level of risk assessment operations	• Encourage all site workers’ participation through the mobile system

Subcontractor Safety and Health Evaluation System

HL D&I Halla annually evaluates subcontractors’ safety and health capabilities to promote mutual growth and create safe, healthy construction sites. The evaluation covers bidding, contract, registration, and management through a three-stage system. Based on results, subcontractors that do not meet safety and health standards receive consulting support to improve capabilities. If necessary, their registration may be canceled or bidding restricted. These efforts prevent safety and health risks at the corporate level and strengthen sustainable cooperation with subcontractors.

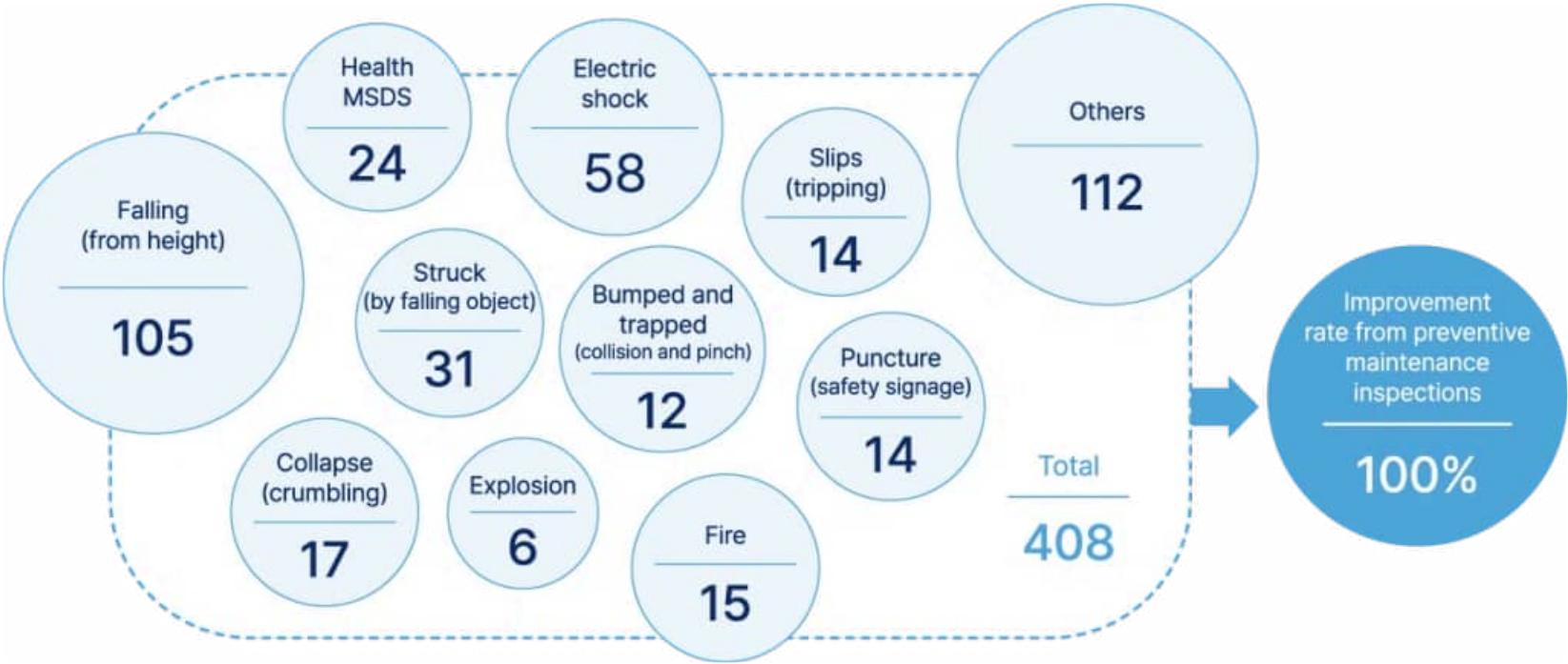
Subcontractor Safety and Health Evaluation Process



On-site Safety Inspections: Preventive Maintenance Check

HL D&I Halla’s internal inspection team conducts preventive maintenance checks at least once per quarter to verify the establishment and implementation of the site safety and health management system and compliance with relevant laws. These checks focus on analyzing site-centered risk factors and deriving preventive improvement measures. To ensure objectivity, the head office leads the ‘implementation checks of risk assessment activities’ at least once every six months. Sites found to have inadequate safety and health conditions are **designated for special inspections and are closely managed.** Major findings are promptly addressed, and best practices are shared across the company to reduce disparities in safety management capabilities among sites and raise overall safety standards. In addition, HL D&I Halla conducts safety inspections of large equipment, such as cranes, lifts, and pile drivers, through external expert agencies when such equipment is first brought on-site, in order to prevent accidents caused by aging or defects. In line with internal guidelines, regular inspections are also conducted to detect potential defects early and take immediate corrective action, thereby eliminating equipment-related risks from the outset.

Preventive Maintenance Check Results (2024)



Safety Inspection Performance

Category	Unit	2022	2023	2024
Number of sites inspected	Number	33	39	38
Number of on-site safety inspections	Time	98	169	140
Number of construction equipment inspections		860	1,593	657

Operation of Worker-Risk Reporting Center

HL D&I Halla operates a Worker-Risk Reporting Center where anyone can easily report risk factors, ensuring the safety rights of all site workers. This system is designed to enable early hazard identification and rapid preventive response. Once a case is reported, it is promptly addressed in accordance with the principle: ‘implement corrective action immediately upon receipt.’ Each site is required to report the outcome to the head office within one week. The head office monitors action status company-wide and systematically manages follow-up measures. In 2024, a total of 30 cases were reported, and corrective actions were completed for all. We will continue to encourage active hazard reporting and further strengthen an autonomous, participatory safety management system.

Worker-Risk Reporting Center Operation Process

Stage 1	Stage 2	Stage 3	Stage 4
Hazard Identified	Report submitted to the center	Report received and verified	Hazard resolved



Dangerous Work Management Activities

HL D&I Halla implements a ‘Prior Work Permit System’ to prevent accidents from the early stage of work and ensure systematic safety management for high-risk tasks. Under this system, before performing high-risk tasks, details of the work, risk factors, and plan for safety measures are recorded in a work permit and work only begins after approval from the authorization holder. The Prior Work Permit System is mandatory for high-risk tasks such as working at height, hot work, and confined space work. These tasks may only proceed after all required safety measures have been implemented. This process ensures that workers and managers clearly understand risks and discuss preventive measures in advance, structurally blocking accident possibilities. In addition, we have adopted the right to suspend dangerous work,

guaranteeing worker safety rights that exceed standards set by the Occupational Safety and Health Act. If a worker judges that a task is unsafe, they may suspend work immediately without manager approval, and work may only resume after consulting with the on-site safety and health manager and implementing corrective actions.



Safety & Health Activities

Resolution Conference for Serious Accident Prevention Practices

HL D&I Halla held the Resolution Conference for Serious Accident Prevention Practices in 2024, conducting a total of 376 such conferences throughout the year to reaffirm its commitment to safety and health practices and to create a forum for communication with subcontractors and workers. Under the slogan 'If you've seen it right, it's time to act,' the event conveyed the CEO's determination to create safe workplaces where everyone can work with confidence. The program began with reading the pledge for preventing serious accidents, followed by awards for outstanding workers, inspections of key work areas, and communication sessions.



* Held at the construction site of the Pyeongtaek East Expressway Private Investment Project Zone 1 in Pyeongtaek-si, Gyeonggi-do (June 13, 2024)

Excellent Example 100-day Resolution for Zero Serious Accidents

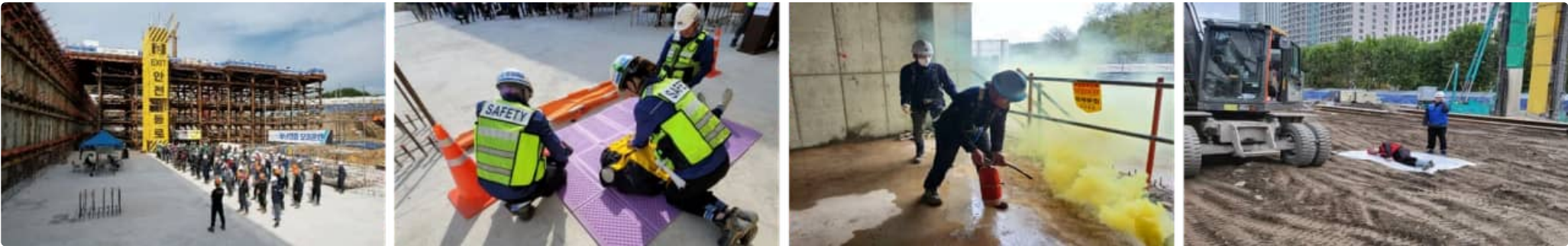


On October 7, 2024, HL D&I Halla held the '100-Day Resolution for Zero Serious Accidents'* event to reinforce our determination to achieve zero serious accidents in the remaining 100 days of the year. The CEO and all site safety and health managers attended the event, which focused on preventing major types of construction accidents—such as falls, collisions, and being struck—by strengthening site-specific safety activities and raising workers' safety awareness. This gathering served to boost safety commitment and mutual vigilance among site workers and contributed to reinforcing a company-wide safety culture.

Accident Response Drills

HL D&I Halla conducts regular drills to prepare for various accidents that may occur on construction sites and to assess and improve the effectiveness of the initial response system. In the second half of 2024, we held customized disaster response drills at 41 sites nationwide, reflecting each site’s characteristics. For each site, we selected high-risk factors likely to occur, created realistic disaster scenarios, and carried out the exercises.

The training focused on achieving rapid and accurate initial response when hazards arise. We reviewed the adequacy of initial action manuals and evaluated individuals’ ability to perform their roles according to assigned task cards. Through these drills, workers and managers learned how to respond appropriately to various accident scenarios such as falls, collapses, and fires from their respective positions. These exercises help build their capacity to respond effectively in real-life emergencies.



Safety & Health Training

HL D&I Halla offers various safety and health training programs to build all employees’ professional safety and health capabilities. We offer customized training beyond legal requirements based on site characteristics to establish a company-wide safety culture and strengthen accident prevention capabilities. In addition to standard safety and health programs, we produce safety training videos for autonomous learning by employees anytime, anywhere and share them on internal channels. The training content consists of practical, field-focused topics such as characteristics of accident types that may occur on site and appropriate response procedures. We update this content regularly to reflect the latest safety information. We also conduct annual cardiopulmonary resuscitation (CPR) and automated external defibrillator (AED) training at all sites to strengthen initial response capabilities in emergency situations.

Safety & Health Training

Unit: Person

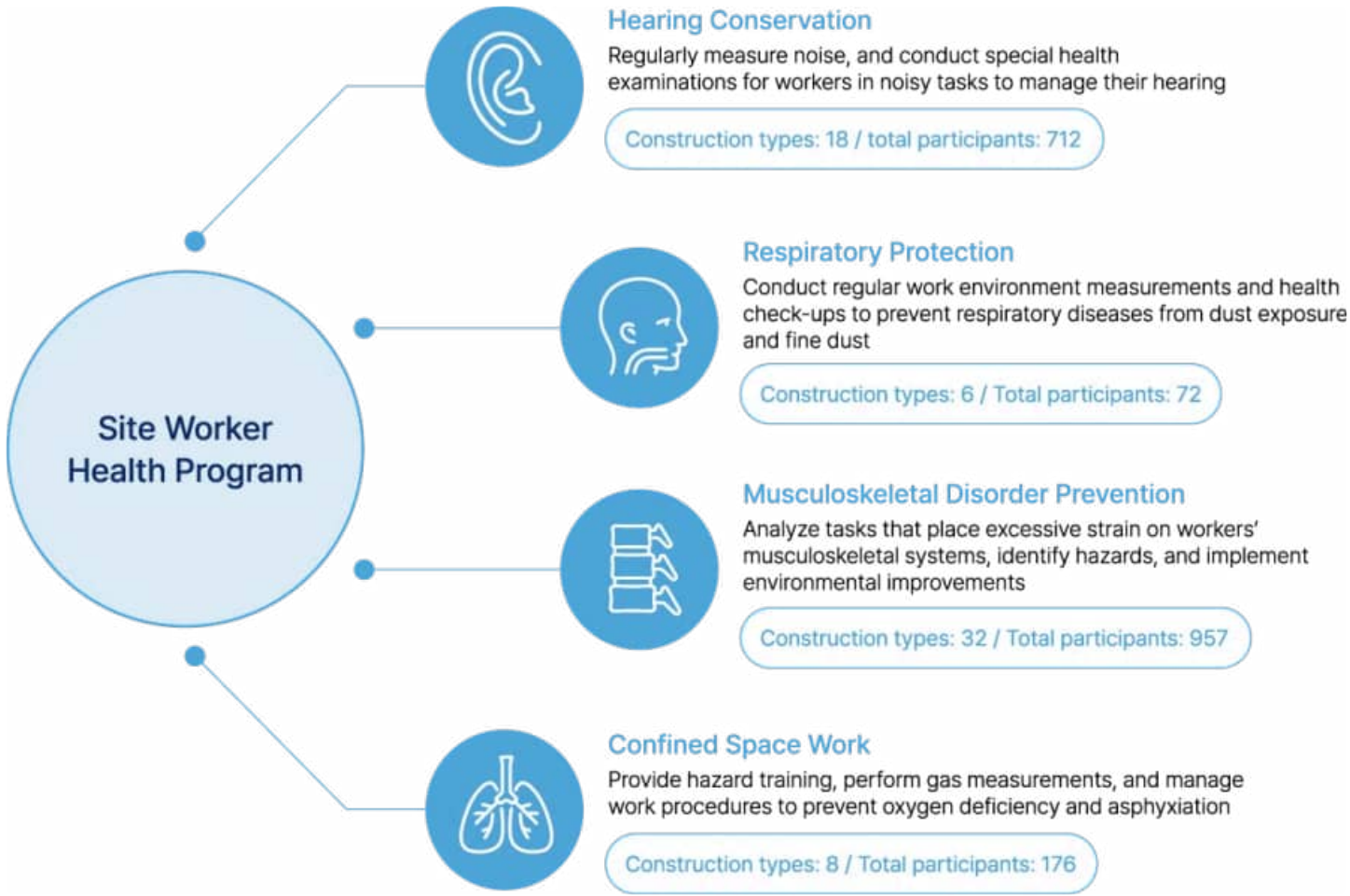
Category	2022	2023	2024
Participants in safety and health manager workshops	196	194	226
Employees who completed e-learning training for all employees	893	776	536
Participants in training on safety and health for subcontractors	138	91	97
Participants who completed training on safety and health awareness (mind-set)	888	128	102

1) E-learning training for all employees: Provided to supervisors

2) Training on safety and health awareness (mind-set): Provided to all employees in 2022; site managers, maintenance staff, and construction team leaders in 2023; and safety and health general managers, maintenance managers, and management officers in 2024

Site Worker Health Promotion

HL D&I Halla places the health and lives of all workers as its highest priority and actively operates customized health programs reflecting each site’s characteristics. We manage on-site risk factors through regular work environment measurements and employee health check-ups. We also collaborate with external experts, including hospitals and public health centers, to provide health consultations and training by medical professionals. In addition, we also develop tailored health management programs based on each site’s specific hazards and conduct seasonal health activities. For example, in summer we offer heat illness prevention training and distribute cooling equipment such as fans and ice vests; in winter we implement hypothermia prevention guidelines and cold-prevention campaigns to proactively address seasonal illnesses.



Site Worker Health Promotion Activities



Human Rights Management



HL D&I Halla embraces respect for human rights as a core principle and fosters a culture in which all employees uphold this value. We aim to embed human rights management into our daily business activities through proactive risk prevention, training, and review systems, thereby building a sustainable corporate ecosystem where dignity and fairness for all stakeholders are guaranteed.

Human Rights Management System

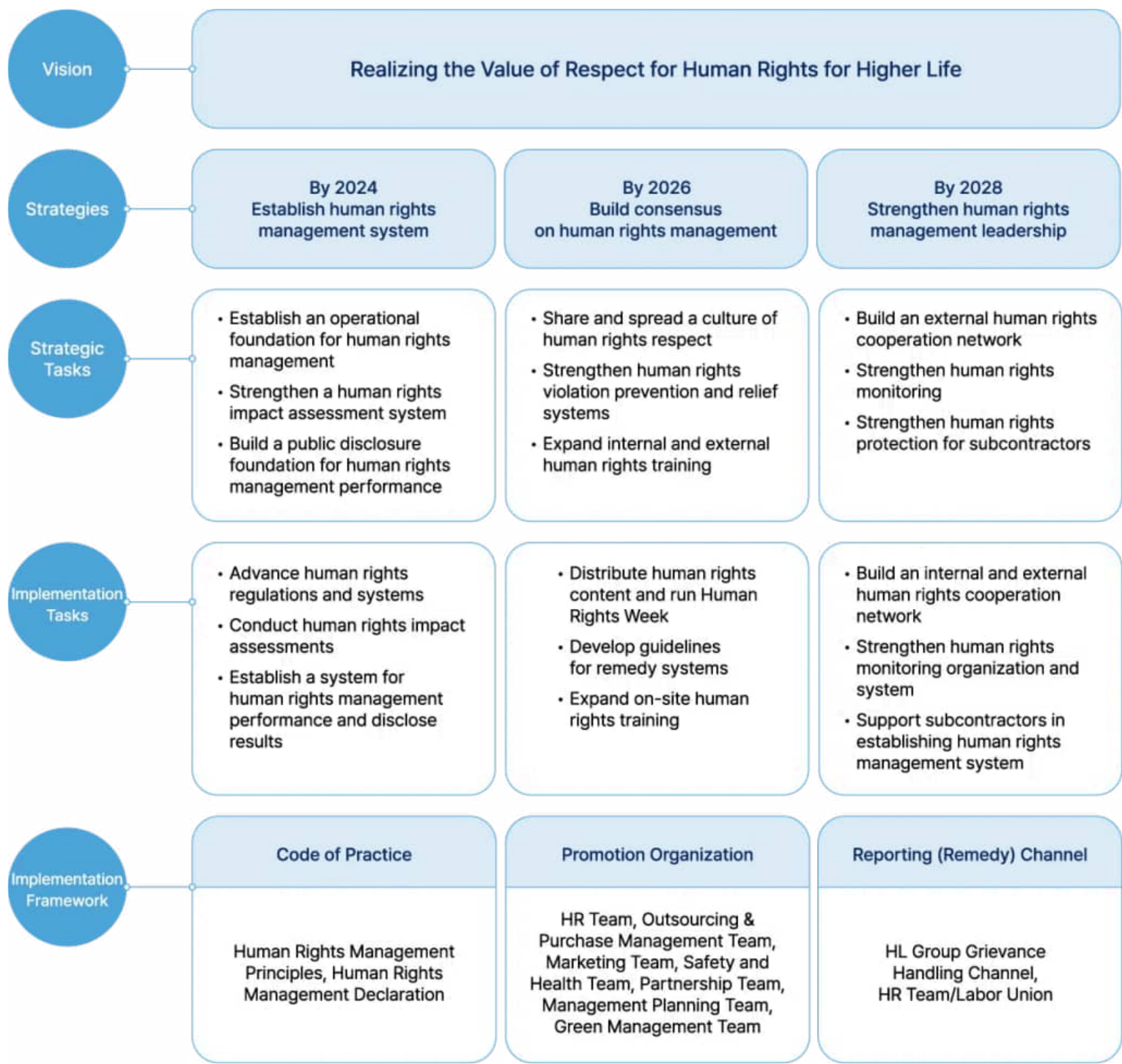
Human Rights Management Principles

HL D&I Halla recognizes the respect and protection of human rights for all stakeholders as a core responsibility across all business operations. Based on the Universal Declaration of Human Rights* and the UN Guiding Principles on Business and Human Rights**, we have established human rights management principles aligned with international standards and shared them throughout the company. In line with these principles, we carry out various practical initiatives such as creating a workplace free of discrimination, expanding diversity and inclusion, and preventing human rights violations. To support this, we perform human rights impact assessments to identify business-related human rights risks in advance and derive measures to address any vulnerabilities. We also operate a grievance handling channel so that internal members and other stakeholders can report and resolve human rights issues quickly and fairly. We also conduct regular monitoring to embed human rights management, and continue to promote training and awareness-raising activities to strengthen our ability to respond to human rights issues.

*Universal Declaration of Human Rights, **UN Guiding Principles on Business and Human Rights

[HL D&I Halla Human Rights Management Declaration](#)

Human Rights Management Strategy



Mid- to Long-term Safety Management Goal

Unit: %

Mid- to Long-term Roadmap			
Category	Short-term (-2025)	Mid-term (2026-2030)	Long-term (2031-2050)
Scope of human rights impact assessment implementation	Include 10% subcontractors	Include 30% subcontractors	Include 100% subcontractors
Rate of employees who completed human rights training	100	100	100

Human Rights Management Execution Organization

HL D&I Halla, together with HL Group affiliates, has built an organic human rights management governance and jointly plans and executes human rights activities. This governance aims to enhance each affiliate’s ability to respond to human rights risks through strategic collaboration at the group level and ensures consistent human rights management aligned with common standards and implementation principles.

Human Rights Management Execution Organization and Roles

Category	Composition	Role
Board of Directors	ESG Committee	- Deliberate and decide company-wide climate change response and ESG promotion strategies and plans - Recommend improvements based on human rights impact assessment results
Human Rights Management Committee	Chief Operations Officer of HR, Communication Office, Legal Office, Integrity Management Office, Human Resources Development Center	Hold regular meetings and resolve agenda items related to human rights management
Human Rights Management Council	Group Legal Office, Integrity Management Office, Human Resources Development Center, responsible human rights manager at each HL Group organization (HR, Safety and Health, Environment, Purchasing, Labor teams, etc.)	- Review grievance handling processes - Develop human rights impact assessment indicators and set evaluation scope and frequency

Human Rights Management Activities

Human Rights Impact Assessment

HL D&I Halla conducts human rights impact assessments across its entire value chain, including the head office, worksites, and subcontractors, to protect various stakeholders who may be vulnerable to human rights risks. In this process, stakeholders who may be directly or indirectly affected by human rights, such as their own employees and employees of partner companies, were included in the scope of evaluation.

Human Rights Impact Assessment Implementation Process

Human Rights Impact Assessment		
Head Office	Site	Subcontractors
- Diagnostic indicators: 40 - Number of questions: 195	- Target: 8 worksites - Diagnostic indicators: 14 - Number of questions: 54	- Target: 22 subcontractors - Diagnostic indicators: 12 - Number of questions: 33

Key Indicators		
- Establishment of human rights management system - Non-discrimination in employment - Protection of workers' human rights - Prohibition of forced labor - Prohibition of child labor - Guarantee of freedom of association and collective bargaining - Ensuring industrial safety - Responsible supply chain management - Protection of stakeholder human rights - Guarantee of environmental rights - Consumer protection	- Workforce status management - Anti-discrimination activities - Prohibition of inhumane treatment - Prohibition of child labor - Prohibition of forced labor - Local community and indigenous people - Improvement of working environment - Grievance handling activities - Subcontractor management - Safety and health system - Worksite safety and health management - Accident prevention and response - Accident data - Dormitory safety management	- Recruitment and contract - Working hours management - Wages - Worker grievance handling - Protection of foreign workers - Worker training - Prohibition of child labor - Safety and health system - Worksite safety and health management - Accident prevention and response - Accident data

A total of 22 subcontractors were selected and assessed for human rights impact in accordance with the company’s subcontractor selection criteria (contracts of KRW 5 billion or more, or sites employing 10 or more workers). No newly engaged subcontractors were evaluated.

Human Rights Impact Assessment Implementation Process

Stage 1	Stage 2	Stage 3	Stage 4
Define and identify human rights issues	Conduct human rights impact assessment	Develop mitigation and remediation plans	Implement corrective actions and monitor

Human Rights Risk Management

HL D&I Halla identifies human rights risks through human rights impact assessments and, when risks are found, implements and manages corrective actions in a systematic manner. We identify both actual and potential risks and determine necessary improvement tasks based on their significance to minimize the likelihood of human rights violations. We also develop response plans according to the size of each identified risk and manage them for systematical resolution. In addition we regularly evaluating the effectiveness of these actions to understand their contribution to risk reduction and advance our strategies.

Human Rights Impact Assessment Findings and Action Plan

Category	Findings	Action Plan	Risk size
Working hours management	Mismatch between contracted working hours and actual working hours	Reflect actual working hours in contracts, digitalize attendance records	High
	Misuse of the inclusive wage system	Settle and record excess overtime separately	
	Unclear compensatory leave system for overtime	Establish legal basis and written agreement with worker representatives	
	Insufficient actual break times	Schedule adequate breaks during work, ensure they are actually taken	
Wages and payslips	Payslips not issued or sent manually	Introduce an automated system, specify detailed items	
	Indirect payments via staffing agencies	Adhere to direct payment principles, prohibit fee deductions	
	Unclear overtime pay regulations and standards	Provide clear regulations and standards for overtime pay	
	Unclear scope and items on payslips	Separate wages and allowances clearly, specify items and scope on payslips	
Employment contracts and work rules	Employment contracts not drafted or distributed	Fulfill obligation to provide written contracts, offer guidance to subcontractors	
	Unclear overtime and allowance standards	Clearly reflect overtime standards in work rules and contracts	
Prohibition of child and forced labor	Absence of child and forced labor prohibition policy (head office)	Revise related policies including work rules (head office) Prohibit the employment of individuals under 15, establish principles requiring parental consent for those aged 15 to 17 Strengthen age verification procedures, workers' IDs (worksite) Provide dissemination training to ensure that worker or subcontractor IDs are not retained	
		Clauses allowing overtime for workers under 18	
Employment contracts and work rules	Ambiguous liability clauses	Clarify intent and gross negligence requirements, remove threatening language	Medium
	Insufficient updating to reflect latest laws	Incorporate amendments on parental leave, harassment prevention, flexible work	
	Inconsistent employment contract templates	Develop and share standardized contract templates company-wide	
Foreign workers	Unclear contract terms (duties, breaks, etc.)	Specify duties and working hours and provide contracts in workers' native languages	
	Lack of safety signs in foreign languages	Install safety signs with side-by-side text in workers' native languages, including Vietnamese, Cambodian, etc.	
	Inadequate inspection of dormitory hygiene and safety	Establish dormitory inspection checklist for subcontractors and conduct regular checks	
Non-discrimination/diversity	Non-discrimination/diversity policies not posted and related training not conducted	Post relevant policies and conduct annual training	
	Incomplete recruitment notices	Establish guidelines and review process for recruitment postings	
Disciplinary/HR systems	Lack of awareness of disciplinary procedures	Provide HR training for site managers	
Subcontractor management	Lack of visibility into subcontractor contracts and wage practices	Investigate the contracts and provide consulting to subcontractors	
	Absence of subcontractor code of ethics	Develop code of conduct, share it with subcontractors, and conduct training	

Potential Human Rights Issues¹⁾

Category	Value chain impact	Response activities
Establishment of human rights management system	Employees, subcontractors	- Improve the grievance handling channel - Advance human rights violation remedy procedures
Prohibition of forced labor	Employees, subcontractors	Strengthen subcontractor due diligence and daily worker employment contract management
Protecting the human rights of stakeholders	Customers, local communities	- Handle complaints for each site - Engage with local communities
Guarantee of environmental rights	Local communities	- Reduce on-site greenhouse gas emissions and promote circular economy - Carry out management measures and training in preparation for natural disasters

1) Not identified as risks in the recent human rights impact assessment, but they require ongoing attention

Human Rights Violation Reporting and Remedy

HL D&I Halla operates a grievance handling channel to protect the human rights of all stakeholders, including employees, and to prevent unfair treatment or violations within the organization. The identity and safety of the informant are strictly protected under the Public Interest Whistleblower Protection Act, and any form of retaliation—personal, administrative, or financial—is strictly prohibited. Report details are handled under strict confidentiality, and the internal informant protection system ensures anonymity and safety. In 2024, no human rights violation reports were received. To assess and improve the effectiveness and accessibility of the grievance handling channel, we use an evaluation checklist based on CSR Europe’s eight principles*.

* The eight principles for evaluating the effectiveness of a company’s grievance mechanism: Accessibility, predictability, fairness, transparency, protection of rights, availability of remedies, learning and improvement, and stakeholder engagement

Human Rights Grievance Reporting and Handling

Unit : case

Category	Number of grievances received	Number of grievances resulting in disciplinary action	Number of complaints reported for disciplinary action
2024	0	0	0

Human Rights Grievance Handling Process and Channels

STEP 1. Report a human rights violation	STEP 2. Verify whether a human rights violation occurred	STEP3. Decide on remedy procedure	STEP4. Notify decision and implement additional actions
Report via grievance handling channels	- Investigate the report immediately - Protect identity of victim/informant	Report to the highest decision-maker or submit as agenda to the decision-making body	- Notify the victim of the decision immediately (If necessary) carry out disciplinary or legal action
Grievance Handling Channel			
(1) HL Group Integrated Reporting Center		(2) Human Resources Team/Labor Union	
- Report human rights grievances related to HL D&I Halla - Cyber Reporting Center: https://ethics.hlcompany.com/		- Handle human rights grievances under the supervision of HL D&I Halla labor management council - Report any human rights issues via email, phone, in person, or in writing	

Human Rights Training

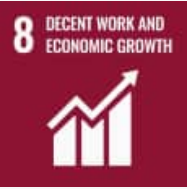
HL D&I Halla conducts regular human rights training programs to raise employees’ awareness of human rights and establish a workplace culture that prevents human rights violations. As of 2024, the average human rights training time per employee was 4.2 hours, and the completion rate among all employees reaches 99%. This training focuses on real-case scenarios such as workplace harassment, prevention of sexual harassment, and improving awareness of disabilities, aiming to enhance employees’ understanding of human rights and promote actual practices. Also, in 2024 as part of the ESG MIND SET program, we delivered training on the basic concepts of human rights, the importance of human rights management, and the commitment to human rights practice. A total of 101 employees participated in that session, which received a high satisfaction score averaging 4.3 (out of 5).

Case Human Rights Awareness Survey

HL D&I Halla conducted the 2024 human rights awareness survey* to assess employees’ level of human rights awareness and derive future directions for human rights management. The survey comprised six items (pawareness of human rights management, prespect-driven organizational culture, pefforts to spread human rights culture, pexperience of human rights violations, pawareness of remedy procedures, and popinions on human rights management) with 169 employees participating. Results confirmed the need for training to improve labor practices on construction sites, and based on this, we plan to enhance training to paddress human rights blind spots, pprevent human rights violation cases, and pfocus on relevant laws and regulations.

*March 19 - April 2, 2024 (15 days in total)

Talent Management



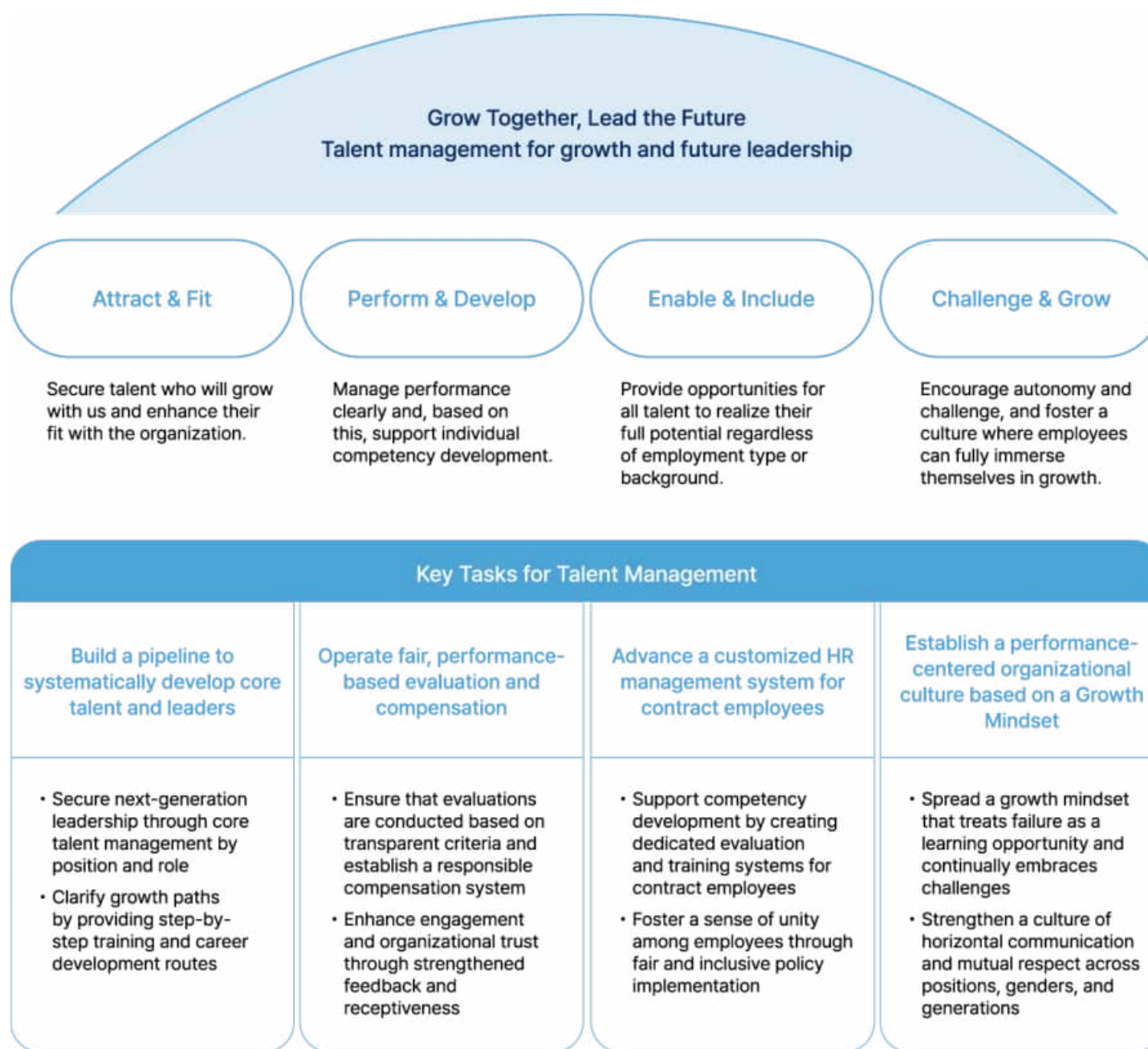
HL D&I Halla recognizes creative and challenging talent as the core of corporate competitiveness. We promote talent growth through competency-based recruitment, customized training, and a fair evaluation and compensation system, and based on a corporate culture that values work-life balance, we aim to build an organization where autonomy and creativity can flourish.

Talent Management System

Talent Management Promotion Strategy

HL D&I Halla strengthens sustainable competitiveness by discovering top talent and providing systematic development programs so that individuals with creative thinking and problem-solving capabilities can lead organizational innovation. We operate a fair HR system based on performance and competencies regardless of tenure or position, offering all employees opportunities for growth. By fostering an organizational culture of autonomy and challenge grounded in mutual respect and cooperation, we create an environment where employees can fully immerse themselves in development.

Talent Management Vision and Promotion Strategy



Employee Diversity

HL D&I Halla promotes gender balance and fosters an inclusive organizational culture by recruiting more female talent and increasing the number of female managers. We set annual targets for employing female workers, actively recruit qualified women, and increase the rate of female managers to create an environment where their capabilities can be fully realized. Additionally, we hire athletes with disabilities in various sports such as table tennis, billiards, and sjoelen to expand employment opportunities for vulnerable groups. Based on the values of diversity and inclusion, we aim to achieve social value and grow together as an organization.

Employee Diversity Mid- to Long-term Goals

Unit: %

Category	Unit	Short-term (2025)	Mid-term (2026)	Long-term (2027)
Female workers	%	10.3	10.6	10.9
Female managers ¹⁾	%	3.1	3.3	3.4

1) Employees at the managerial level or above

Employment status of women and people with disabilities

Division	Unit	2022	2023	2024
Female workers ¹⁾	Person	76	80	89
	%	7.9	8.4	9.1
Female managers ²⁾	Person	28	29	29
	%	4.1	4.5	3.0
Workers with disabilities ³⁾	Person	5	21	20
	%	0.5	2.2	2.0

1) Rate of female employees among total employees
2) Rate of female managers among total managers
3) Rate of employees with disabilities among total employees

Talent Management Activities

Fair Recruitment and Securing Talent

HL D&I Halla defines its desired talent that meets with th HR vision as ‘creative 3C* individuals who challenge together toward goals’ and secures outstanding talent through a fair and transparent recruitment process. To establish a fair recruitment culture, the hiring process strictly prohibits discrimination based on gender, origin, region, religion, or other factors. Additionally, HL D&I Halla actively considers converting contract employees with excellent performance to permanent positions to attract core talent in the construction industry.

* Creation, Challenge, Cooperation

HR Vision of HL D&I Halla

Status of Full-Time Conversion for Outstanding Contract Employees

단위: 명

Category	Unit	2023	2024
Number of eligible employees	Person	9	2

Activity and performance HL Group Recruiting

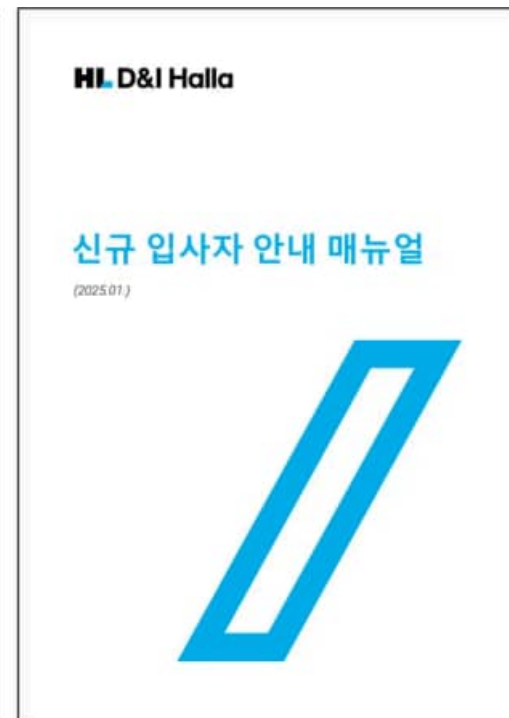
In 2024, HL Group conducted campus recruiting across major universities nationwide. Alumni employed at HL Group visited their alma maters to introduce the company’s vision, organizational culture, key business areas, and recruitment information directly, providing one-on-one counseling. Through these efforts, we actively attracted core talent in diverse roles in the construction industry, such as quality, safety, accounting, development, architecture, and facilities, strengthened synergy among group affiliates, and enhanced HL Group’s brand awareness.



New Employee Onboarding Program

Provision of New Employee Training and Guidance Manuals

HL D&I Halla operates a new employee onboarding program to help new hires perform their duties smoothly and adapt to the organizational culture. At the HL Talent Development Center, we provide a structured orientation program comprising: pUnderstanding the Company (understanding of safety and health, understanding of ESG and construction environment, and site visits), pCommunication and Teamwork (team mission, creativity, organizational adaptation and relationship management, and team-building activities), pWork Skills and Self-Management (report writing, communication skills, and self-leadership). This program helps new employees cultivate basic work attitudes and competencies and quickly adapt to the organization. In addition, we provide financial planning training tailored for recent graduates entering the workforce, helping them build personal finance management skills. HL D&I Halla also distributes a new employee guidebook filled with real experiences and tips from current employees. The guide includes helpful information on organizational culture, work standards, HR policies, and more.



Performance

Support for New Employee Adaptation

HL D&I Halla provides a welcome kit to help new employees adapt smoothly and to convey a warm welcome. The welcome kit includes company introduction materials, a practical guidebook, office supplies, and branded items to help ease early-stage anxiety and foster a sense of belonging. We also operate a mentoring program for job guidance and cultural adaptation, and we encourage a healthy organizational culture by rewarding outstanding mentor-mentee pairs.



Talent Development and Capability Building

HL D&I Halla operates a variety of training programs and has established a systematic training management system by evaluating training outcomes and effectiveness and managing key indicators. The HL Group Human Resources Development Center handles common training (onboarding for new and experienced employees, leadership, basic job training, etc.). Training aimed at improving employees' job

competencies and efficiency (ESG, safety and health, basic construction PM courses, etc.) is developed and delivered in-house to strengthen expertise. For specialized training (roles for construction engineers, executive programs in the construction field, etc.), the company hire external training institutions to actively support employees’ professional growth and leadership development.

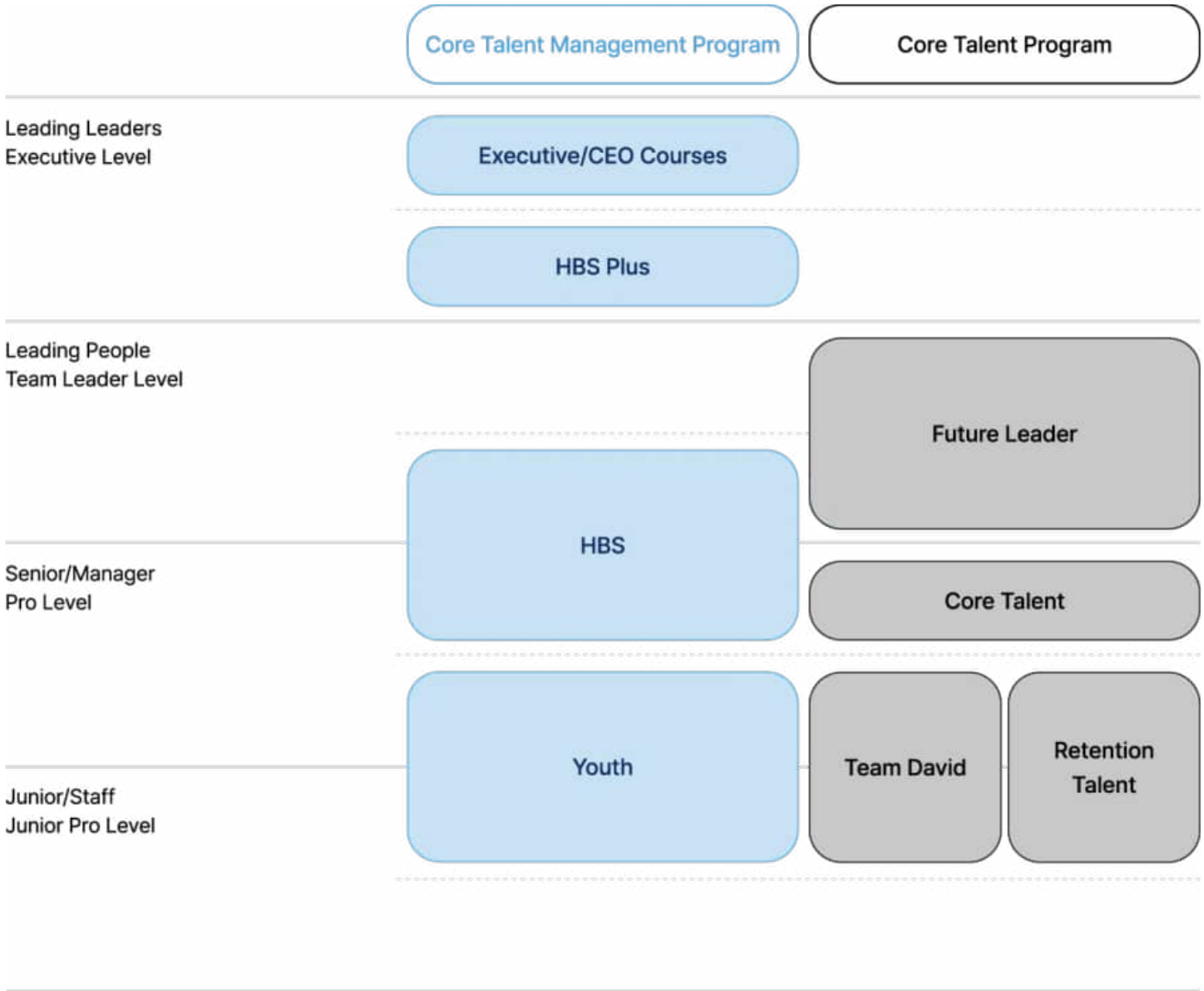
Given the project-based nature of the construction industry, HL D&I Halla has launched and operates a ‘Construction Project Management’ program to enhance employees’ project management capabilities. The training is designed to help employees understand the importance of project management and improve their ability to successfully complete projects through a better understanding of other departments and active collaboration. In addition, in line with HR Group’s talent development direction, HL D&I Halla identifies core talent early on to drive future growth and nurtures them through a strategic approach. Employees are classified by position and competency, and a step-by-step development system is in place to provide tailored training, mentoring, and career development opportunities from new hires to next-generation leaders.

To ensure the effectiveness of training programs, HL D&I Halla has established key performance indicators. Through pre- and post-training evaluations, the company analyzes training outcomes across various dimensions, including achievement levels. Based on these assessments, HL D&I Halla confirms the real outcomes of its training programs and pursues continuous improvement and optimization.

Employee Training Programs

Core Talent Training	Self-development Training	Job Training	Global Competency Improvement Training	Training by Position/Basic Training
- Group’s core talent development courses - Site-manager training courses - Academic study support - CEO courses	- Self-development courses for executive/team leaders - e-Learning - Foreign language courses via phone - HL D&I Halla’s E-Library - Training for retirees and former employees (e.g. career planning, re-employment training, etc.)	- Finance/Marketing/HR training - Training for ESG/safety and health mindset - Project management - Training for construction engineers/professional engineers	- Language training for global talent development - One-on-one language training - Overseas language study programs	- New employee orientation programs - Courses for new team leaders - Courses for new executives - Capability improvement courses for team members - Special lectures for employees

Core Talent Management Program

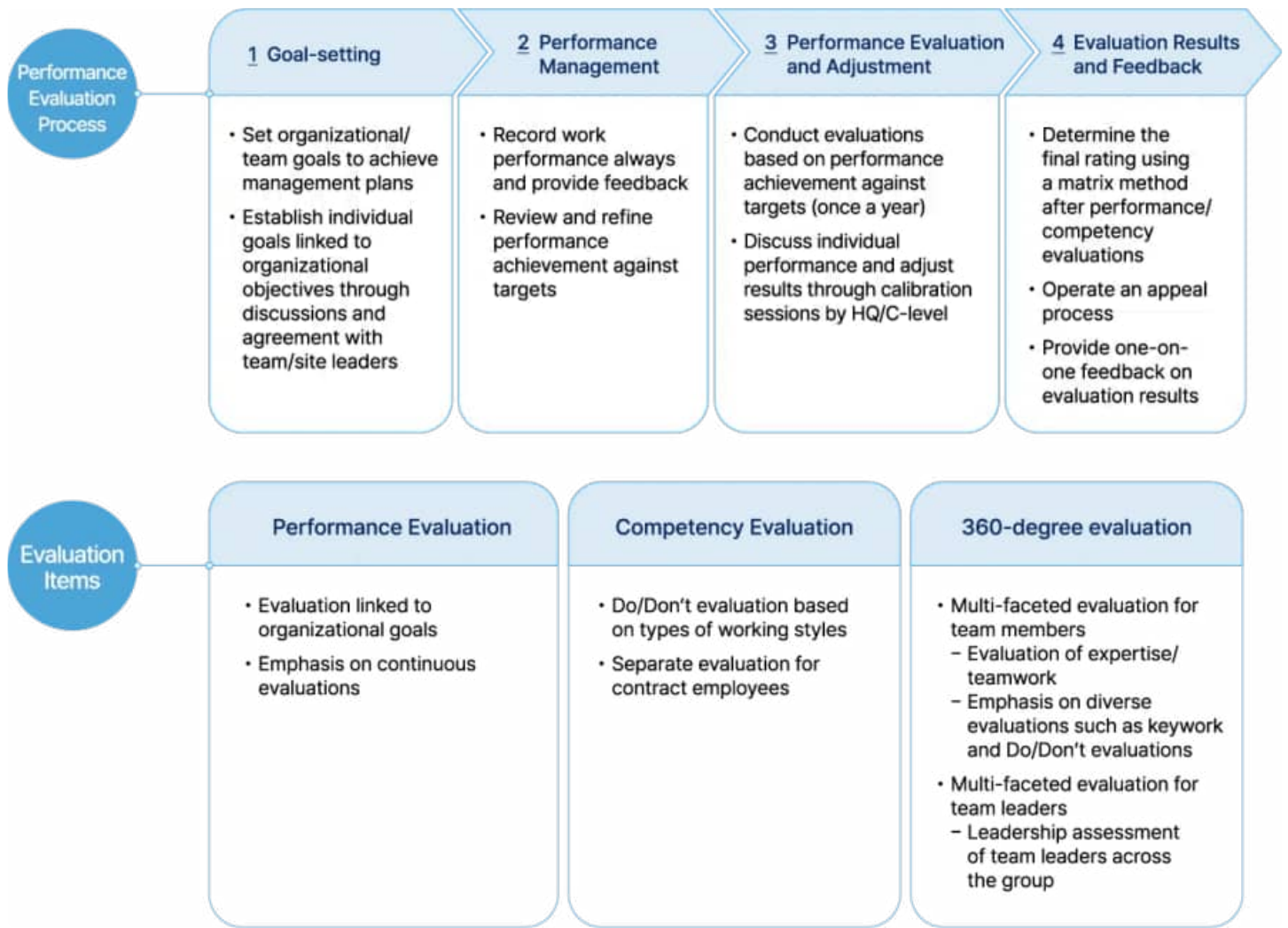


Fair Performance Evaluation and Compensation

HL D&I Halla aims to achieve organizational goals while pursuing shared growth with employees through a performance-oriented and fair evaluation system. We enhance transparency and reliability in evaluations by setting clear goals and implementing a continuous feedback system. Employees are encouraged to continuously learn and grow, motivated by evaluation outcomes that support capability development and self-driven growth. We also provide regular training for evaluators to strengthen fair assessment skills and foster a reliable evaluation culture grounded in objective standards.

Additionally, we operate a multi-dimensional evaluation system that considers not only performance, but also job competencies and growth potential. This approach integrates performance evaluations with competency assessments and 360-degree feedback. By taking a multidimensional approach considering qualitative growth and competencies alongside quantitative results, we comprehensively assess employees’ capabilities and potential, and connect these insights to HR processes such as compensation, promotion, training, and assignment to motivate our workforce.

Performance Evaluation Process and Evaluation Items



Organizational Culture

HL D&I Halla works to spread a flexible and efficient work culture so that employees can communicate and collaborate smoothly. We actively drive innovation in how we work by eliminating unnecessary paperwork and avoiding meaningless meetings and by encouraging employees to leave on time. We also run internal campaigns and training to shift leaders’ mindsets and provide related reading materials to build a horizontal culture grounded in mutual respect.

Labor-Management Cooperation

HL D&I Halla guarantees employees the freedom to join a labor union in accordance with applicable labor laws and fosters trust-based communication and cooperation for mutual growth through a labor-management council. The labor union is made up of three full-time members including the chairperson. The labor-management council has equal numbers of management and employee representatives to support fair and balanced decision-making.

We negotiate a collective agreement with the labor union every two years and put in place systems to protect employee rights and improve working conditions. We hold the labor-management council at least four times a year to discuss matters such as employee welfare, safety and health management, and grievance handling and to develop practical improvements. The 2024 wage and collective agreement included

base salary increases by position, higher meal allowances at the head office, and annual health check support for all employees for their spouse or immediate family. Since the labor union was founded in 1989, we have carried out smooth wage negotiations without conflict for 35 years and built a cooperative labor-management relationship based on mutual respect and trust.

Labor-Management Agreement

On April 10, 2024, HL D&I Halla held a ceremony for the wage and collective agreement. We looked back on 35 years of cooperation between labor and management and reaffirmed a commitment to a future of mutual growth.



Labor Union Membership Rate		단위: %			
Category	Unit	2022	2023	2024	
Labor Union Membership Rate	%	95	96	94	

Family-Friendly System

Maternity Protection

HL D&I Halla aims to support work-life balance and operates various maternal protection programs such as parental leave and reduced working hours during pregnancy and childcare periods. To alleviate employees’ burdens related to childbirth and childcare, the collective agreement grants an additional 90 days beyond the statutory maternity leave, providing a total of 180 days of leave. Through these policies, we create a stable work environment that enables employees to manage both childbirth/childcare and their duties.

Flexible Work

HL D&I Halla operates a flexible work system to enhance employees’ quality of life and strengthen organizational productivity and competitiveness. Depending on individual job characteristics and circumstances, we offer options such as flexible working hours, staggered working hours and remote work to maximize work efficiency and support a healthy work-life balance.

Flextime Work System

Category	Details
Three-month flexible working hour system	Flexible work in three-month cycles (if weekly hours exceed 40 based on 8-working-hour per day, additional wages are paid)
Staggered working hour system	Choose time to start work start based on 8-working-hour per day (8 to 10 AM)
Compensatory leave system	Provide compensatory leave according to statutory rates for overtime work
Deemed working hour system	Recognize 8 hours of work per day for domestic business trips, vacation, training, and reservist training

Employee Benefits

Employee Benefit System

HL D&I Halla operates various welfare programs based on the philosophy that ‘improving employees’ quality of life drives corporate growth,’ creating a stable and satisfying work environment. We continuously improve these programs by reflecting employees’ needs and lifestyles and enhance their satisfaction and organizational engagement. Going forward, we will continue building a better workplace and a culture of growing together through a supportive benefits environment.

Employee Benefit Details

Category	Details	Description
Legal welfare benefits system	Industrial accident compensation	Enroll in insurance and pay annual premiums to ensure prompt and fair compensation and protect workers for work-related injuries
	Health insurance	Enroll for prevention, treatment, and health promotion for employees and their families against illness and injury
	Employment insurance	Enroll to prevent unemployment, promote employment, and advance and enhance workers’ vocational skills for livelihood stability and capacity development
	National pension	Enroll for retirement welfare, providing old-age, disability, or survivor pensions after a certain period
Employee housing support	Housing loan support	Provide loans at 3% annual interest for home purchase or rental to ensure employees’ housing stability
Employee Housing Support	Accommodation fee support	Provide accommodation allowances for employees working on site
	Moving expense support	Reimburse actual relocation expenses based on region and distance when sites change
Health checkup support	Health checkup	Conduct regular health examinations for all employees to protect health and prevent disease
	Customized comprehensive health checkup	Conduct regular comprehensive examinations for employees above certain age or position and their spouses
Support for family events	Family event support	Provide leave, monetary allowances, and wreaths on family occasions
	Employee association operation	Promote welfare and mutual support among employees
In-house activity support	Club support	Fund internal clubs for activities such as soccer, bowling, fishing, marathon, Giuhoe (Go), hiking, photography, etc.
Support for internal activities	Hanmaeum (one-heart) festival	Hold annual sports events or related activities to improve employee fitness and morale
Financial support	Employee stock ownership association operation	Allocate up to 20% of new shares preferentially to association members during paid-in capital increases
	Founding anniversary events	Award long-term employees and provide anniversary bonuses
	Travel expense support	Provide vacation travel allowance, hometown travel allowance, kimchi-making support allowance, etc.
	General expense support	Provide domestic and international business trip and relocation expenses
	Transportation expense support	Provide commuting allowance and local transportation costs
	Welfare points	Allocate welfare points to enhance employee well-being
	Education expense support	Provide kindergarten, primary, secondary, and university tuition and fees for employees’ direct children

Employee Benefit-related Expenses

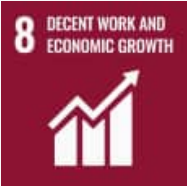
Unit: KRW 100 million

Category	Unit	2022	2023	2024
Employee Benefits Expenses	KRW 100 million	45.1	57.8	58.6

Support Example **Employee Mental Well-being Management**

HL D&I Halla operates psychological counseling and recovery programs in collaboration with professional institutions to support work–life balance and ensure employees’ mental health and psychological stability. Through the Employee Assistance Program (EAP), all employees can receive free counseling on various concerns related to work, family, and personal matters. Strict confidentiality and early intervention of the program also contribute to stable organizational operations. Moreover, to prevent and address post-traumatic stress, HL D&I Halla provides psychological support and regular follow-up measures for employees who experience serious accidents or hazardous situations, supporting their mental stability and smooth return to work.

Quality Management



HL D&I Halla enhances the completeness of its products and services through a company-wide quality management system to build customer trust. Through preventive quality risk management and site-focused quality innovation activities, we will position ourselves as a company equipped with flawless quality competitiveness that delivers the highest value to customers.

Quality Management System

Quality Management System and Policy

HL D&I Halla conducts systematic and rigorous quality management activities throughout all project phases based on the quality management system (ISO 9001) certification. HL D&I Halla operates its proprietary quality review system (HL-QMS; Quality Management System) to strengthen internal quality capabilities, adhering to strict quality standards at every stage from project planning to commencement, construction, completion, and follow-up management. Through these quality management activities, HL D&I Halla secures expertise and objectivity to provide customers with reliable products and services.

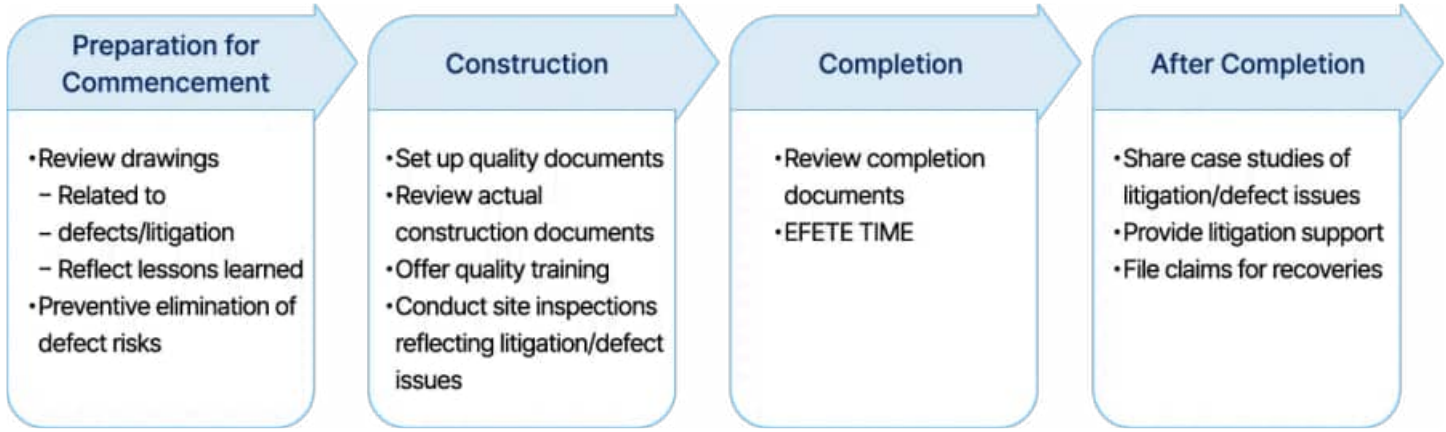
Quality, Environment, and Safety Policy

HL D&I Halla Quality Management System Certificate (ISO 9001)

HL-QMS Quality Management System

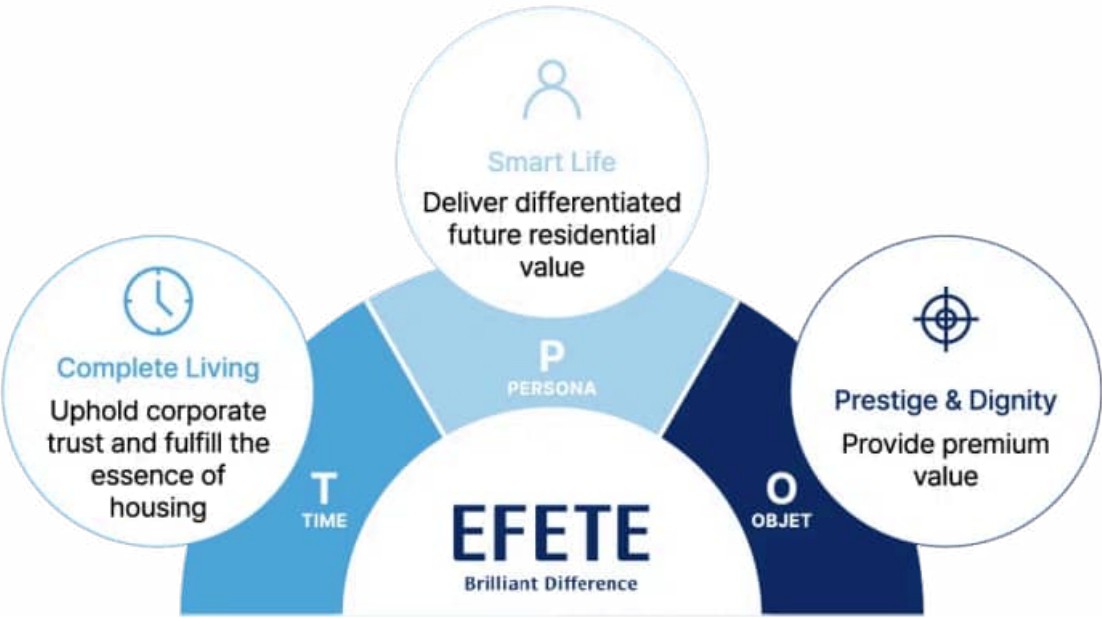


Quality Control Process



Quality Management Vision and Strategy

HL D&I Halla makes product safety and quality the highest value in its management activities, sets the vision ‘Enhancing brand reliability by controlling quality without compromise,’ and practices company-wide quality management based on the slogan ‘No survival without quality.’ Through this, we continuously carry out step-by-step improvement tasks to strengthen quality capabilities and advance the quality management system so we can provide high-quality products and services that meet the expectations of rapidly changing market conditions and customer.



Quality Management Organization

In the second half of 2023, HL D&I Halla established the Technology Quality Innovation Office directly under the CEO through an organizational restructuring. The Technology Quality Innovation Office consists of the Tech Lab, Quality Innovation Team, and CS Team, each forming the foundation for the independent operation of the “Technology,” “Quality,” and “Service” divisions. While these teams pursue their own strategies and execution plans, they also collaborate organically when needed to effectively achieve shared goals such as quality innovation and customer satisfaction. Based on this structure, we strive to strengthen the execution and effectiveness of quality management by promptly resolving quality issues and responding more effectively to customer needs.

Quality Management Organizational Chart



Quality Management Activities

MINE Quality Inspection

Under the supervision of the Quality Innovation Team, HL D&I Halla conducts regular MINE quality inspections at apartment and business facility construction sites to advance company-wide quality management. The MINE program, centered on the four keywords of Modify, Inspect, Network, and Educate, is a strategic initiative designed to strengthen quality awareness throughout the organization. Quarterly inspections focus on maintaining consistent on-site quality levels and fostering continuous improvement. We also use a range of detailed programs aimed at strengthening the quality management system and ensuring consistent quality. Key activities include on-site quality inspections, quality improvement initiatives, the sharing of major quality issues, and learning from past defect cases. HL D&I Halla also reinforces collaboration with subcontractors by hosting regular meetings, presenting quality excellence awards, and leading quality awareness campaigns in order to elevate quality levels.



In 2024, CEO Hong Suk-Hwa, along with head office staff, site managers, and subcontractor representatives, directly participated in four MINE inspections held at construction sites in Gimhae, Siheung, Cheonan, and Gunsan. These inspections aimed to strengthen the collaborative system for improving construction quality and to achieve tangible improvements through site-centered quality checks. At each site, alongside comprehensive construction quality inspections, we verified the implementation level of the quality management system, identified key improvement items, and created opportunities to hear site feedback and encourage employees, thereby fostering quality awareness and participation among members.

MINE Quality Inspection Activities

Category	Date	Location	Attendees	Discussion Items
Q1 2024	March 29, 2024	Apartments at Naedeok in Gimhae	HL D&I Halla CEO, employees, nearby site managers, subcontractor representatives	On-site quality inspection, report on quality improvement activities, subcontractor communication, etc.
Q2 2024	June 5, 2024	Business facility at ♂Janghyeon in Siheung	HL D&I Halla Head of the Technology Quality Innovation Office, employees, responsible subcontractor personnel	Sharing of inspection items and quality management practices, subcontractor meeting, gift presentation ceremony for subcontractors
Q3 2024	September 5, 2024	Apartments at new station district in Gunsan	HL D&I Halla Head of the Technology Quality Innovation Office, employees, responsible subcontractor personnel	On-site quality management, quality excellence awards, sharing of defect cases, etc.
Q4 2024	November 15, 2024	Apartments at Buseong in Cheonan	HL D&I Halla CEO, employees, nearby site managers, subcontractor representatives	On-site quality control, quality excellence awards, sharing of defect cases, etc.

Excellent Activity

EFETE TIME

HL D&I Halla introduced the ‘EFETE TIME program in line with the revised Housing Act to identify potential issues before resident pre-inspection and perform prompt repairs, thereby providing residents with the best living environment. EFETE TIME is a pre-quality inspection conducted 30 days before the resident pre-inspection, focusing on major types of construction work prone to defect litigation, such as wallpapering, tiling, PL windows, kitchen fixtures, and flooring. This program aims to minimize customer inconvenience and block quality issues in advance, thereby preventing defects and increasing customer satisfaction simultaneously.

In 2024, we completed the Proof of Concept (PoC) of EFETE TIME simultaneously with MINE quality inspections at the Halla Vivaldi Centro at the new station area in Naeheung-dong, Gunsan and the Halla Vivaldi construction site in the Cheonan District. From 2025, we plan to expand and apply this program across all sites. The PoC results showed that at the Gunsan site, a total of 26,602 pre-quality inspections were conducted (an average of 30.3 per unit), and at the Cheonan site, a total of 37,018 inspections were conducted (an average of 56.6 per unit). By focusing on damage- and breakage-related defects before the resident pre-inspection, we significantly reduced customer complaints and the likelihood of defects.

EFETE TIME PROCESS					
1. Select a quality inspection firm	2. Prepare for quality inspections	3. Conduct quality inspections	4. System input and analysis	5. Report results and share feedback	6. Prepare for resident pre-inspection
Choose the inspection firm based on the site firm selection process	- Discuss the inspection schedule and set construction process standards - Prepare drawings and specifications - Develop inspection checklists	- Perform self-inspection, first inspection, and (if needed) second inspection - Record inspection results and categorize defect items	- Compile statistics by defect type - Enter data into the EFETE TIME system for history management	- Prepare the quality inspection report - Hold a quality improvement meeting and discuss preemptive responses to major defects	- Provide final confirmation of quality assurance before resident inspection - Share results across departments and establish an action plan

Product and Service Safety Inspections

HL D&I Halla, building on its company-wide quality management system, conducts systematic and professional safety inspections at each site to ensure the safety of its products and services. Through comprehensive inspections, test management, and quality check procedures, the company proactively blocks quality risks and prioritizes providing an environment where customers can have confidence. In particular, from design through construction and maintenance, HL D&I Halla comprehensively evaluates the performance and safety of building materials.

We assign 101 specialized inspection and testing personnel across all sites to perform in-house inspections and tests defined by relevant regulations, including the Construction Technology Promotion Act. Structural safety tests, such as those for concrete, reinforcing bars, and soil, are conducted through nationally accredited quality institutions to ensure safety. These inspections and testing processes help secure the safety and reliability of products and services, establish a sustainable product safety management system, and contribute to enhanced customer value and ongoing quality improvement.

Product and Service Safety Inspections

Unit: Case

Category	Architecture	Infrastructure	Total
Concrete ¹⁾	185	150	335
Reinforcing bars ¹⁾	127	78	205
Soil ¹⁾	65	107	172
Others ²⁾	383	193	576
Total	760	528	1,288

1) Number of structural safety inspections commissioned to external professional institutions; exclude on-site internal tests
2) Number of product safety inspections commissioned to external professional institutions; include safety inspections near construction sites

Quality Safety Management Status

Category	Details	Unit	Architecture	Infrastructure	Total
Quality manager ¹⁾	Responsible personnel	Person	62	39	101
	Assigned sites	Number	22	16	38
Regular safety inspections	Number of inspections	Case	243	74	317
	Sites inspected	Number	22	18	40
Indoor air quality measurement ²⁾	Units inspected	Time	36	-	36
	Inspection Generation	Unit	2,912	-	2,912

1) Specialized personnel conducting on-site quality inspections
2) Safety inspections of multi-family housing buildings pending completion, commissioned to external professional institutions; applicable only to construction sites

Strengthening Quality Management Capabilities

CS Conferences and CS Reports

To raise company-wide quality awareness, HL D&I Halla conducts rigorous quality inspections and, under the leadership of the Technology Quality Innovation Team, holds CS conferences to eliminate repetitive defects. Through these conferences, quality issues are shared and optimal construction improvement measures are explored in close collaboration with relevant departments. The outcomes are then distributed as guidelines to support proactive defect prevention. Additionally, we share the results and defect cases through CS reports and casebooks, further reinforcing quality awareness throughout the organization. In 2024, 52 defect cases were shared through CS reports.

Interdepartmental Quality Cooperation

Category	Frequency	Details
CS Conference	Once per month	Introduce internal and external quality issues; share defect case studies and identify root causes; develop recurrence prevention measures; discuss collaboration among relevant departments
CS Report	Once per month	Report CS Conference outcomes; share company-wide defect case; report CS Team/Quality Innovation Team activities
CEO Message	-	Share quality issues by sending implementation statement throughout the company

Publication of Defect Casebooks

Unit: Case

Category	2022	2023	2024
Publication of Defect Casebooks	18	19	52

Quality Construction Technical Guidelines

HL D&I Halla has established and disseminated the 'Quality Construction Technical Guidelines' to ensure consistency across all project sites and to drive company-wide construction quality improvements. These guidelines systematically define criteria for major construction processes, such as waterproofing, and comprehensively cover material performance standards, construction methods, specific conditions for each construction area, and others. By presenting clear standards and precautions for each construction area at every site, we aim to strengthen customer trust in our construction quality and systematically manage customer satisfaction.

Publication of Q-Brief

HL D&I Halla operates the Q-Brief system to rapidly disseminate quality-related issues and enable working-level employees to respond effectively to potential problems that may take place on site. Q-Brief is a quality management document published by compiling site inspection results and litigation cases. It focuses on minimizing risks from quality incidents and defects by providing staff members with practical response examples and preventive measures. From December 2023 to January 2025, a total of four Q-Briefs have been published, offering detailed information and case studies on issues that may recur at construction sites. Through this effort, HL D&I Halla contributes to preventing similar defects from recurring, improves construction quality, and reduces risks related to external inspections and litigation in advance, thereby strengthening on-site quality response capabilities.

Q-Brief Publication History

Category	Date	Key Issues
No. 1	December 2023	Guidelines for preparing completion documentation for multi-family housing
No. 2	February 2024	Precautions related to inter-floor noise during construction
No. 3	April 2024	Thorough implementation and record management of reinforcing (special) bar installation
No. 4	January 2025	Management of inter-floor sound insulation materials

Quality Audit Implementation

Quality Audit Implementation

HL D&I Halla conducts quality audits across all sites to ensure construction quality and safety. These audits are based on the quality environment rules and the internal construction evaluation system, enabling a thorough assessment of each site’s compliance with regulations and achievement of internal quality objectives. In addition, the audit process has been advanced from four stages to six stages to identify potential quality issues during construction in advance. For major defects, we perform continuous monitoring and management to promptly take corrective actions.

6 Steps to Implementing Quality Audit

Setting	Step 1	Step 2	Step 3	Step 4	EFETE TIME
In the early groundbreaking stage	In the early structural construction	During wet construction	During construction work before completion ¹⁾	Within three months before completion	D-75 ²⁾
Quality management, quality test documentation and testing lab setting inspections	Training quality inspection of quality construction technology guidelines	Construction quality and quality document inspection and investigation	Construction quality and quality documentation review and destructive investigations	Construction quality and quality documentation review, completion documentation review	Common area inspection in preparation for resident pre-inspection, other site support

1) Upon completion of structural construction
2) 75 days prior to resident pre-inspection(D-day)

Quality Audit Implementation Status

Unit: Time

Category	2022	2023	2024
Quality Audit Implementation Status	35	23	28

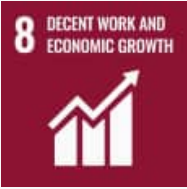
Excellent Performance

Halla Vivaldi in Buseong, Cheonan Receives “Excellent” Rating in Quality Inspection



The Halla Vivaldi apartment complex in Buseong, Cheonan, which was completed in January 2025, received an “Excellent” rating during a quality inspection conducted by Cheonan’s Multi-family Housing Quality Inspection Team on November 8, 2024. The inspection team consists of ten experts in architecture, construction, civil engineering, and housing management among others. They evaluate multi-family housing complexes with over 300 units, inspecting common areas that prospective residents cannot easily assess and private areas in units with three or more households. In this inspection, the Halla Vivaldi apartment earned high marks across various aspects, including the emergency generator emission reduction device; the landscape flow from the main entrance road; rock garden landscaping; comfortable indoor environments; high-quality residential space construction; and well-designed ancillary facilities.

Shared Gowth



HL D&I Halla seeks to build a win-win ecosystem that pursues sustainable growth with its partners. We support the improvement of competitiveness of our partners and establish a virtuous cycle of mutual growth by forming cooperation and trust.

Sustainable Supply Chain Management

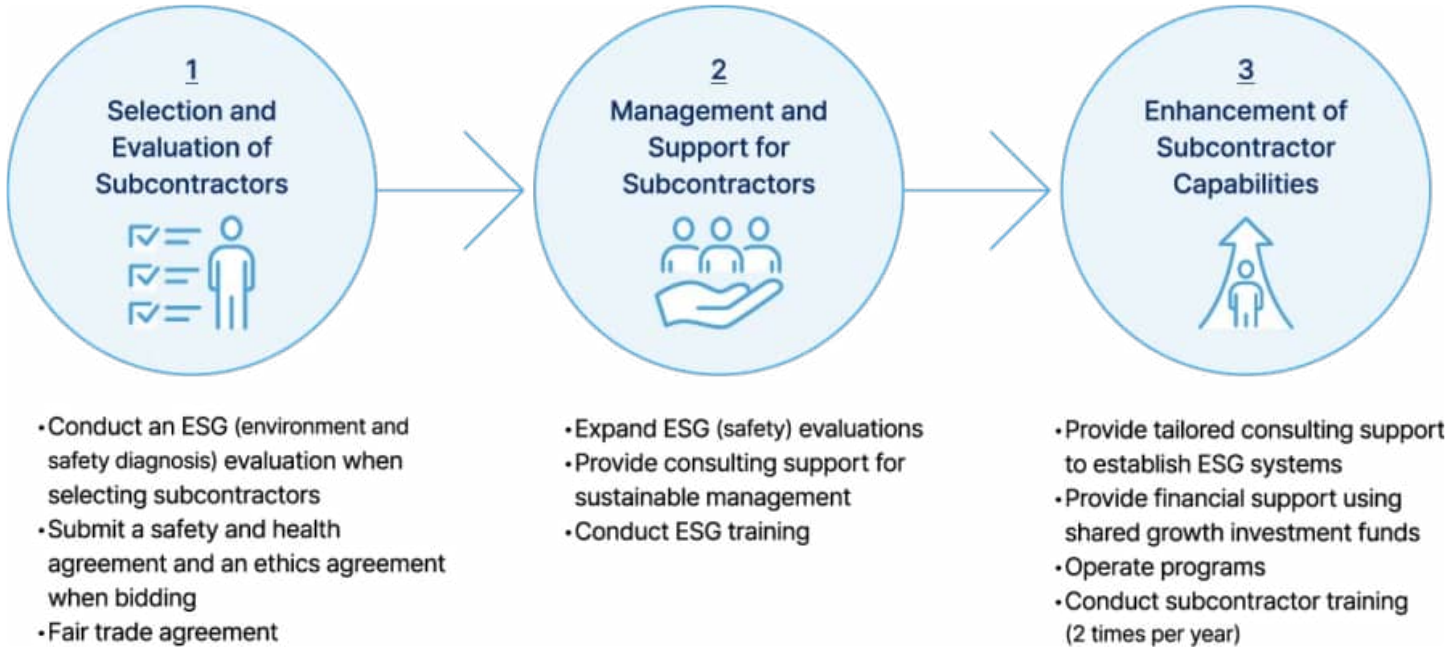
Supply Chain Management System

HL D&I Halla prevents unfair trade practices and unfair competition and lays a foundation for fair and transparent transactions with subcontractors. To support this institutionally, the company has established and operates sustainable supply chain management policies and a subcontractor code of conduct. These policies are published on the official website and clearly communicate HL D&I Halla’s transaction ethics and sustainability principles to all stakeholders. To ensure fair contracting and transactions with subcontractors, HL D&I Halla faithfully complies with the Fair Trade Commission’s ‘Practices for Subcontractor Selection, Contracting, and the Installation and Operation of Subcontract Transaction Deliberation Committees.’ The company also incorporates win-win growth guidelines into its internal regulations for systematic implementation.

During the subcontractor bidding phase, the company evaluates subcontractors’ ESG capabilities, including environmental and safety criteria, and applies strict standards by restricting bidding participation for those that fail to meet internal requirements. Moreover, at the time of purchase contracts, HL D&I Halla shares the subcontractor code of conduct and obtains a pledge of ESG compliance to strengthen subcontractors’ ESG management level and create a sustainable business environment. In addition, to promote subcontractors’ ESG practices, the company encourages subcontractors to submit safety and health agreements and ethics agreements before bidding, thereby urging them to practice safe and ethical management.

- Supply Chain ESG Management Policy
- Subcontractor Code of Conduct

Supply Chain Management Process



Subcontractor Selection and Status

Subcontractor Selection and Management

HL D&I Halla strives to ensure transparency and fairness in selecting subcontractors. From the bidding stage, we evaluate subcontractors’ ESG capabilities, including environmental and safety criteria, and apply strict standards such as restricting bid participation for those that fail to meet our internal requirements. In addition, to guarantee subcontractors’ sustainability, we mandate the submission of safety and health agreements and ethics agreements, encouraging subcontractors to practice safe and ethical management.

Subcontractor Status

HL D&I Halla classifies subcontractors by field, such as architecture, civil engineering, and equipment, for systematic communication and support. Aiming to build partnerships that go beyond simple transactions, we annually select outstanding subcontractors and provide them with welfare programs, management consulting, and other forms of support to enhance their competitiveness and promote sustainable growth.

Subcontractor Status

Category	Unit	2022	2023	2024
Total number of subcontractors	Company	1,161	1,058	1,048
Number of core first-tier subcontractors	Company	58	43	48
Number of subcontractors evaluated for ESG activities ¹⁾	Company	120	171	235
Rate of subcontractors evaluated for ESG activities ²⁾	%	10.3	16.2	22.4

1) Calculated by adding subcontractor safety evaluations to subcontractor ESG evaluations
2) Number of subcontractors evaluated for ESG activities / Total number of subcontractors

Subcontractor Sustainability Evaluation

For sustainable supply chain management, HL D&I Halla regularly conducts sustainability evaluations (ESG evaluations) for subcontractors. Based on the evaluation results, we offer tailored training and consulting to those below our standards, helping them strengthen their ESG management capabilities as part of risk management. Moreover, HL D&I Halla plans to continuously expand activities that raise ESG awareness and build capacity so that all subcontractors can recognize and practice the importance of ESG management.

In 2024, we conducted subcontractor sustainability evaluations across four areas: human rights and labor; environment; ethics and governance; and product and service responsibility. Based on the results, our supply chain ESG risk analysis identified risks including Scope 2 emissions measurement, development of human rights and labor policies, external ESG disclosures, and management of chemical and hazardous substance handling. We use these evaluation findings to review support measures aimed at improving overall ESG performance across the supply chain.

Subcontractor Sustainability Evaluation Indicators¹⁾

Environmental	Human Rights and Labor	Ethics and Governance	Product and Service Responsibility
Environmental management system Greenhouse gas Water and wastewater Waste Air quality	Human rights/labor standards and practices Workplace safety Supply chain ESG practices	Ethical management ESG management and information disclosure Governance	Chemical safety Eco-friendly certification of products/services Diversity and engagement of professional personnel

1) Targets were selected and evaluated based on the subcontractor ESG evaluation selection standards (contract value of KRW 20 billion or more); new subcontractors were not evaluated.

Shared Growth Activities

HL D&I Halla undertakes various shared growth initiatives aimed at increasing mutual benefits with subcontractors. We support subcontractors in strengthening their sustainable management capabilities to foster long-term partnerships and build a sustainable supply chain that raises collective competitiveness. To this end, we actively promote mutual cooperation based on transparent and fair transaction

practices and open communication, fostering trust with partners. HL D&I Halla operates collaboration systems for shared growth with subcontractors and strives to create a healthy and transparent supply chain ecosystem.

Subcontractor Support

HL D&I Halla runs various support programs to achieve shared growth with subcontractors. We are raising shared growth cooperation fund to provide practical assistance, including financial and funding support. In addition, to manage supply chain risks and improve subcontractors’ sustainability, we select and support those in need of sustainable management consulting based on ESG evaluation results. In recognition of these support activities, we received the top rating (95 points or above) in the ‘Mutual Cooperation Assessment among Construction Companies’ for two consecutive years, following 2023.

Performance of Shared Growth Support for Subcontractors

Category	Details	Unit	2022	2023	2024 ¹⁾
Financial support	Number of early payment cases	Case	148	1,911	7,214
	Amount of early payments	KRW 100 million	658	2,497	6,506
Sustainable management consulting	Supported subcontractors	Company	-	-	31
	Expenses	KRW 10 thousand	5,400	10,604	1,810

1) Number of early payment cases in 2024 includes installment payments in the same projects.

Subcontractor Support Activities

Financial and Funding Support	Support for High-performing Subcontractors	Technical Support and Protection	Financial Consulting Support	Management and Growth Support
•Make early payments of subcontract amounts •Delivery price indexation system •Bear an additional stamp duty burden - 243 companies - Paid KRW 249 million	•Select outstanding subcontractors and award them - 4 companies - Award with about KRW 3 billion •Reduce performance bonds - 101 contracts - Amounting to KRW 29.663 billion •Expand bidding opportunities •Shorten payment terms	•Promote Joint R&D and green technology certifications •Make a payment for prototype production costs and confirm delivery •Conduct direct construction by companies holding construction technology patents or new technologies	•Diagnose business conditions and preemptively prevent financial risks •Propose improvement directions and implementation strategies	•Labor cost support system - 10 companies, 28 individuals - Amounting to KRW 777 million •Monitor payment processes and improve payment conditions - Ripple effects amounting to KRW 210.5 billion

Support Example

Examples of Shared Growth Support for Partners

HL D&I Halla has established and operates a variety of shared growth support activities for subcontractors, ranging from alleviating financial and funding burdens to providing technical and management assistance.

① Financial and Funding Support	② Support for Outstanding Subcontractors
HL D&I Halla offers various financial and funding support measures to relieve subcontractors’ financing burdens and strengthen their financial stability. Reflecting subcontractors’ requests and on-site conditions, we make early payments and compensate any interest incurred due to shorter payment terms. We also implement a delivery price indexation system to reflect actual costs, in response to external factors such as rising material and labor costs, when settling payments. Since January 2022, HL D&I Halla has borne 70% of stamp tax burdens, including 20% on behalf of subcontractors. In 2024 alone, we paid a total of KRW 249 million in stamp taxes for 243 companies, thereby alleviating legal expenses associated with contract execution. Through this direct financial support, we reduce subcontractors’ operating burdens and bolster their financial stability.	Annually, HL D&I Halla evaluates and selects outstanding subcontractors and provides awards and special benefits. For subcontractors chosen as outstanding, we reduce the performance bond by 50% and expand their bidding opportunities, reinforcing trust-based partnerships. Additionally, for subcontractors with excellent safety management, we offer incentives such as shortening payment periods by 30 days, encouraging robust safety practices and worker protection. In 2024, we reduced performance bond requirements across 101 contracts (involving 40 companies: 36 with formal agreements and 4 without). Furthermore, we awarded a total of KRW 300 million to four subcontractors who made significant contributions to HL D&I Halla’s business, supporting their operations and sustainable growth.
③ Technical Support and Protection	④ Financial Consulting Support
HL D&I Halla provides joint research and development support to strengthen subcontractors’ technical capabilities. In 2024, we jointly promoted green technology certifications for subcontractor-developed technologies such as the “Seismic Brace for Fire Pipe” and “P-grider,” contributing KRW 7.5 million and KRW 6 million respectively. For the “Low-noise Range Hood” and “Impact Noise Dampener,” we supported prototype production costs and committed to purchasing the products. These technologies are being consistently applied at new construction sites, enabling subcontractors to stabilize and advance their technology development. We also enter and maintain contracts with companies holding construction technology patents or new technologies, applying these technologies directly to relevant construction works to prevent improper use and protect subcontractors’ intellectual property.	To strengthen subcontractors’ financial soundness and risk response capabilities and foster a sustainable supply chain ecosystem, HL D&I Halla provides tailored consulting support. Our financial consulting program assesses subcontractors’ management status and helps them proactively mitigate financial risks. In 2024, we used our shared growth investment fund to provide consulting services to six companies (totaling KRW 5.94 million). The program proposed improvement directions and execution strategies tailored to each company’s financial structure, offering practical support to help small- and medium-sized subcontractors stabilize their operations.
⑤ Management and Growth Support	
HL D&I Halla operates a labor cost support system considering a rise in burdens from the national minimum wage increase, construction industry wage hikes, and fluctuations in exchange and interest rates. In 2024, we provided KRW 777 million to support 28 key personnel across 10 subcontractors, preventing talent loss due to cash flow constraints and encouraging long-term tenure, thereby contributing to subcontractors’ management stability. In addition, we built a fair and transparent payment system, monitoring payment processes from first-tier to second-tier subcontractors. We shortened payment terms for second-tier and lower subcontractors, reducing the average payment period to 40.9 days and generating a total diffusion impact of KRW 210.5 billion. Moreover, HL D&I Halla recommends outstanding subcontractors for joint contracting sites, helping them expand revenues and create new business opportunities. These efforts serve as a foundation for sustainable, long-term shared growth.	

Subcontractor ESG Training

HL D&I Halla conducts ESG training for subcontractors on topics such as ethics, safety, human rights, and fair trade to strengthen their awareness of social responsibility and support implementation. The curriculum focuses on practical content that subcontractors can immediately apply to their operations, with an emphasis on responsible management and fostering a sustainable business environment. To minimize financial burden, HL D&I Halla fully covers all program costs. After each session, we conduct effectiveness surveys to collect feedback on content and delivery, using the insights to continuously refine and enhance the program.

ESG Training Support Examples for Subcontractors

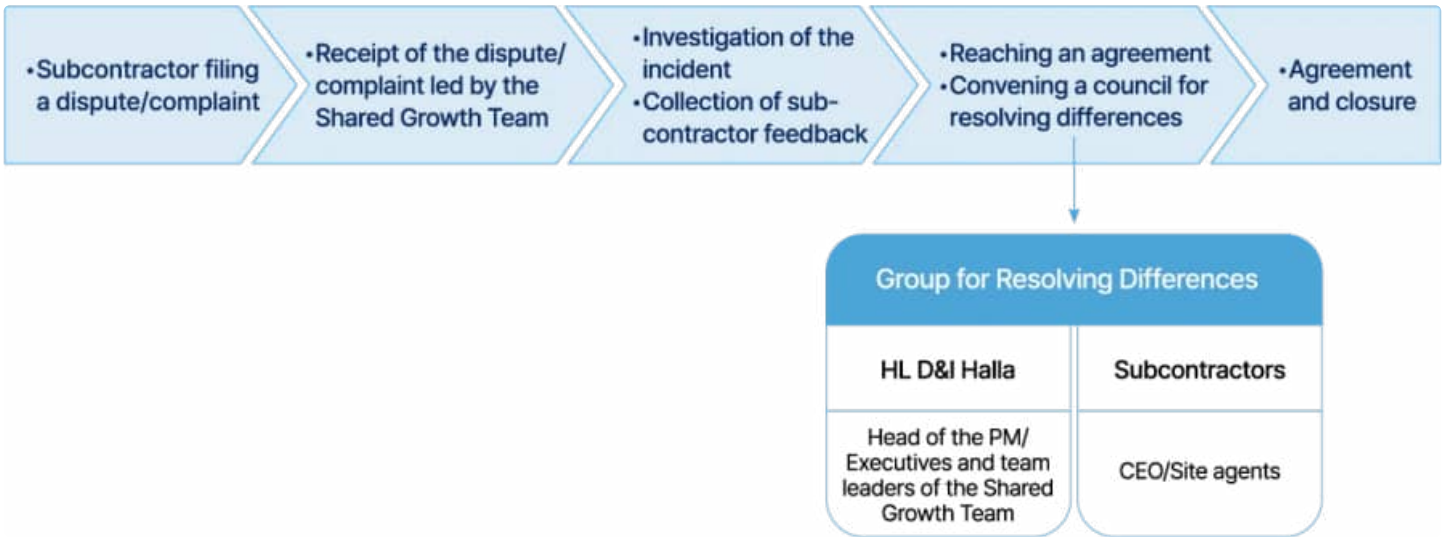
Training Title	Details
Subcontractor Shared Growth Training	On April 23, 2024, HL D&I Halla held ‘Subcontractor Shared Growth Training,’ aiming to strengthen subcontractors’ management capabilities and build a sustainable ESG-based supply chain. The training covered various topics to improve practical business skills, including quality management measures in response to brand changes, introduction to subcontractor management support services, case studies related to the Serious Accidents Punishment Act, and understanding human rights management and sensitivity.
Subcontractor Safety and Health Training	To extend its management philosophy of sustainability and respect for human rights across the supply chain, HL D&I Halla provided human rights training for new subcontractors on October 29, 2024. This training was designed to raise subcontractors’ human rights awareness, prevent legal risks related to human rights in advance, and improve their ability to respond to sustainable supply chain evaluations. The curriculum included the basic concepts of human rights management and response measures to human rights impact assessments, sharing examples of potential human rights infringements on construction sites, and case-based prevention training on abusive practices and workplace harassment. Through this training, HL D&I Halla plans to raise subcontractors’ awareness of human rights protection, establish preventive systems for human rights risks that may arise from the construction industry, improve ESG supply chain management, and strengthen a human rights-centered supply chain management system.
Subcontractor Human Rights Training	To extend its management philosophy of sustainability and respect for human rights across the supply chain, HL D&I Halla provided human rights training for new subcontractors on October 29, 2024. This training was designed to raise subcontractors’ human rights awareness, prevent legal risks related to human rights in advance, and improve their ability to respond to sustainable supply chain evaluations. The curriculum included the basic concepts of human rights management and response measures to human rights impact assessments, sharing examples of potential human rights infringements on construction sites, and case-based prevention training on abusive practices and workplace harassment. Through this training, HL D&I Halla plans to raise subcontractors’ awareness of human rights protection, establish preventive systems for human rights risks that may arise from the construction industry, improve ESG supply chain management, and strengthen a human rights-centered supply chain management system.

Subcontractor Communication Activities

Grievance Handling System

HL D&I Halla operates various grievance handling channels to promptly receive and address subcontractors’ concerns. We collect feedback from subcontractors through a variety of channels, including the cyber reporting center for unethical behavior, the subcontractor portal, and direct reports to the head office or worksites. This system enables prompt and effective resolution of their concerns. In cases of disagreement between the head office and subcontractors, we guide them through dispute resolution procedures via the ‘subcontractor portal’ to ensure fair and efficient outcomes. Once grievances or disputes are resolved, we continue to monitor for recurrence of similar issues. When necessary, we also revise the systems to further strengthen subcontractor trust. In 2024, no grievances were received through the subcontractor grievance handling system.

HL D&I Halla Subcontractor Grievance Handling Process



Excellent Example 2024 HL D&I Halla Technology Contest

HL D&I Halla held a technology contest based on shared growth with subcontractors to lead technological innovation and quality improvement on construction sites. A total of 66 subcontractors participated in this contest, and 90 technology proposals were submitted, demonstrating subcontractors’ strong interest and active commitment to technology development. The evaluation considered overall improvement impact and scalability, completeness, development effort, originality, and ESG elements. As a result, Youngshine D&C’s “Construction Method for Easy Assembly Buttruss without Drilling or Welding” and Now Engineering’s “Construction Method Utilizing Integrated and Ultra-High-Performance Composite Materials” jointly received the Excellence Award. These winning technologies are currently under continuous review for application to the ‘EFETE’ apartment brand. Moving forward, HL D&I Halla plans to further develop this contest into a platform for strengthening partnerships and creating synergy with subcontractors.



Customer Value



HL D&I Halla aims to maximize customer satisfaction by encompassing quality, safety, and environmental considerations with the goal of realizing customer value. We strive to develop products and services that proactively reflect customer expectations and to create new value based on customer trust.

Customer Value Enhancement

Vision and Strategy for Customer Value Enhancement

HL D&I Halla always listens to customers’ voices to meet their expectations and achieve satisfaction in residential services. We set the direction for product planning and service improvements based on customer feedback, provide products and services that reflect customer needs and housing trends, and strive to build tailored living environments that aligns with changing lifestyles. At the same time, we formulate concrete action plans to increase customer value and disclose our Customer Satisfaction Charter to realize customer-centered values, thereby strengthening the institutional foundation for protecting consumer rights. Going forward, HL D&I Halla will continue to offer differentiated services that improve customers’ quality of life and establish a rapid response system to realize customer-centric management.

Policy

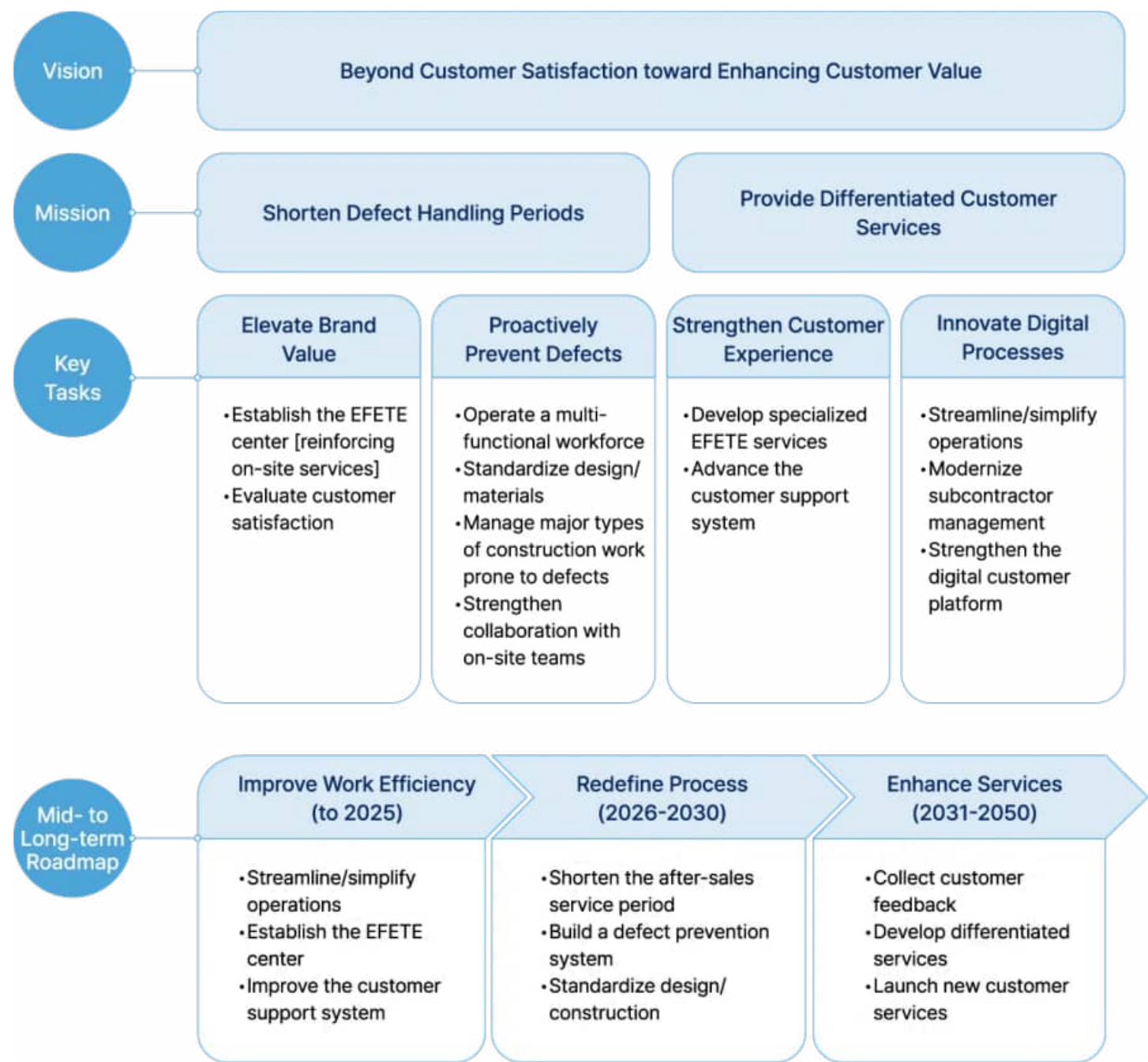
Customer Service Charter

HL D&I Halla employees pledge to think and act from the customer’s perspective under the vision ‘STRIDE for Higher Life’ to enhance customer value and make the following commitments:

1. We will prioritize customer safety and satisfaction.
2. We will listen to customer feedback and provide information transparently.
3. We will handle customer complaints and damages promptly and fairly.
4. We will identify and improve various customer services.
5. We will endeavor to deliver better customer experiences through sustainable development.

Customer Service Charter

Policy Tasks and Roadmap for Consumer Rights Protection



Mid- to Long-term Goals for Protecting Consumer Rights and Interests

Unit: %

Mid- to Long-term Roadmap				
Category	Short-term (by 2025)		Mid-term (2026-2030)	Long-term (2031-2050)
Customer complaint resolution rate	85		90	95

Customer Value Enhancing Activities

Launch of the Apartment Brand ‘EFETE’

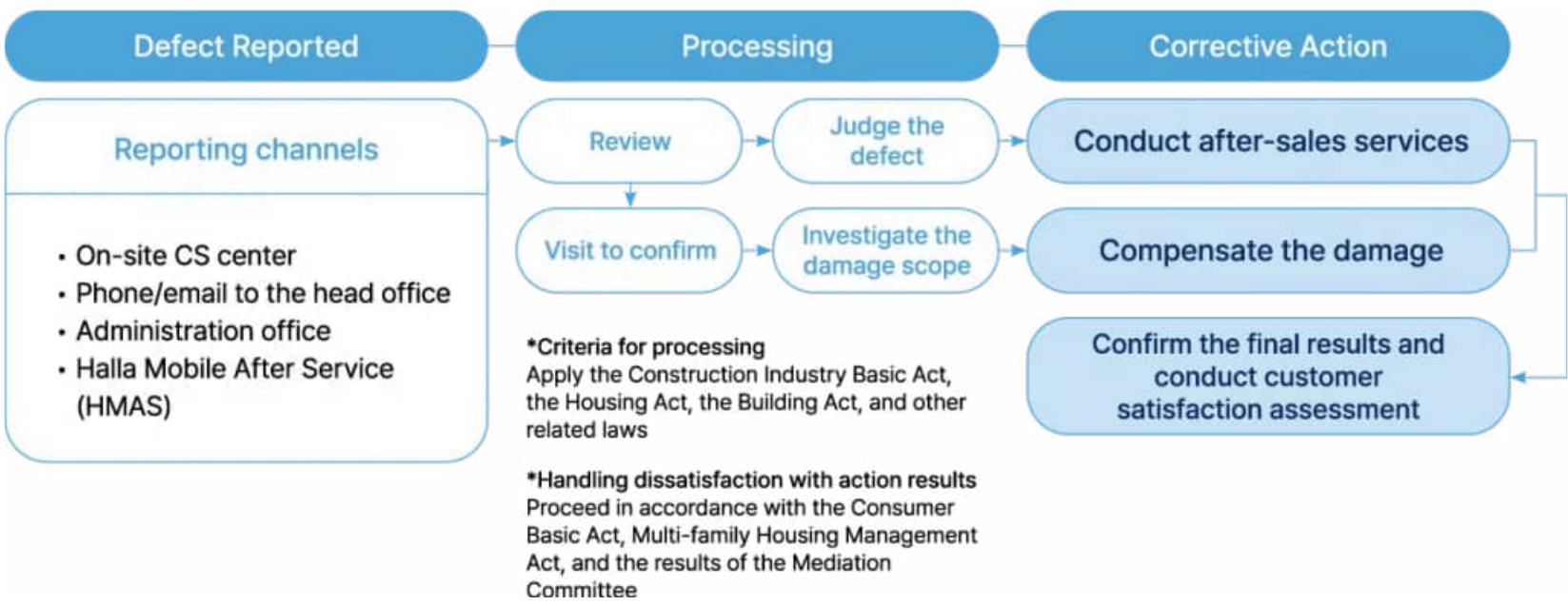
HL D&I Halla redefined the traditional Halla Vivaldi brand image in 2024 and launched the premium residential brand ‘EFETE.’ EFETE, based on the core keywords ‘Everyone’s Favorite / Complete,’ embodies HL D&I Halla’s brand philosophy: ‘We will fully satisfy desired lifestyles through perfection that everyone prefers. Building on advanced technologies and a deep understanding of living environments, EFETE offers smart infrastructure and customizable spaces—such as home offices, relaxation zones, and hobby areas—tailored to residents’ individual lifestyles to deliver genuine residential satisfaction. HL D&I Halla also redefines the concept of apartments from mere dwellings to residential platforms for planning the future by expanding the introduction of hotel-style concierge services that elevate everyday living standards. We also place emphasis on children’s educational environments and, in collaboration with ‘Aptimizer*,’ gradually introduce premium education programs (including AI-based aptitude diagnostics, 4th industrial technology experiences, and mentoring by Seoul National University students), as we continue to evolve. EFETE aims to stay true to the fundamentals of living while designing families’ futures together, thereby increasing its value as a residential brand.

* A professional AI-based aptitude diagnosis company, and a subsidiary of Seoul Techno Holdings, Inc.

Customer Complaint Handling Process

HL D&I Halla has established systematic procedures and strictly adheres to them to promptly and fairly respond to customer complaints in case one arises. Upon receipt of a complaint, we review the details thoroughly, quickly devise a solution, and communicate the outcome transparently to strengthen customer trust. We also analyze complaint cases and their resolutions to identify root causes. Based on the findings, we establish and carry out measures to prevent recurrence, actively managing similar issues from arising again. If a dispute with a consumer is unavoidable, we have a response system to resolve it fairly and swiftly according to procedures set by the Mediation Committee and relevant laws.

HL D&I Halla CS Processing Procedures



Defect Management System

HL D&I Halla focuses on key types of construction work such as PL window and door installation, wallpapering, flooring, and tiling to prevent finishing defects that directly affect customer satisfaction and to ensure prompt defect resolution. We standardize materials and design to minimize the impact caused by differences in site workforce capabilities and material purchasing. We strive to resolve defects within an average of 15 days and proactively prevent customer complaints. We also operate a mobile defect management system, Halla Mobile After Service (HMAS), so that residents can receive defect repairs more quickly and efficiently. Through HMAS, residents can submit defect reports in real time via a web page and easily check submitted details and processing status, greatly enhancing customer convenience. In 2024, across all sites, a total of 144,567 cases of consumer feedback and complaints were received, of which 140,983 were defect-related. We handled 120,574 of these cases and achieved a defect processing rate of 85.5%.

Customer Complaint Handling

Category	Unit	2022	2023	2024
Number of Consumer Comments and Complaints Received	Case	58,234	99,728	144,567
Number of Consumer Comments and Complaints Processed		48,556	82,376	121,919
Processing Completed	%	83.0	82.6	84.3

Detailed Status of Consumer Feedback and Complaints in 2024

Category	Unit	Total	Defect	Consumer Feedback ¹⁾
Total number of submissions	Case	144,567	140,983	3,584
Number of cases completed		121,919	120,574	1,345
Number of cases in progress		22,648	20,409	2,239
Completion rate	%	84.3	85.5	37.5

1) Consumer feedback: Include inconveniences, complaints, simple inquiries, etc.

Activities to Protect Consumer Rights and Interests

Provision of Product and Contract Information

HL D&I Halla transparently discloses information on residential and commercial facility products and contracts to help customers make informed decisions. In related documents—such as sales brochures, product descriptions, and contracts—essential information is stated clearly and sufficiently so that customers can decide based on accurate details. When operating model homes and showrooms, professional consultants are assigned to provide detailed guidance on customer inquiries. By transparently communicating product features and contract terms, we achieve customer satisfaction grounded in trust. After each customer interaction, we conduct satisfaction surveys to identify any shortcomings and derive improvement measures to enhance service quality. HL D&I Halla will continue to strengthen customer-centered information provision, protect consumer rights and interests, and fulfill its responsibilities as a trusted company.

Key information guide for consumers

Category	Subcategory	Details
Products	Basic information	- Guidance on the notices related to the complex - Location and specifications, defect repairs, insurance, move-in procedures, land, mobile communications facilities, etc.
	Price information	- Guidance on contracts/payments/loans - Guidance on payment methods, contract termination, penalty fees, discounts and delay compensation, interim payment loans, etc.
	Rights information	- Guidance on sales rights - Pre-sale rights transfer, ownership transfer, etc.
Contracts	Personal Information	- Guidance on personal information handling and processing - Consent to the collection and use of personal (credit) information, and guidance on the purpose of use, etc.

Provision of Daily Life Safety Information

HL D&I Halla prioritizes consumers’ safety and health and provides various everyday safety information so that residents can enjoy a safe and comfortable life. Moreover, by offering the Guidebook for Daily Life, which was formerly provided in print, through a mobile application, HL D&I Halla has improved accessibility and updated the information in real time, thereby improving the traditional print method and enhancing the reliability and effectiveness of the information. The Guidebook for Daily Life comprehensively covers practical safety information—such as the location, usage, management standards, and emergency response procedures for safety facilities and security and fire protection equipment in the complex and individual units—so that residents can easily access the information they need not only at the time of moving in but also in their daily lives.

Smart home service "touchHL"



As part of its strategy to enhance quality of life and maximize living convenience, HL D&I Halla has introduced the mobile smart home service ‘touchHL.’ ‘touchHL’ is an integrated platform that allows residents to control various aspects of their living spaces through a smartphone. It supports functions such as control of Samsung and LG smart appliances, AI voice recognition, home-to-car and car-to-home services in collaboration with Hyundai Motor Company, remote meter reading, elevator calling, unit control, and home network integration. The platform’s All-in-One automation service can be customized to each resident’s lifestyle, offering various convenience features. In addition, by providing the comprehensive living guide for residents, previously offered in print, through the ‘touchHL’ app, residents can easily access needed information anytime, anywhere. From mid-April 2025, the car-to-home1) service will officially open through service integration with Hyundai Motor Group, and in the ‘EFETE’ apartment complex scheduled for sale in 2025, the home-to-car1) service will also begin in earnest via the wall pad. Through these developments, HL D&I Halla plans to build an integrated residential ecosystem in which home and automobile are connected as a single living platform.

1) Need to check eligibility of the car-to-home and home-to-car services on the Hyundai/Kia website (the features require vehicles equipped with the latest infotainment system (CCNC/CCIC))

Improving Customer Satisfaction

Communication with Customers

HL D&I Halla operates the EFETE customer service website and provides various services to enhance customer convenience throughout the entire process, including sales, construction, and move-in. We strive to provide transparent information by sharing construction progress in real time through EFETE brand homepage 'construction site updates' bulletin board, addressing customer inquiries and facilitating communication.

We have also improved the website to make it easy to issue documents such as certification of of expected occupancy required for children’s school placement and payment certificates for sales needed for financial procedures, thereby improving practical convenience for customers. HL D&I Halla will continue to attend to even minor inconveniences, listen to customers’ voices, and do its best to provide better services.

Customer Communication Channels

Excellent Performance Consumer Satisfaction Commendation



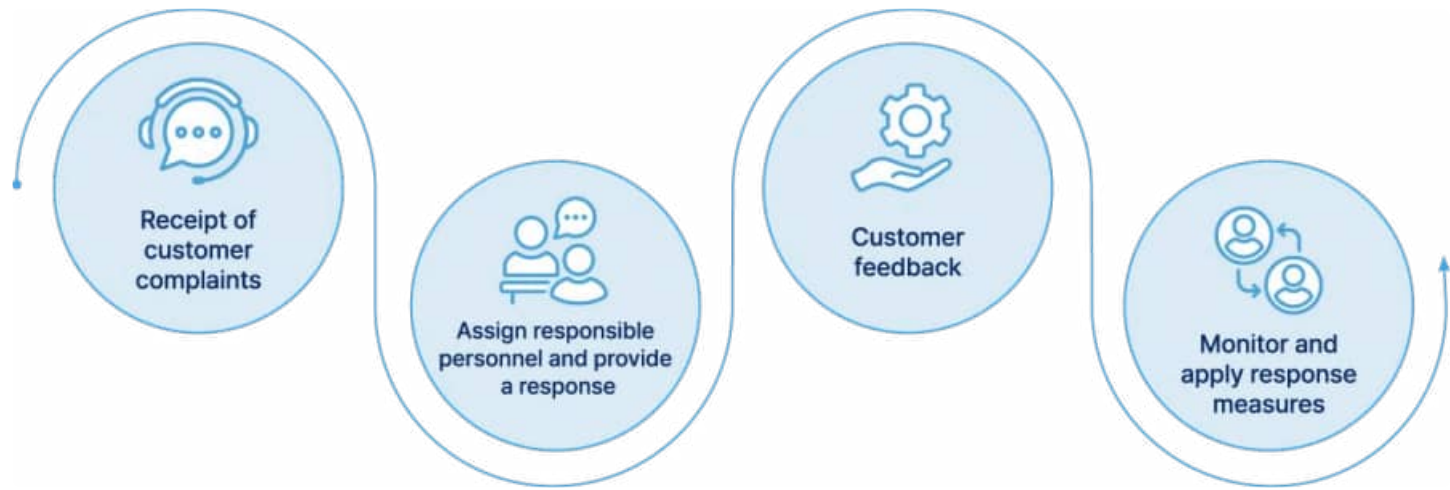
HL D&I Halla actively listens to occupants’ needs to enhance customer satisfaction, continuously striving to improve usability and convenience. We held close discussions with the ordering party to ensure that feedback gathered through consultations with resident representatives was reflected in actual construction projects. As a result, we implemented the feedback in buildings currently under construction. Residents expressed their appreciation for our commitment to communication and improvement by presenting HL D&I Halla with a commemorative plaque. Moving forward, we will continue to earn consumer trust by actively participating in dialogue and dedicating ourselves to raising consumer satisfaction.

Customer Complaints Management

HL D&I Halla operates a Voice of Customer (VoC) board on its website to receive customer inquiries and inconveniences. The VoC functions as a channel to understand customer expectations and demands and improve service quality. HL D&I Halla adheres to the principle of prompt and responsible response to all submissions received via the VoC. In 2024, the total number of complaints received through the VoC was 383,

and all valid complaints were forwarded to relevant departments and 100% resolved. We will strengthen the customer response system based on analysis of the feedback received.

Voice of Customer (VoC) Handling Procedures



Voice of Customer (VoC) Processing Rate

Category	Unit	2023	2024
Complaints received ¹⁾	Case	763	383
Processing rate	%	100	100

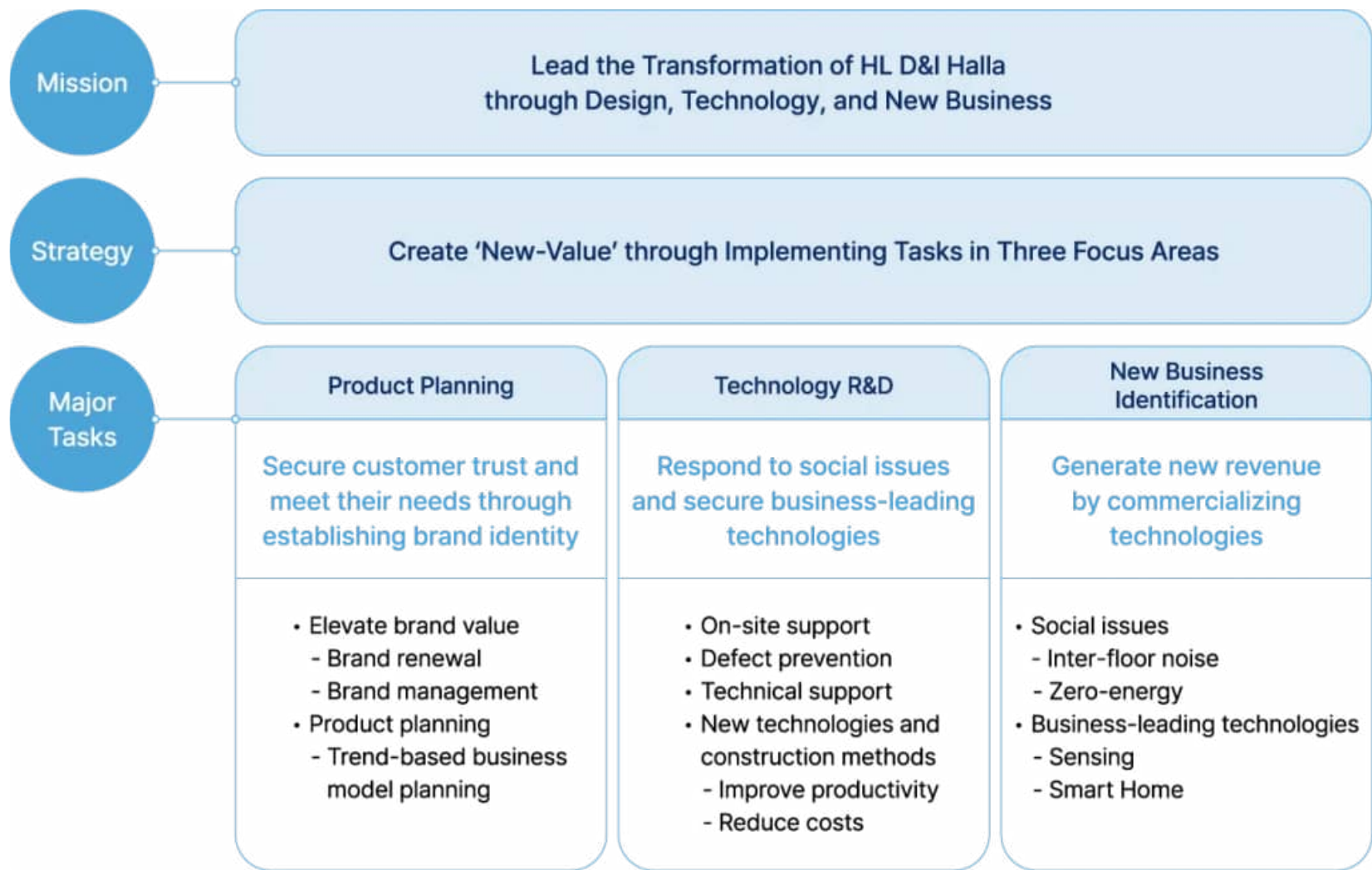
1) Cases on advertisement/promotion, duplicate reports, and tests were excluded

Technology Innovation

Technology Innovation Strategy

HL D&I Halla formulates technology innovation strategies by reflecting rapidly changing construction trends and customer feedback. We actively conduct research on site-supporting technologies to increase productivity and efficiency, as well as ICT-converged smart construction technologies to secure future growth engines. We also proactively implement technologies that address social issues such as carbon reduction and safety enhancement, striving to create sustainable value.

HL D&I Halla Technology Innovation Mission and Strategy



Development of Eco-friendly Construction Methods and Technologies

HL D&I Halla actively pursues the development of eco-friendly construction methods and technologies to reduce carbon emissions and decrease energy consumption. By using environmentally friendly construction materials, we improve resource efficiency. We apply energy-saving technologies to minimize unnecessary energy use during construction. We also actively develop and adopt new environmental and green technologies to reduce environmental impacts at construction sites and achieve sustainable construction.

Eco-friendly Technology Status

Category	Technology Status
Eco-friendly construction	· Small caliber steel pipe pile method with screws attached to allow drilling and installation simultaneously · Development of layered construction of exterior insulation for multi-family housing · Modular middle and high-rise stratification and factory productivity improvement technology
Resources/energy	· Sewage waste water heat recovery device · Flow response type small hydro power generation device
New environmental technology	· Small hydro power generation technology for sewage treatment plants that responds to real-time flow rate by linking variable pitch of O.M.I. type water tank and semi-Kaplan water wheel
Green technology	· Micro-pile method in which the head is reinforced using a rotatable stopper (stopper pile method) · Concrete-filled Posco transfer girder method (P Girder) · Bracing device for vertical and horizontal fire fighting piping to prevent movement in four directions

Excellent Performance

Green Technology Certification

HL D&I Halla obtained green technology certification for the "Manufacturing and Construction Technology for Seismic Supports for Fire Extinguisher Pipes" jointly developed with Makesoon in 2024. The technology is a method developed to integrate seismic supports, which were previously installed separately in the longitudinal and transverse directions, into a single clamp for installation, thereby securing both installation efficiency and structural stability, and reducing raw materials by approximately 49% compared to the existing method, thereby laying the foundation for securing both safety and economy. In recognition of this technological prowess, the company won the Minister of the Interior and Safety Award at the "2024 Republic of Korea Safety Technology Awards" hosted by the Ministry of the Interior and Safety, and plans to receive this technology as a new construction technology in 2025 and obtain official certification by the end of the year.

Low-noise/High-performance Technology

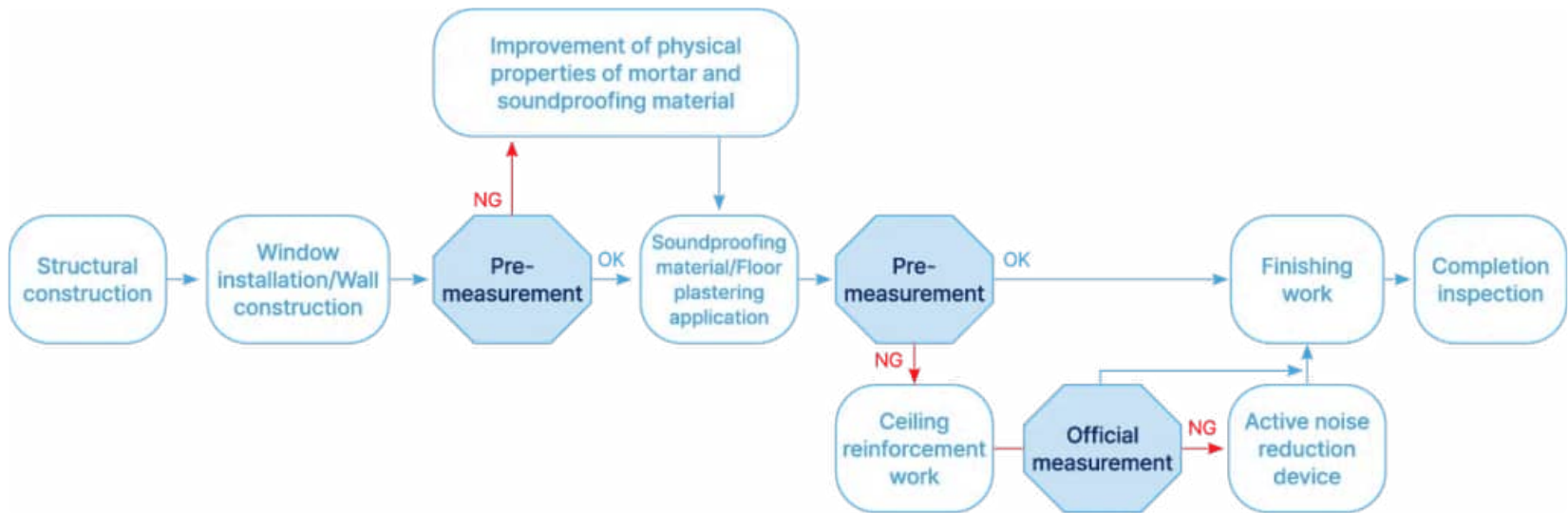
AI Ventilation Hood

HL D&I Halla successfully held the first paid-option event for its previously launched low-noise range hood at the EFETE site near Dunjeon Station in Yongin in March 2024. The newly developed AI ventilation hood design collection is an upgraded version of the conventional low-noise hood. It allows users to easily adjust the kitchen atmosphere to their preferences, featuring a customizable color option that harmonizes with various interior designs. Additionally, a separately installed air monitor next to the hood detects indoor fine dust levels generated during cooking in real time and automatically activates the hood, maintaining a comfortable kitchen environment without user intervention. We completed patent registration for this technology in May 2024. In 2025, we plan to file additional patent applications and showcase the technology’s excellence and distinctiveness at Good Design and the Jang Young-shil Awards, promoting it in domestic and international markets.



Inter-floor Noise Measurement and Noise-Reducing Floor

HL D&I Halla has developed a simplified measurement process in response to the implementation of the post-floor noise validation system. This innovation has resulted in lighter measurement equipment, reduced manpower requirements, and shorter testing times. It enables rapid assessment of inter-floor noise propagation across all units, significantly lowering the time and cost needed for compliance with the post-verification process. It also allows identification and resolution of under-performing units before residents move in. Leveraging on-site construction experience and accumulated measurement data, HL D&I Halla aims to develop and implement Grade 1 and Grade 2 floor structures with performance levels higher than the current standards (Grade 3 and Grade 4). Through this, the company seeks to gain a technical edge in delivering high-performance living environments and to offer inter-floor noise reduction solutions that meet customer expectations and societal demands.



Customer Safety Technology

Sidewalk Traffic Light

HL D&I Halla has developed a pedestrian safety system in response to changing walking behaviors, such as increased smartphone use or looking down while walking. When a vehicle approaches, a traffic light installed on the ground between the sidewalk and the roadway automatically blinks red to alert pedestrians. The visual warning device installed on the ground uses vehicle detection sensors to recognize approaching vehicles in real time and blinks red, halting pedestrian movement or drawing their attention, thus serving as a more intuitive and effective means of ensuring safety. This technology will be piloted on the EFETE brand, and based on performance analysis, HL D&I Halla will review whether to expand its adoption.

HL D&I Halla Sidewalk Traffic Light Concept



Fire Safety Equipment for Electric Vehicles

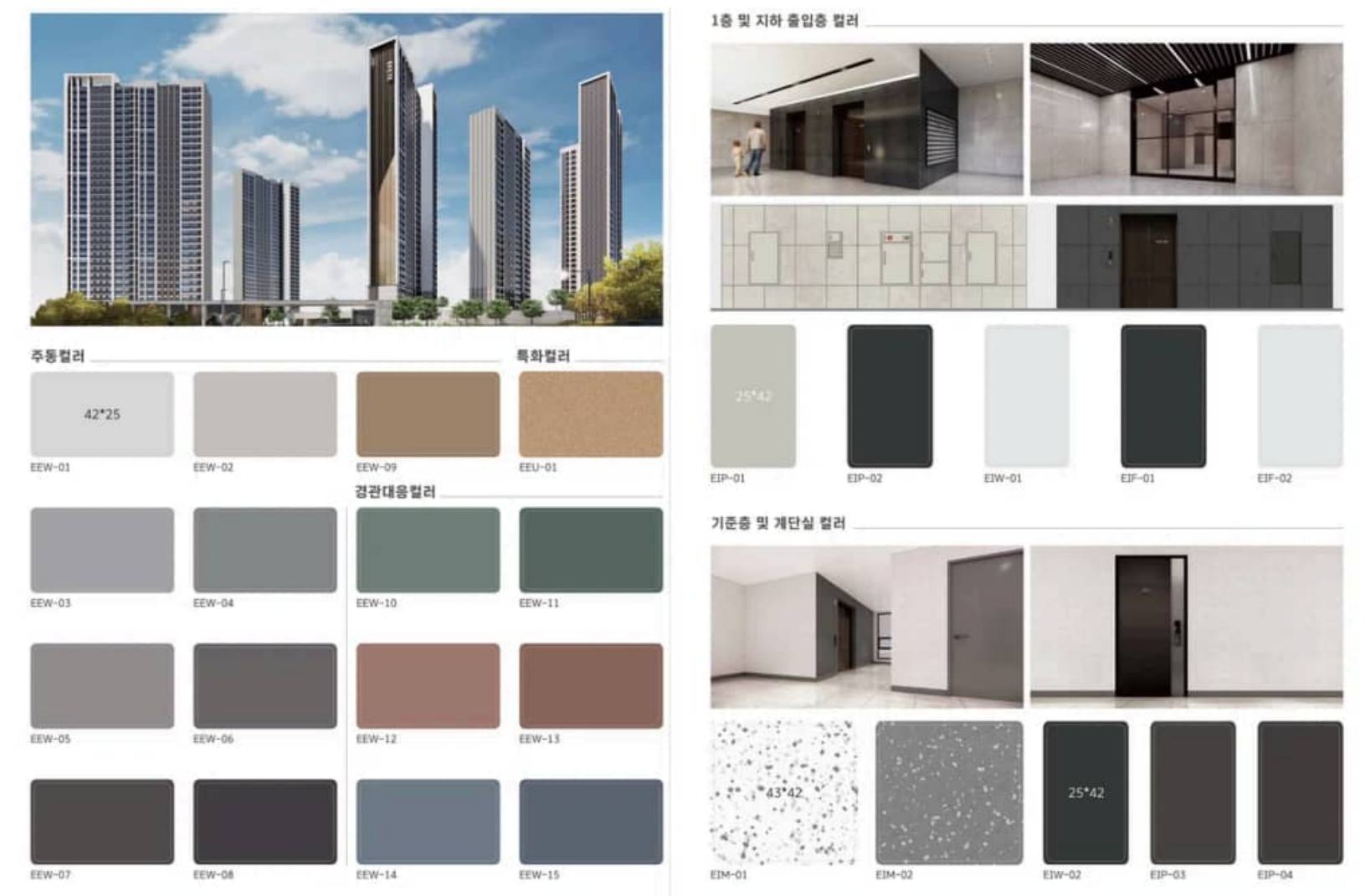
HL D&I Halla has developed a smoke control system for electric vehicles (EVs) to proactively address fire safety issues in residential facilities that may arise from the growing adoption of electric vehicles. The system was tested with consideration for the characteristics of EV fires, which generate large volumes of smoke and toxic particulates that spread rapidly. The results demonstrated that the system can delay the dispersion of smoke and particulates by approximately four minutes or more—an essential advantage for securing residents' safe evacuation and enhancing firefighting efficiency. This delay is a critical factor in securing the golden time during the early stages of a fire, providing valuable time for residents to evacuate and contributing meaningfully to initial firefighting efforts. To further prevent fire spread, we also plan to advance the smoke control system by adopting a skipping-prevention sprinkler system* and a fire blanket screen linkage system. HL D&I Halla remains committed to developing highly effective fire safety technologies and applying them to sites, leading the way in creating a safe residential environment that protects customers' lives and property.

* Skipping: A phenomenon in which activation of one sprinkler cools nearby sprinklers, preventing them from activating

Color Manual and Safety Color Guideline Development

HL D&I Halla has published the 'EFETE Color Manual' to establish a spatial identity for the EFETE brand by systematically organizing designated colors for various areas, including inside and outside apartment spaces, underground parking, and common areas within the complex. The color manual is structured around a classification system that considers paint properties and the functions of each space, aiming to clearly define the EFETE brand's visual identity and raise brand recognition through a consistent spatial image. In particular, for underground parking, we developed a safety color guideline that takes into account the needs of elderly users and individuals with color vision deficiency. This guideline was applied to parking floors and walls to obtain visibility and create a safer parking environment, helping to prevent accidents. Based on this effort, HL D&I Halla will materialize its differentiated design philosophy and actively implement universal design that considers not only visual aesthetics but also practical function and broad accessibility.

EFETE Brand Color Manual Development and Space-specific Design Strategy



Utilization of Drone Technology

Unmanned Drone-based Automation System

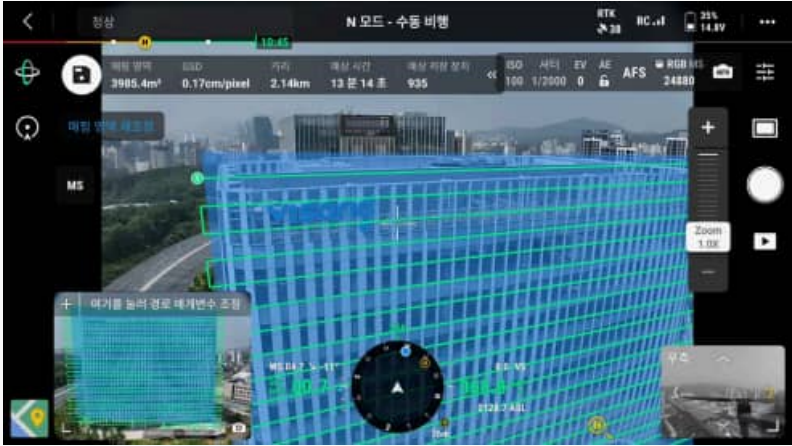
HL D&I Halla promotes the introduction of an unmanned drone-based automation system as part of its smart construction technology. We plan to conduct a proof of concept (PoC) by applying unmanned drone stations to construction sites and memorial parks—our new business area. Through this approach, we aim to drive innovative improvements in operational efficiency and work accuracy. The unmanned drone stations are designed to reduce the burden on operators caused by manual, repetitive tasks, while minimizing information omissions or errors during handovers, thereby enhancing both business continuity and stability. In particular, the automated filming feature allows for frequent and consistent observations, making this system an efficient maintenance solution not only for construction sites but also for new business areas such as memorial parks.

Drone Measurement and Work Accuracy Improvement

HL D&I Halla utilizes drone-based measurement technology to operate a system that overlays actual building lines with design drawings before site establishment or in the early stages, and that identifies and addresses discrepancies in advance. This approach enhances work accuracy and helps prevent risks such as schedule delays or additional costs caused by building line errors, thereby improving project stability and efficiency from the beginning. Additionally, the automated flight and imaging system prevents human error in advance and enables the collection of highly detailed visual data, offering advantages in work accuracy. HL D&I Halla will continue to adopt unmanned drone-based technologies and expand field demonstrations to establish data-driven analysis and reporting systems and drive innovation in digital-based site management.

Excellent Performance

Exterior Wall Inspection Using Automated Drones



HL D&I Halla has introduced drone technology to improve the efficiency and accuracy of exterior wall inspections. By applying a vertical automated flight trajectory, drones follow pre-set routes at consistent intervals and speeds to capture and inspect exterior walls precisely and systematically. This reduces the time and cost required for inspections, increases inspection accuracy, and contributes to quality assurance before occupancy as well as prevention of defects afterward. The technology is being progressively deployed across various sites and, in the long term, will be further developed as a core component for realizing a smart construction environment.

Sharing Management



HL D&I Halla is carrying out social contribution activities in cooperation with the local community in order to practice its social responsibility as a corporate citizen. Based on emotional communication and cooperation, we seek to internalize the value of sharing through genuine social contribution and create a society where everyone grows together.

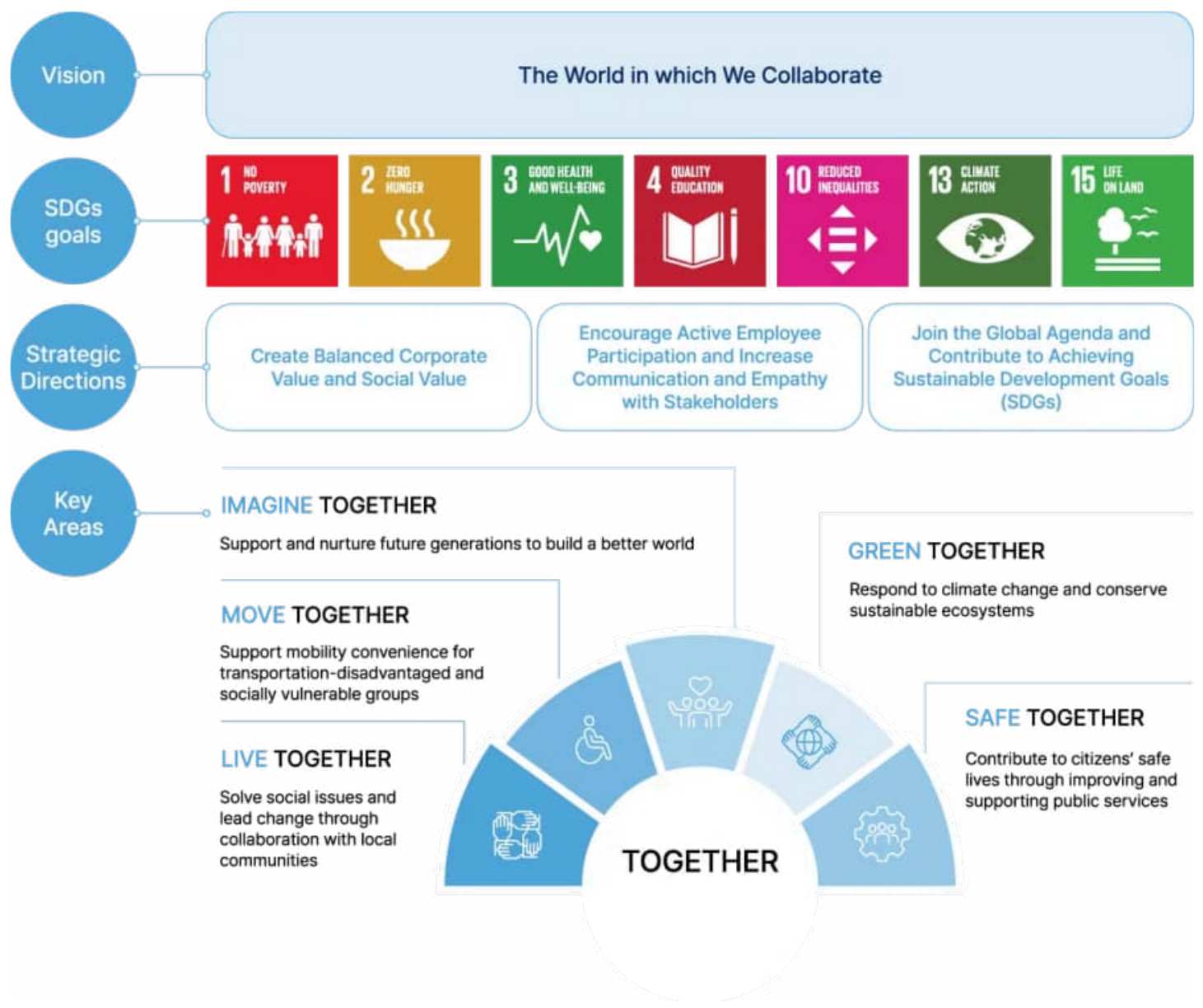
Sharing Management System

Sharing Management Promotion Strategy

HL D&I Halla has embraced shared growth through consideration and communication as a core corporate value, establishing the ‘sharing management’ philosophy, which is practiced through diverse social contribution activities. In particular, we pursue meaningful collaboration by expanding beyond financial support to include emotional exchange and empathy, while aligning our efforts with five key areas of the UN Sustainable Development Goals (SDGs).

In addition, HL D&I Halla recognizes the impact of its construction activities on local communities (environmental burdens, traffic congestion, and landscape disruption) due to the unique nature of the construction industry. We distinguish between actual and potential impacts and have developed tailored social contribution strategies based on preventive response measures and detailed mitigation actions. In particular, we aim to make meaningful contributions to the society through community-specific programs that reflect the characteristics of the construction sector. We continue to reduce social risks around our construction sites through targeted volunteer activities aimed at improving the well-being of nearby residents, as well as welfare linkage programs designed to enhance housing conditions and safety for vulnerable groups.

Sharing Management Promotion Strategy



HL D&I Halla Sharing Management Philosophy

Continuous Social Contribution Activities	Community-based Welfare System	Comprehensive Welfare Activities	Heart-to-heart Welfare
Conduct social contribution activities by setting goals and detailed plans from a mid-to-long-term perspective rather than limiting them to one-off events	Implement community-based social contribution activities targeting areas near construction sites nationwide rather than restricting to certain regions	Carry out broad welfare activities supporting low-income groups without limiting by age, nationality, etc.	Practice emotional sharing tailored to the characteristics of individual beneficiaries through HL D&I Halla employee clubs

Mid-to-long-term Sharing Management Goal				Unit: Hour
Category	Short-term (-2025)	Mid-term (2026-2030)	Long-term (2031-2050)	
Volunteer hours	500	550	600	

Sharing Management Activities

Category	Unit	2022	2023	2024
Monetary value of employee volunteer activities	KRW 10 thousand	15,483	9,191	9,555
Total volunteer hours	Hour	470	505	525
Number of participants	Person	111	82	114

LIVE TOGETHER

‘Love Bread’ Making Event

HL D&I Halla held the 2nd ‘Love Bread’ Making event on October 11, 2024 at the Songpa Volunteer Sharing Center in Seoul together with the Korean Red Cross. A total of 16 participants, including CEO Hong Suk-Hwa and other employees, spent about three hours baking 300 loaves of bread, which were delivered to vulnerable children in the community through the Songpa-gu Office.



‘Love Kimchi’ Sharing Event

In 2024, HL D&I Halla organized the ‘Love Kimchi’ Sharing event, delivering 450 boxes of cabbage kimchi to four organizations*. All kimchi was Hazard Analysis and Critical Control Points (HACCP)-certified and made entirely with domestic ingredients, ensuring both quality and safety to support seniors’ healthy winter. This event helped improve the food support for vulnerable groups in the local community and served as a reminder of the true meaning of corporate sharing culture and social contribution.

* Myeongjin Wildflower Love Village (Gangdong-gu, Seoul), etc.

Vulnerable Group Support Activities

Vulnerable Group Support

Activities	Details
‘Hope Ondol, Warm Winter’ Fund Donation Ceremony	HL D&I Halla participated in the ‘Hope Ondol Warm Winter’ Campaign at Songpa-gu Office on February 14, 2024, and donated KRW 10 million. The ‘Hope Ondol Warm Winter’ Campaign is an end-of-year fund-raising initiative jointly led by the Seoul Metropolitan Government and the Seoul Community Chest of Korea. As a company headquartered in Songpa-gu, Seoul, HL D&I Halla made this donation reflecting its sense of social responsibility and commitment to giving back to the local community.
Holiday Food Kit Distribution	HL D&I Halla sponsored 150 food kits each for the two biggest holidays in 2024: Lunar New Year and Chuseok. Employees of HL D&I Halla came together to pack the kits themselves, delivering them with warmth and sincerity. For Chuseok, an additional 250 packs of songpyeon were donated along with the food kits so that local seniors and children could feel the festive atmosphere and warmth of the holiday.
Sponsorship of Songpa-gu Parents’ Day Celebration	On May 8, 2024, HL D&I Halla officially sponsored the 52nd Parents’ Day celebration held at the Songpa Senior Welfare Center. The event, themed ‘Delivering Gratitude and Filial Piety to Beautiful Seniors Like Flowers,’ featured various activities and performances, along with an awards ceremony honoring individuals of national merit and exemplary filial duty. HL D&I Halla received a commemorative citation in recognition of its annual social contribution efforts for vulnerable seniors in Songpa-gu.
Volunteer Activities for the Month of Patriots and Veterans	In observance of the Month of Patriots and Veterans, HL D&I Halla held a donation ceremony at the Songpa Senior Welfare Center. Employees prepared ‘Happiness Sharing’ kits with sincerity and packed the kits themselves for the seniors of national merit residing in Songpa-gu. The kits included easily consumable foods and snacks for daily use, as well as summer comforters useful in the hot season. This activity served as a meaningful opportunity to honor and reaffirm the spirit of patriotism and gratitude toward our veterans.

SAFE TOGETHER

Joint Construction Volunteer Project with Halla University

HL D&I Halla, in collaboration with Halla University through industry-academia cooperation, carried out a joint construction project* to improve the living conditions of vulnerable households in Wonju-si. With support from the social enterprise ‘Happy Housing,’ we replaced old wallpaper and installed wall-mounted air conditioners and fans to provide cooling during the summer, thereby improving the actual living environment of each home.

* Targeted three households selected by the Wonju Catholic Comprehensive Social Welfare Center (April 11-12, 2024)



IMAGINE TOGETHER

Support for HL Anyang Ice Hockey Team

HL D&I Halla provides ongoing support to the HL Anyang Ice Hockey Team to boost community vitality and promote the sports culture through sports. Marking its 30th anniversary this year, the HL Anyang Ice Hockey Team is Korea’s only corporate ice hockey team and a prestigious club with the most championships in both the Asia League and the domestic regular league. Building on this support, HL D&I Halla aims to collaborate with Anyang-si to advance winter sports in Korea, expand the ice hockey base, discover promising players, and enhance team performance.

Support for Children from Vulnerable Groups

HL D&I Halla continuously supports various cultural experiential activities so that youth in the community can grow into healthy members of society. In particular, by collaborating with local children’s centers, we offer programs such as moviegoing, amusement park visits, and winter sports experiences to under-served children with limited access to cultural activities, fostering emotional stability and social solidarity.

In 2024, we operated an amusement park experience program*, providing new experiences, pleasure, and opportunities for interaction with peers.

* Operated a Lotte World visit program for 53 vulnerable children residing in Siheung-si (January to February 2024)

ESG Promotion through Industry-Academia Cooperation with Halla University

On September 5, 2024, HL D&I Halla signed an agreement with Halla University to strengthen ESG practice through industry-academia cooperation. The event was attended by CEO Hong Suk-Hwa, Halla University President Kim Eung-Gweon, and key representatives from both organizations. Through this agreement, HL D&I Halla and Halla University have established an organic cooperation system centered on ESG values. Together, we generate industry-academia synergy through various collaborative projects aimed at strengthening sustainability and creating shared social value.

HL D&I Halla-Halla University Industry-Academic Cooperation Linkage Activities

Activities	Details
ESG Idea Contest	HL D&I Halla co-hosted the ‘ESG idea contest’ with Halla University on October 31, 2024, as part of its ESG promotion activities. The event focused on discovering practical ESG implementation ideas, and 99 student teams from Halla University participated, offering novel proposals from a university perspective. Through this contest, HL D&I Halla raised awareness of ESG practices among students and confirmed the potential to link feasible ideas to corporate programs.
Coal Briquette Volunteer Activity	On December 3, 2024, HL D&I Halla, in collaboration with the volunteer group from Halla University, carried out a ‘Coal Briquette Volunteer Activity’ in Bongsan-dong, Wonju-si, Gangwon-do. We delivered 2,000 briquettes with warmth to households facing heating difficulties during winter. The activity was organized by the volunteer group from Halla University, sponsored by HL D&I Halla, and involved volunteers from Gangneung Wonju National University and the local community, fostering warm solidarity.

GREEN TOGETHER

Relay ‘Jub-Ging (Plogging)’ Challenge

HL D&I Halla launched the ‘Jub-Ging’ challenge in 2022 and has continued it for three consecutive years. From 2024, we divided participants into head office and site employees and expanded the program into a monthly or quarterly relay format. This initiative fosters a culture of voluntary participation while raising environmental awareness. On June 5, World Environment Day, more than 40 head office employees, including CEO Hong Suk-Hwa, joined the initiative, walking approximately 6 km from Sigma Tower in Jamsil to Jamsil Hangang Park while carrying out environmental cleanup along the route.



Training on Endangered Species and Biodiversity for Local Communities

HL D&I Halla recognizes its corporate social responsibility in the face of the deepening climate crisis and ecosystem degradation, and conducts various activities to contribute to biodiversity conservation and endangered species protection. As part of efforts to raise ecological sensitivity in future generations and enhance their awareness of sustainability and the environment, HL D&I Halla conducted ‘Endangered Species Training’ for lower-grade elementary students in Wonju-si on July 2 and 22, 2024. This ESG-linked program highlighted the connection between the climate crisis and biodiversity, featuring both theoretical sessions on endangered plant and animal species and hands-on guidance on conservation practices. Notably, the program included an eco-kit that allowed students to assemble solar-powered lamps, offering a direct experience of environmental issues and fostering a deeper understanding of sustainable living. Implemented in collaboration with Halla University, the program represents meaningful ESG practices jointly undertaken by the local community and educational institutions. HL D&I Halla will continue to expand training programs and participatory activities for biodiversity conservation.



Governance



HL D&I Halla strengthens its sustainable management system by establishing transparent and responsible governance. The board’s independent and professional operation enables swift and fair decision-making on key management issues, fostering stakeholder trust and reinforcing long-term corporate value.

Board of Directors

HL D&I Halla builds sound governance to uphold the core principles of corporate management: accountability and transparency. All board activities are carried out in line with integrity management principles. Information related to governance, such as clear definitions of executive roles and responsibilities, as well as efforts to build stakeholder trust, is disclosed through multiple channels* to ensure that shareholders and other stakeholders have full access to relevant information.

* Including the Sustainability Report, company website, business report, corporate governance report, etc.

Board Composition

HL D&I Halla has established an independent and professional board structure to implement transparent and responsible management. The Board of Directors makes independent and transparent decisions on key issues across all aspects of corporate governance, including major policies and strategy formulation. It comprises four executive directors and four non-executive directors, exceeding the legal requirement under Article 542-8(1) of the Commercial Act for non-executive director appointments. By having the CEO serve concurrently as the Chair of the board, the company improves management efficiency and agility, while maintaining consistency and execution capability in strategic discussions. In addition, the board operates under rigorously enforced rules (such as term limits, conflict-of-interest prevention, meeting procedures, etc.), providing a fair and accountable foundation for decision-making.

Board Composition

As of March 2025

Category	Name	Gender	Professional background	Appointment date	Expertise	Position	Term	Reappointment status
Executive directors	Hong Suk-hwa	Male	Current) CEO of HL D&I Halla	March 23, 2023	General management	CEO, Board Chairperson, Management Committee Chairperson, Non-executive Director Candidate Recommendation Committee member	3 years	-
	Kim Seon-jun	Male	Current) COO of HL D&I Halla	March 25, 2024	Management	Management Committee member	3 years	-
	Kwon Ju-sang	Male	Current) Head of Management Support HQ, HL Group	March 23, 2023	Management	Management Committee member	3 years	-
	Choi Hyung-jin	Male	Current) CFO of HL D&I Halla	March 23, 2023	Accounting	Sustainability Management Committee member, Management Committee member	3 years	-
Non-executive directors	Chung Sang-ho	Male	Former) Chairperson of the Korea Transportation Safety Authority	March 19, 2021	Construction	Audit Committee member, Non-executive Director Candidate Recommendation Committee Chairperson, Sustainability Management Committee member	3 years	Reappointed (once)
	Park Kye-hyun	Female	Current) Head of the Ethical Management Office at Hyundai Marine & Fire Insurance Former) Prosecutor, Seoul High Prosecutors' Office	August 18, 2021	Law	Audit Committee member, Sustainability Management Committee Chairperson	3 years	Reappointed (once)
	Shin Hyun-seok	Male	Former) Woori America Bank Chairperson	March 25, 2024	Finance	Audit Committee Chairperson, Non-executive Director Candidate Recommendation Committee member	3 years	-
	Sim Seung-taek	Male	Current) Director of HL D&I Halla Former) CEO of Siemens Energy Korea	March 25, 2024	Management and ESG	Sustainability Management Committee member	3 years	-

Board Diversity, Independence, and Expertise

HL D&I Halla appoints board members without restrictions on gender, age, or background, selecting individuals with diverse expertise and experience to discuss key corporate issues from a balanced perspective and make strategic decisions. This board composition principle underpins responsible governance founded on diversity and strengthens the board’s functional effectiveness. In particular, by including members with deep industry expertise and hands-on experience in construction, the board makes sure that on-site concerns and industry-specific issues are reflected in its discussions, strengthening both the feasibility of strategies and the foundation for execution.

Board Skill Matrix

Position	Name	Management	Finance/Accounting/Treasury	Construction/Administration	Law	ESG
Executive directors	Hong Suk-hwa	●	-	●	-	●
	Kim Seon-jun	●	-	●	-	-
	Kwon Ju-sang	●	●	-	-	-
	Choi Hyung-jin	-	●	-	-	-
Non-executive directors	Chung Sang-ho	-	-	●	-	-
	Park Kye-hyun	-	-	-	●	●
	Shin Hyun-seok	-	●	-	-	-
	Sim Seung-taek	●	-	-	-	●

At HL D&I Halla, directors are appointed through the following process: candidates are first reviewed by the Board of Directors and the Non-executive Director Candidate Recommendation Committee, then formally appointed via resolution at the general meeting of shareholders. This process ensures fair and transparent governance and helps protect shareholder rights. Once appointed, directors are free to express their views independently within the board. This ensures that decisions are made fairly, without being swayed by specific stakeholder interests, and in the best interest of the company as a whole. HL D&I Halla will continue to strengthen diversity, independence, and expertise in board composition, and based on this, pursue transparent and responsible management to support sustainable corporate growth.

2024 Activities of the Non-executive Director Candidate Recommendation Committee

Meeting Date	Agenda	Approval Status
February 22, 2024	Recommendation for non-executive director candidates	Approved
April 29, 2024	Appointment of the chairperson of the Non-executive Director Candidate Recommendation Committee	Approved

Board Operations

HL D&I Halla operates its Board of Directors in accordance with pre-established Board Operating Regulations, ensuring systematic and fair procedures. According to Article 7 of the Board Operating Regulations, relevant matters must be communicated to each director at least three days prior to the meeting. Sufficient time must also be provided for prior review to support independent decision-making by the directors. In 2024, eight board meetings were held, including regular and ad-hoc sessions, with in-depth discussions and resolutions on a total of 24 key agenda items.

Board Operations

Category	Unit	2022	2023	2024
Number of board meetings held	Time	9	9	8
Total number of agenda items	Case	27	17	24
Attendance rate	%	98	100	100

Key ESG Agenda Items and Board Resolutions

Meeting Date	Area	Agenda Item	Approval Status
February 7, 2024	G	Evaluation results of board activities in 2023	Reported
	E·S·G	2024 ESG Promotion Plan • Report on 2024 sustainability management materiality assessment and promotion plans	Reported
	S	Approval of the 2024 safety and health plan	Approved
February 22, 2024	G	Report on the operation status of the internal accounting management system in 2023	Reported
April 29, 2024	E	Report on 2023 greenhouse gas emissions	Reported
	G	Approval of the appointment of members of the Integrity Management Committee	Approved
	G	Approval of the appointment of members of the Non-executive Director Candidate Recommendation Committee	Approved
	G	Approval of the appointment of members of the Management Committee	Approved
	E	Approval of the mid-to-long-term climate change roadmap	Approved
	S	Approval of the mid-to-long-term human rights management roadmap	Approved
July 25, 2024	E·S·G	Publication of the Sustainability Report and key environmental performance	Reported
December 19, 2024	E·S·G	Report on the implementation results of sustainability (ESG) management in 2024	Reported

Board Evaluation

Since 2022, HL D&I Halla has established a board activity evaluation system and conducts an annual evaluation of board activities. This evaluation is carried out to strengthen transparency and accountability in board operations and to realize a continuously evolving governance system. The board evaluation is conducted as a self-assessment in which board members directly participate, with each item scored on a five-point scale. The evaluation focuses on core functions such as the board’s roles and responsibilities, structure, and operations, providing a systematic diagnosis of overall performance and areas for improvement.

In the 2024 assessment, the board received an average score of 4.81 (in total), indicating that it is faithfully fulfilling its key strategic decision-making and oversight roles. The results serve as a reference point for identifying areas of improvement to enhance the quality of board operations. HL D&I Halla will continue to refine the board evaluation system to establish transparent and responsible governance.

Board Evaluation

Category	Details	Grade
Roles and responsibilities of the Board	Roles, responsibilities and obligations	4.92
Board structure	Composition, independence, leadership	4.86
Board operations	Procedures, agenda, information collection	4.54
Committees within the Board	Committee structure and operations	5.00
Reflection of evaluation results	Evaluation and improvement	4.82

Board Remuneration

HL D&I Halla adheres to transparent and reasonable procedures for directors’ remuneration and retirement benefits, based on trust in shareholders and the principle of responsible management. To prevent arbitrary decisions or special exceptions regarding board compensation, directors’ remuneration and retirement benefits are determined in accordance with executive compensation and retirement benefit payment regulations, and are approved and paid through resolutions at the general meeting of shareholders.

Board Remuneration

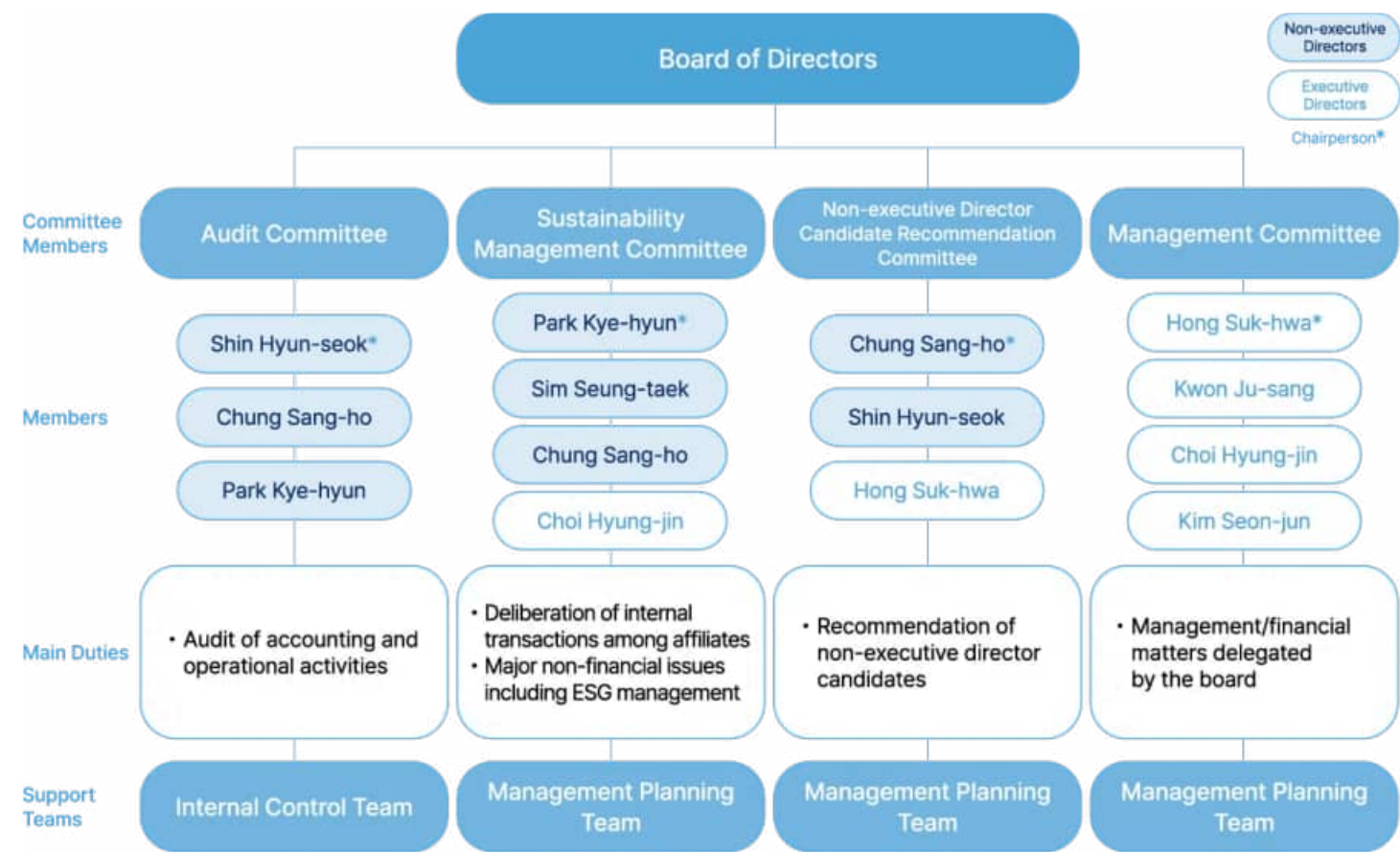
Category	Unit	Registered Directors ¹⁾	Non-executive Directors ²⁾	Audit Committee Members
Number of Persons	Person	4	1	3
Total Remuneration	KRW 1 thousand	1,728,481	54,961	165,020
Average Remuneration per Person		432,120	54,961	55,007

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

Committees within the Board

Within the Board of Directors, HL D&I Halla has established and operates the Audit Committee, the Sustainability Management Committee (formerly the Integrity Management Committee), the Non-executive Director Candidate Recommendation Committee, and the Management Committee. Each committee operates independently based on its distinct roles and responsibilities, contributing to transparent governance and responsible management.

Composition and Roles of Committees



Audit Committee

The Audit Committee operates on key principles of independence and objectivity, performing various audit duties such as reviewing the appropriateness of financial reporting, inspecting internal control systems, and consulting with audit firms. The committee examines corporate soundness and transparency from an objective perspective and enhances trust among shareholders and stakeholders.

Sustainability Management Committee

The Sustainability Management Committee oversees the establishment and implementation of ESG strategies and is composed of a majority of non-executive directors to ensure the committee’s independence and expertise. Through this composition, it provides a foundation for objective and independent decision-making in environmental, social, and governance areas. It also plays a role in proactively managing non-financial risks, such as deliberating internal transactions among affiliates.

Non-executive Director Candidate Recommendation Committee

The Non-executive Director Candidate Recommendation Committee is composed of a majority of non-executive directors and adheres to fair and independent candidate nomination procedures. When forming the committee, it comprehensively reviews candidates’ qualifications, expertise, independence, etc. to promote diversity and qualitative enhancement of the board.

Management Committee

The Management Committee conducts decision-making on company management and financial matters delegated by the Board of Directors. The CEO serves as chairperson, and all other members are executive directors.

Support to Strengthen Board Capabilities

HL D&I Halla provides various institutional supports to enhance the board’s independence and expertise. To efficiently support non-executive directors in their duties, the board regulations specify that external experts may be engaged when necessary. This aids the board in making more professional and objective decisions.

We conducted off-the-job training in 2024 to strengthen board capabilities, with all targeted non-executive directors attending, achieving a 100% attendance rate. In particular, we offered executive lectures and internal training on topics such as the economy, environment, and key corporate management trends to help the board respond to a rapidly changing business environment and realize our vision for sustainable management. Additionally, to strengthen the professional expertise of the Audit Committee, we provided specialized training on ‘corporate governance and audit committee systems, operations, and activity planning’ separately. This contributed to increasing the committee’s independence and effectiveness.

2024 Training for Non-executive Directors

Date	Conducted by	Attendees ¹⁾	Attendance rate	Key Contents	Field
April 14, 2024	HL Human Resources Development Center	All Non-executive Directors ¹⁾	100%	Global geopolitical changes and Korea’s future	Management
April 29, 2024	In-house training			Group and company status	Management
July 15, 2024	HL Human Resources Development Center			Beyond demographic imagination	Social
July 25, 2024	Samjong KPMG	Audit Committee ²⁾		Corporate governance and Audit Committee systems, operations, and responsibilities	Governance
October 21, 2024	HL Human Resources Development Center	All Non-executive Directors ¹⁾		Climate crisis and changes in the energy value chain	Environmental

1) Jeong Sang-ho, Shin Hyun-seok, Park Gye-hyeon, Shim Seung-taek
2) Jeong Sang-ho, Shin Hyun-seok, Park Gye-hyeon

Protection of Shareholders’ Rights and Interests

Ownership Status

As of December 31, 2024, HL D&I Halla has issued a total of 46,865,434 shares (37,858,601 common shares; 9,006,833 preferred shares). The largest shareholder is the holding company HL Holdings, which holds 18,011,222 shares (9,004,389 common shares; 9,006,833 preferred shares). The ownership of affiliate persons including the largest shareholder is 46.35% (based on common shares). We follow the one-share, one-vote principle, and strive to guarantee fair voting rights for shareholders in accordance with the Commercial Act and related laws and regulations.

Stock Issuance Details

As of December 31, 2024

Category	Unit	Common Shares	Preferred Shares	Total
Total Number of Shares Issued	Shares	37,858,601	9,006,833	46,865,434
Aggregate par Value ¹⁾	KRW 1 million	194,375	50,872	245,247

1) Calculated at a par value of KRW 5,000 per share

Major Shareholder Status

As of December 31, 2024

Shareholder Name	Shares Held (shares)	Ownership Rate (%)
HL Holdings (common shares)	9,004,389	23.8
Executives and relatives	3,972,390	10.5
KCC Co., Ltd.	3,703,703	9.8
Employee Stock Ownership Association	1,026,403	2.7
Baedal Education Foundation	869,509	2.3

Activities to Protect Shareholder Rights and Interests

Shareholder Return Policy

HL D&I Halla established a shareholder return policy in September 2021 to enhance shareholder value and share corporate performance. Under this policy, dividends and share repurchases and cancellations are to be made within 40% of net income on a separate financial statement basis. HL D&I Halla also amended its Articles of Incorporation to allow flexible decision-making on dividends. The amount returned

to shareholders is determined flexibly by comprehensively considering the annual business environment, profit levels, financial stability, and other factors. If financial targets cannot be met, some dividends or share repurchases may not be implemented.

Article 45 (Dividends) of HL D&I Halla’s Articles of Incorporation

- ① Dividends may be paid in cash, shares, or other assets.
- ② Dividends under paragraph 1 shall be paid to shareholders or registered beneficiaries recorded in the shareholder register as of the end of each fiscal period.
- ③ Dividends shall be determined by resolution of the general meeting of shareholders. However, if the Board of Directors approves the financial statements pursuant to Article 43 Paragraph 4, dividends may be determined by resolution of the Board of Directors.

Communication with Shareholders

Strengthening communication with shareholders

HL D&I Halla is committed to transparent disclosure and enhanced communication to earn the trust of all shareholders. The company promptly and accurately shares key corporate information, financial performance, and management strategies through IR materials posted on its official website and disclosures made via the Data Analysis, Retrieval, and Transfer (DART) system. Each quarter, HL D&I Halla holds a Non-Deal Roadshow (NDR) to engage directly with institutional investors, and actively participates in investor briefings and meetings hosted by securities firms, as well as investor visits. Going forward, HL D&I Halla will continue to enhance corporate trust and reinforce the communication system with the market.

Protection of Shareholder Rights and Interests

Communication Channel	Details
Electronic disclosure	Posting IR materials on the website, filings via the DART system under the Financial Supervisory Service
Non-deal roadshow	Once per quarter
Annual general meeting	Once per year
Electronic voting	As of March 2024

Communication System Improvement

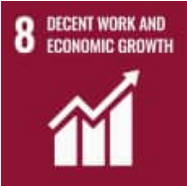
HL D&I Halla respects shareholders’ rights in operating general meetings and has implemented various institutional improvements to promote more responsible decision-making. Beginning with the 44th Annual General Meeting (March 2024), resolutions and announcements of convocation have been published four weeks in advance, giving shareholders sufficient time to review agenda items. At the same meeting, an electronic voting system was introduced to expand shareholder participation. This allows shareholders who cannot attend in person to exercise their voting rights easily, strengthening shareholder rights and laying the foundation for transparent decision-making. Going forward, HL D&I Halla will continue to listen to shareholders’ voices, foster genuine engagement and communication to enhance corporate value, and remain a company that earns enduring trust.



Convocation of the Annual General Meeting

Category	Convocation Notice	Meeting Date	Interval between Notice and Meeting
44th annual general meeting	February 26, 2024	March 26, 2024	29 days
45th annual general meeting	February 24, 2025	March 25, 2025	29 days

Integrity and Ethical Management



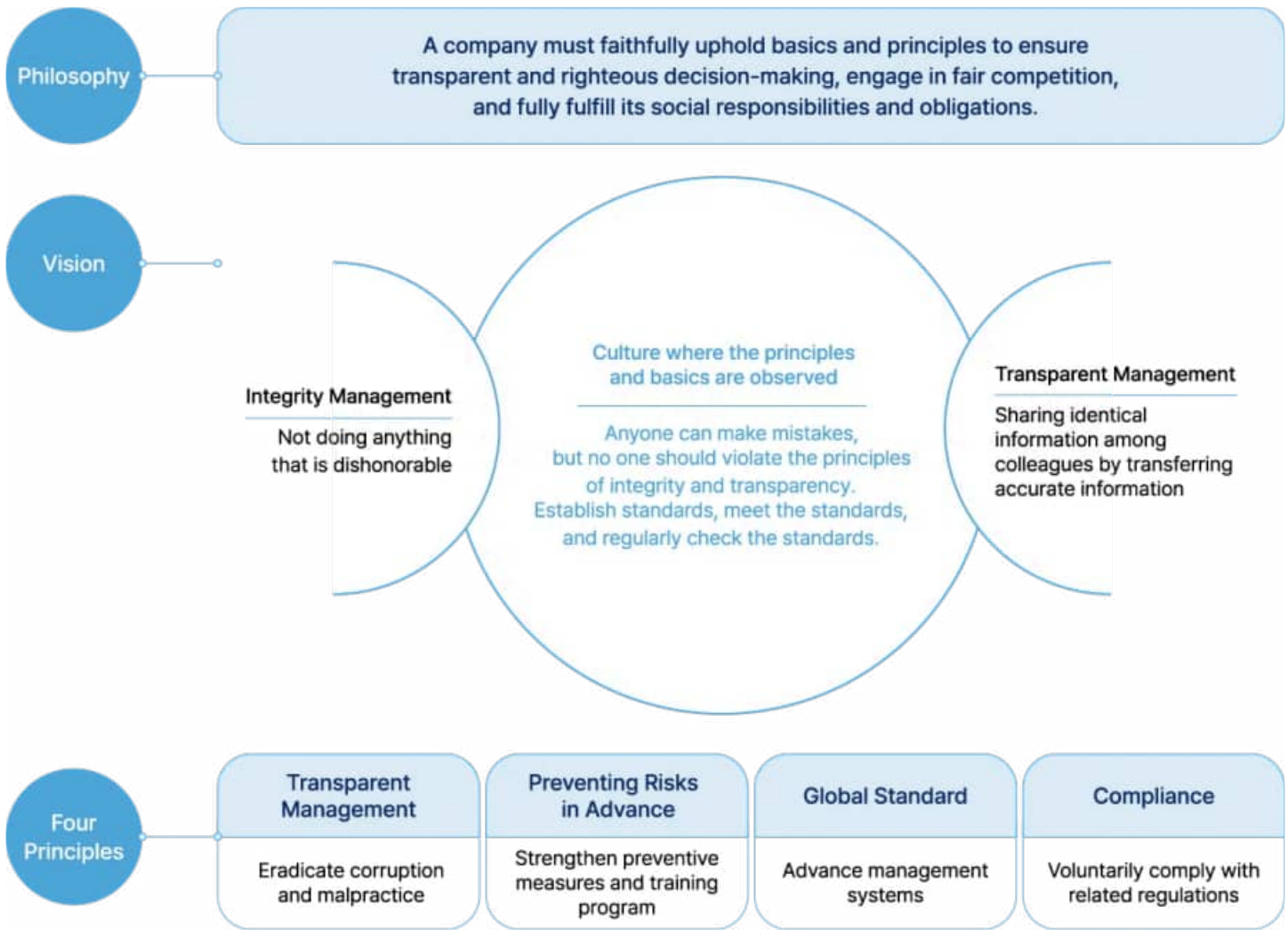
HL D&I Halla practices ethical management grounded in integrity and principle, prioritizing honesty and transparency in all business activities. We foster a clean corporate culture and a fair business environment to raise ethical awareness among employees and stakeholders, while embedding a culture of compliance throughout the organization. Through these efforts, we will implement sustainable management.

Integrity Management System

Integrity Management Strategy

As a responsible corporate citizen, HL D&I Halla establishes a culture of ethics and compliance based on the principles and action-oriented system of integrity management. In every aspect of our operations, we adhere faithfully to basics and principles, driven by honesty and transparency, while strengthening trust with employees, subcontractors, and stakeholders and fostering a fair business environment. Moving forward, HL D&I Halla will continue to implement diverse systems and initiatives to institutionalize ethical management and a compliance culture, fulfilling our role as a responsible corporate citizen committed to sustainable growth.

Integrity Management Vision



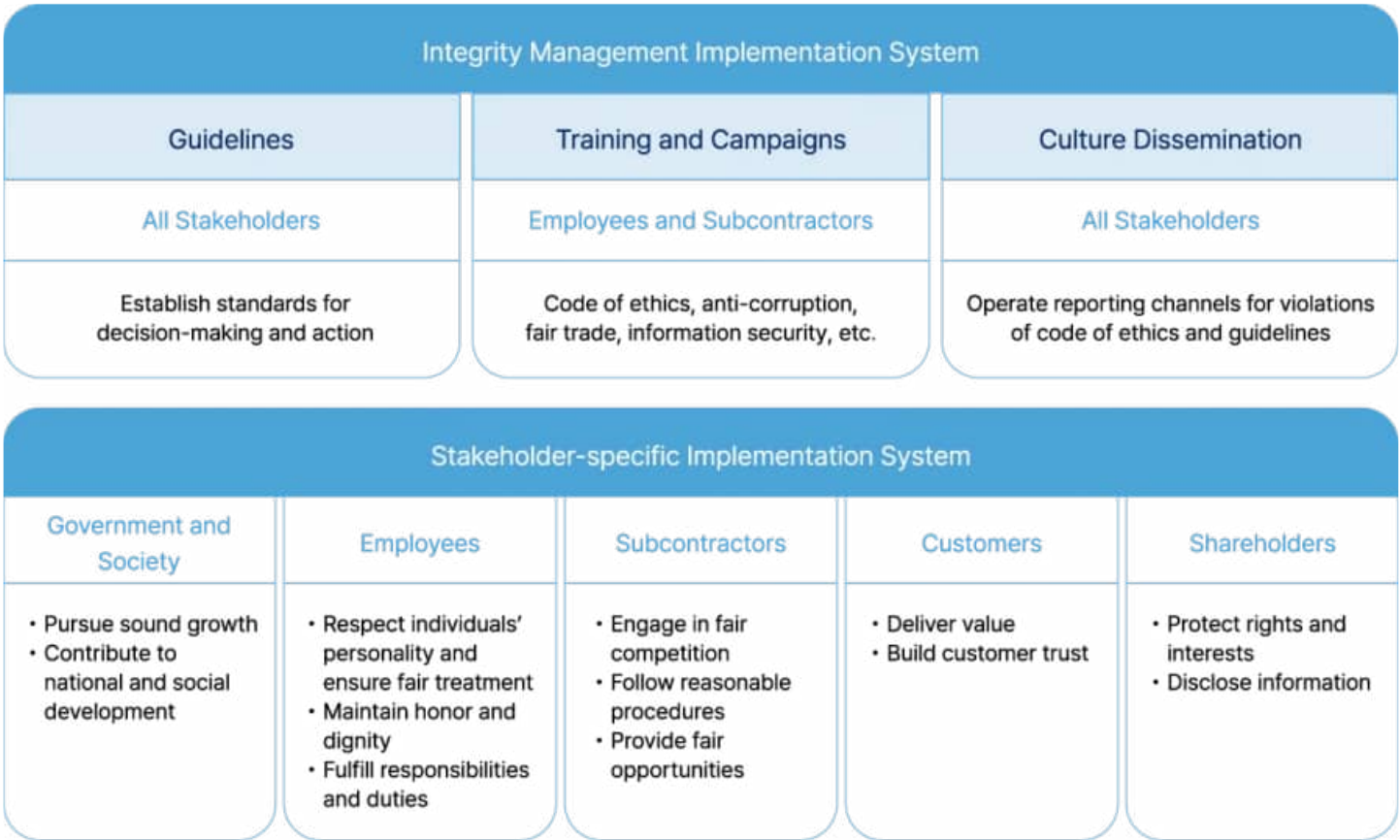
Integrity Management Process

STEP1. Prevention	STEP2. Monitoring	STEP3. Responses
- Establish and enforce a code of ethics and conduct - Strengthen ethical leadership - Build an internal control system - Promote and provide training on integrity management for employees and subcontractors	- Operate a reporting system for ethical violations and misconduct - Conduct internal audits under the Integrity Management Office (regular, special, and thematic audit) - Conduct special management of ethical and corruption risks in high-risk areas/worksites	- Investigate reports - Impose sanctions and corrective actions for ethical violations - Perform root-cause analysis of violations and implement measures to prevent recurrence - Improve organizational practices - Share and reward best practices

Integrity Management Implementation System

HL D&I Halla fosters a culture of ethics and compliance rooted in the principles of integrity management and action-oriented systems to fulfill its social responsibilities as a corporate citizen. Grounded in honesty and transparency, we practice integrity management by faithfully adhering to basics and principles in all business activities. We strive to build trust with employees, subcontractors, and stakeholders, while promoting a fair business environment. Going forward, HL D&I Halla will continue to pursue sustainable growth, implement diverse systems and initiatives to establish ethical management and a compliance culture, and act as a responsible corporate citizen.

Integrity Management Implementation System



Ethical Management Policy

HL D&I Halla has established and operates a code of ethics that clearly outlines the standards for behavioral principles and value-judgment that all employees and stakeholders are expected to follow. The code serves as a guide for making sound judgments in various business situations and forms the foundation of fair and responsible management. To enhance its effectiveness, we have also developed separate, detailed ethical guidelines that provide clear standards for ethical decision-making and conduct, enabling all employees to practice integrity management. The code of ethics also clearly defines corrupt practices—such as financial transactions including money or valuables, hospitality (entertainment), and facilitation payments—and includes an anti-corruption guide to prevent ambiguity in employees’ day-to-day ethical decision-making HL D&I Halla will continue to advance its ethical standards and raise awareness among all members to establish a transparent and clean organizational culture.

Anti-Corruption Guidelines

Employee Ethics	- Employees, as members of a global company, shall comply with all domestic and international laws and regulations related to anti-corruption. - Employees shall not solicit or accept improper requests that undermine fair business conduct among colleagues or stakeholders. - Company funds, personnel, or other resources shall not be used for political purposes.
Financial Transactions including Money or Valuables	- Under no circumstances shall employees give or receive gifts (cash, goods, memberships, airline tickets, etc.) to or from stakeholders. - Condolence or celebration money shall remain within customary social norms. - Flowers or plants received in connection with promotions, appointments, or similar events are permitted only at a modest level. - Employees shall not engage in loans, guarantees, collateral arrangements, or any other financial transactions and arrangements with stakeholders that could impair fair business conduct. - If an employee is forced to accept a gift against their will, they shall return it immediately, or, if return is impossible, report the incident to the Integrity Management Office.
Entertainment and Hospitality	- Employees shall not provide or accept entertainment (hospitality) that exceeds customary social norms from stakeholders. - Regardless of amount, employees shall not accept entertainment at venues considered inappropriate by societal standards.
Facilitation Payments	- Employees shall not accept transportation, accommodation, or other conveniences paid for by stakeholders. - During internal company events (department gatherings, club activities, etc.), employees shall not accept transportation, accommodation, or services from stakeholders.

Integrity and Ethical Management Activities

Integrity and Ethical Management Training and Communication

HL D&I Halla strengthens integrity management training and communication to raise ethical awareness and establish an ethical management culture among all members. To reinforce ethical awareness, we conduct mandatory training using HL Group’s video content related to ethical management. This helps employees grasp both the importance of ethical management and ways to practice it. We also provide a code of ethics, detailed ethical guidelines, and internal accounting management training to all employees and subcontractors, fostering a shared commitment to ethical management and encouraging transparent, responsible behavior both inside and outside the company. Information and policies related to integrity and ethical management are available at all times through our official website and internal work portal. Through continuous training and communication, HL D&I Halla strives to foster an organizational culture where both employees and subcontractors can engage in ethical management together.

Categories of Integrity Management Training

Integrity Management Training			
Ethics training	Information security	Personal data protection	Internal accounting management

Policy Communication and Integrity Management Training Attendance Rate

Category	Details	Unit	2022	2023	2024
Integrity management training ¹⁾	Total number of participants	Person	1,047	1,072	1,149
	Training hours per person	Hour	5.2	10.0	12.4
Integrity and ethical management communication	Rate of employees with access to policies and notices	%	100	100	100

1) Integrity management training includes information security, personal data protection, and ethical management.

Reporting Unethical Conduct

HL D&I Halla strengthens ethical management among employees and stakeholders by accepting reports of unethical conduct through multiple channels. We operate a variety of reporting channels—including the online reporting center, phone, fax, mail, and mobile platforms—to ensure convenient access for all. All reports are thoroughly investigated by the HL Group Integrity Management Office and the HR Team, in accordance with principles of fairness. If an unethical act is confirmed, strict disciplinary measures are taken against the individual(s) involved in accordance with HR regulations, firmly upholding our ethical standards. We also operate a whistleblower protection program to safeguard the identities of informants and implement robust security measures to prevent any secondary harm. In 2024, HL D&I Halla received zero reports of unethical conduct or corruption. Moving forward, HL D&I Halla will continue to enhance its ethical management practices and systems to foster a fair and transparent corporate culture.

Online Report Center for Unethical Conduct

Report Handling Procedures

1. Submit a report	2. Review the report	3. Launch an investigation	4. Complete the investigation	5. Close the case and notify the results
- Reports may be submitted under real name or anonymously via the Group Integrated Report Center on the Integrity Management website - Anonymous users receive a unique ID and password to check the status and outcome of their submission	- The principle of informant confidentiality is strictly applied - Upon receipt, the relevant department initiates preliminary procedures	- An investigation plan, including personnel assignment and periods, is established - Cases are handled in the order reports are received - Investigation periods may be varied based on the target and scope of the case	Once objective evidence is gathered and the facts are confirmed, the investigation is concluded	- Disciplinary action or case closure is carried out in accordance with internal regulations - Informants receive feedback on the outcome of their submission

Reporting Unethical Conduct

Unit: Case

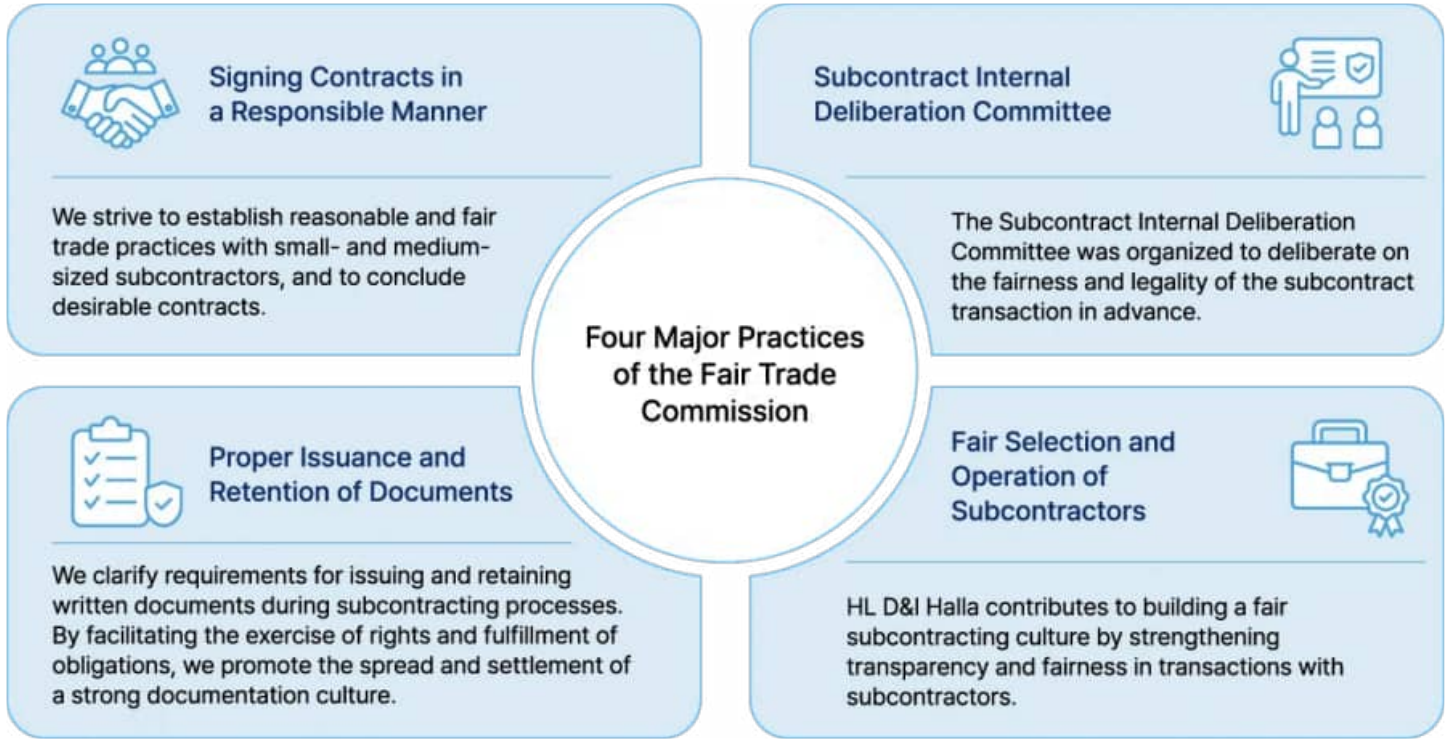
Category	Number of unethical conduct reports received	Number of unethical conduct cases addressed	Number of unethical conduct cases resulting in discipline
Status in 2024	0	0	0

Fair Trade Practices

HL D&I Halla faithfully implements the four major practices of the Fair Trade Commission to manage unfair-trade risks, establish a fair transaction order with subcontractors, and promote a culture of mutual growth. When concluding contracts, we use standardized agreements that explicitly reflect fair-trade principles, ensuring transparent and equitable transactions. To ensure fairness in subcontracting, we operate the Subcontract Internal Deliberation Committee, which conducts preliminary reviews of transaction fairness. In addition, we reinforce our management system through a Compliance Program (CP) to prevent any unfair practices.

Fair Trade Policies

Fair Trade 4 Practices



Training Example HL D&I Halla Fair Trade Training in 2024

HL D&I Halla offers customized training that reflects the job-specific duties of each role to foster a fair trade culture. In 2024, we provided eight hours of fair trade training to 60 employees, enhancing their autonomous compliance awareness and practical application skills. By delivering case-based sessions tailored to key departments, such as purchasing, contracting, and subcontractor management, we improved understanding of fair trade and supported the establishment of a transparent, equitable trading culture throughout the organization.

Category	Unit	2024
Number of training attendees	Person	60
Training hours	Hour	8

Information Security

Information Security Policy

HL D&I Halla recognizes the importance of information protection and, under the leadership of the Chief Information Security Officer (CISO) within the HL Group Information Security Team, has established and operates an information security management system. Based on HL D&I Halla’s security management regulations, we focus on the systematic and effective protection of key information assets, including corporate data and personal information. We review and improve these regulations every year to respond swiftly to external changes, advancing our security system. HL D&I Halla strictly complies with all domestic and international laws and regulations related to personal data protection, and we transparently disclose our privacy policy on both the company website and the EFETE brand website by providing easy-to-understand guidelines for key points so that all stakeholders can clearly understand our personal data handling practices. Moving forward, HL D&I Halla will maintain a safe and reliable information protection system through ongoing security enhancements and systematic information security management.

- HL D&I Halla Privacy Policy [↗](#)
- EFETE Terms and Policies [↗](#)

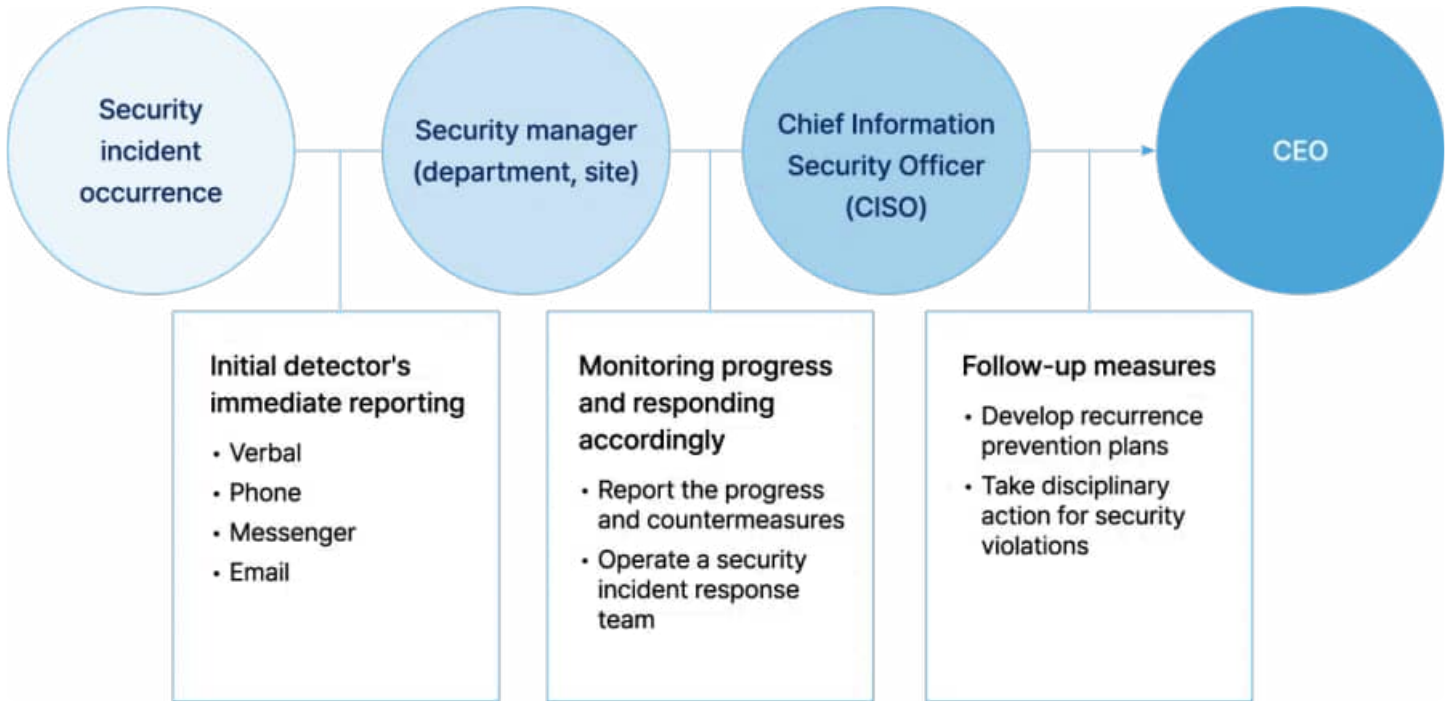
Information Security Incident Response System

HL D&I Halla works in collaboration with the HL Group Data Center (GDC) to conduct preventive maintenance and regular security assessments, aiming to strengthen information security. These efforts help maintain system stability and establish a proactive system for preventing security incidents. In the event of an information security incident, we respond promptly under the ‘Security Incident Management’ standards outlined in our security management regulations. Following corrective actions, we work closely with the GDC to perform root cause analysis and develop systematic measures to prevent similar incidents from recurring.

Types of Security Incidents



Security Incident Handling Process



Information Protection Activities

HL D&I Halla builds trust with customers and stakeholders by complying with all relevant laws and implementing systematic management activities. We transparently disclose our information security status, including investments in information protection and personnel status, through the comprehensive disclosure portal operated by the Korea Internet & Security Agency (KISA). To improve accessibility and help data subjects better understand the key points of our privacy practices, we also publish a separate guidance on the privacy policy on the company’s main website.

We also increase security awareness by providing annual information security and personal data protection training to all employees. Upon completion of each session, participants sign a security and compliance pledge to reinforce their individual commitment. To guard against unexpected data breaches, we maintain personal data protection liability insurance and conduct special security inspections using the antivirus solution (SentinelOne), strengthening our capacity to respond to cyber threats. In addition, to protect customer information, we share examples of email fraud and take preventive measures. We also regularly review access logs for our sales management system and conduct information security risk assessments to identify vulnerabilities in advance and implement corrective actions.

Performance of Information Protection Activities

Category	Unit	2024
Investment in information technology ¹⁾	KRW 1 million	5,068
Investment in information protection ¹⁾		174
Attendees in information protection and personal data protection training	Person	1,149
Information protection and personal data protection training hours per person	Hour	12.4

1) The 2024 disclosure (based on 2023 data). As of the time this report is issued, the 2025 disclosure is being prepared (will be published via the comprehensive disclosure portal).
2) The implementation results of the information security and personal data protection training are identical to those of the integrity management training.

Risk Management



HL D&I Halla proactively identifies risks that may threaten sustainability and responds strategically. By integrating ESG, financial, and operational risk management, we build resilience against uncertainty. Leveraging our organic and agile risk response capabilities, we will reinforce corporate stability and long-term sustainability.

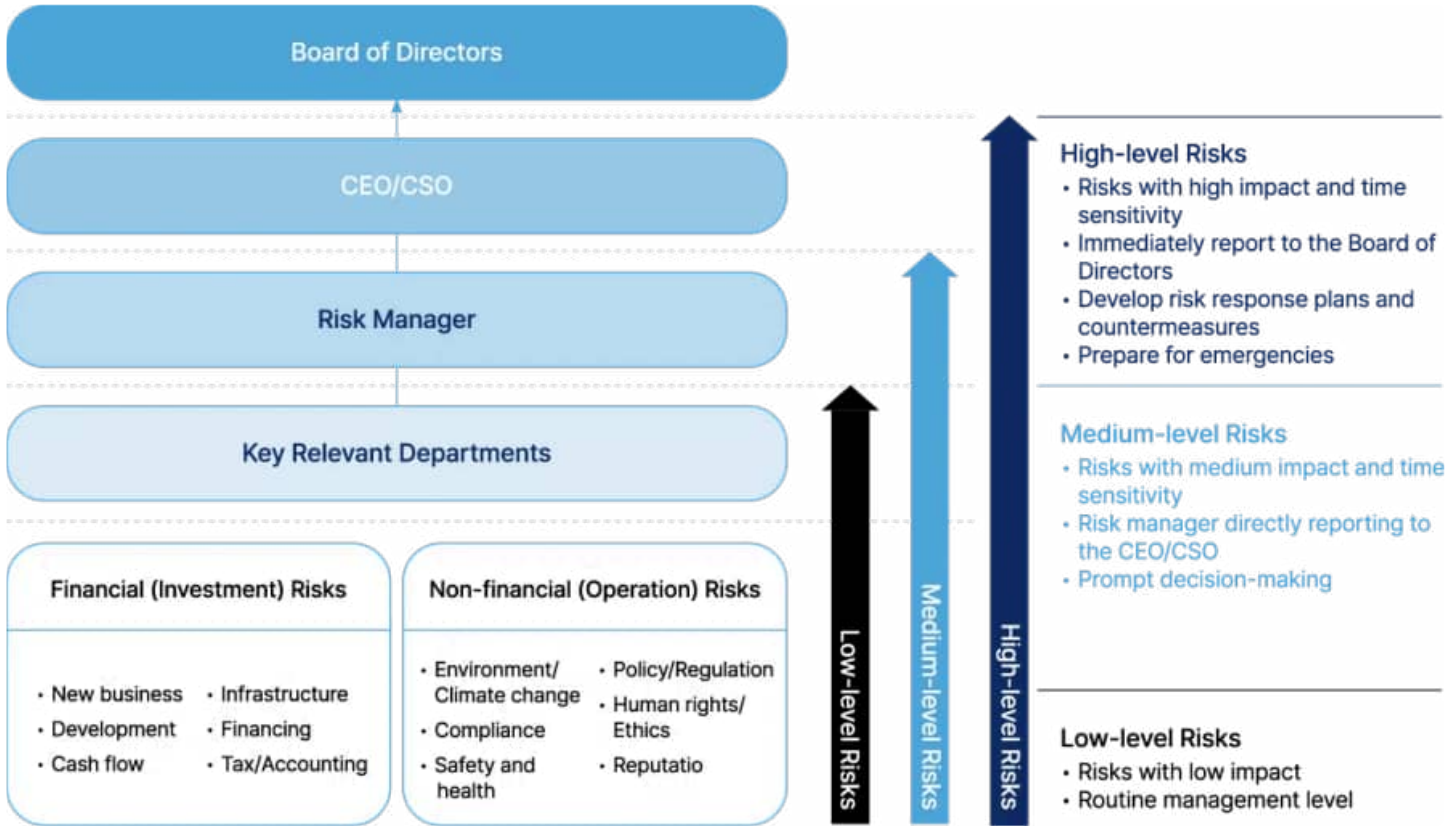
Integrated Risk Management

Risk Management and Reporting System

HL D&I Halla has established an integrated risk management system, covering proactive risk identification and control, to effectively manage potential threats across all corporate activities. We classify risks into financial (investment) and non-financial (operation) categories, and manage them at three severity levels: high, medium, and low. Identified risks and their severity are assessed by responsible personnel in accordance with our risk management process.

We have established a system that enables escalation to the CEO, CSO, and the Board of Directors when necessary, ensuring timely responses. This risk management and reporting system enhances our ability to respond swiftly to unforeseen challenges, supports stable business operations, and lays a solid foundation for sustainable growth.

Risk Reporting System



Risk Categories

Category	Low-level Risks	Medium-level Risks	High-level Risks
Impact/Severity/Time sensitivity	Low	Medium	High
Risk reporting	Relevant department reporting to the risk manager	Risk manager reporting to the CEO/CSO	Risk manager or CEO/CSO reporting to the Board of Directors
Risk management	Routine management	Resolve risks through prompt decision-making	Develop risk response plans and countermeasures Prepare for emergencies

Risk Management Process

STEP 1. Identification	STEP 2. Assessment	STEP 3. Response	STEP 4. Monitoring
Identify potential risks that may arise internally or externally	Conduct impact assessment based on possibility, impact, and risk	Evaluate the management system according to the risk status	Develop response strategies and improvement plans

Internal Control

Audit System

HL D&I Halla has established and operates the Audit Committee to uphold corporate transparency and fulfill its responsibility for sustainable management. The Audit Committee performs its duties independently of the Board of Directors, executive bodies, and other departments, and is guaranteed fairness and autonomy in its auditing activities. The committee is granted authority over personnel transfers and performance evaluations for the team leader of the supporting organization, laying the foundation for independent internal auditing. To minimize executive influence and maintain audit objectivity, the committee also regularly holds separate meetings with external auditors without management present and continues to take steps to strengthen audit independence. To support the Audit Committee, HL D&I Halla has established the Internal Control Team, which is responsible for ensuring the reliability of financial reporting, preventing fraud, and inspecting the design and operational status. This team reports on the design and operation of internal control activities, as well as the status of the internal accounting management system, to both the Board of Directors and the Audit Committee, and provides relevant training to internal control managers and responsible personnel.

HL D&I Halla Audit System



Audit Committee

Category	Unit	2022	2023	2024
Total Members of the Audit Committee	Person	3	3	3
Number of Non-executive Directors in the Audit Committee		3	3	3
Number of the Audit Committee Meetings	Time	5	5	7

Internal Accounting Management System

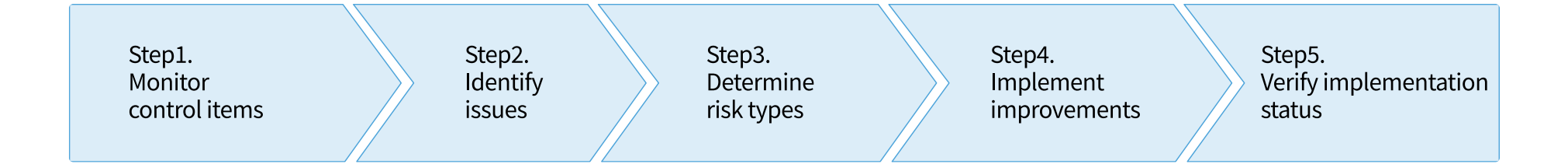
HL D&I Halla has implemented an internal accounting management system to ensure reliable financial reporting and prevent fraud. This system encompasses the design and operation of internal control activities and is reinforced through regular training for internal control managers and responsible personnel to enhance effectiveness. Each year, the company reports on the system’s operation to both the Board of Directors and the Audit Committee, promoting transparency and accountability in governance. Internal control monitoring is conducted

using Risk & Control Matrix (RCM), focusing on key control items to strengthen the risk management structure and ensure the stability and transparency of business operations. HL D&I Halla will continue to strengthen this system through ongoing monitoring and improvement efforts, demonstrating its commitment to trusted and responsible corporate management.

Internal Control Monitoring Items

Internal Control Items	Details
Entity Level Control (ELC)	Control environment, risk assessment, control activities, information and communication, monitoring
Process Level Control (PLC)	Identification and design of control items by process
Information Technology General Control (ITGC)	IT environment, authority, identification and design of system development/operation control items

Internal Control Monitoring Process



Internal Accounting Management Training

HL D&I Halla conducts internal accounting management training to ensure the stable operation of the system and to enhance employees’ accounting capabilities. In June and October 2024, we delivered two sessions focused on system understanding and practical skills development to 254 employees engaged in internal accounting-related functions, including accounting, planning, site support, infrastructure business and sales, finance, and human resources. Going forward, we will continue to provide practice-oriented content to reinforce the reliability and transparency of our internal accounting management system.

Internal Accounting Management Training

Category	Unit	2023	2024
Completion rate of internal accounting management system training	%	100	100
Mandatory participants	Person	260	254

Economy

Economy

Financial Statements

Economy

Category	Details	Unit	2022	2023	2024
Assets	Assets	KRW billion	1,667.4	1,724.3	1,703.0
	Current assets		766.6	872.3	916.9
	Non-current assets		900.9	852.0	786.1
Liabilites	Liabilites	KRW billion	1,240.2	1,268.7	1,228.3
	Current liabilities		679.5	834.3	964.6
	Non-current liabilities		560.7	434.4	263.7
Capital	Capital	KRW billion	427.2	455.6	474.7
	Capital stock		245.2	245.2	245.2
	Capital surplus		150.1	149.9	149.9
	Other components of equity		(1.6)	(1.5)	(1.5)
	Accumualted other comprehensive income		2.3	1.5	2.22
	Retained earnings		31.1	60.5	78.88
	Non-controlling interest		-	-	-
Ordering Status	Order backlog (Consolidated basis)	KRW trillion	4.6	4.8	5.8
	Order backlog (Non-consolidated basis)		4.5	4.7	5.6
Asset Ratio	Current ratio	%	112.8	104.6	95.0
	Debt-to-equity ratio		290.3	278.5	258.7
	Equity-to-asset ratio		25.6	26.4	27.9
Income Statement	Sales	KRW billion	1,472.1	1,572.0	1,578.8
	Cost of sales		1,326.6	1,419.4	1,401.4
	Gross profit		145.5	152.6	177.4
	Operating profit		52.6	50.7	57.9
	Net profit before tax		36.7	34.0	30.6
	Corporate tax		11.5	3.4	9.2
	Profit from continuing operation		25.1	30.7	21.4
	Profit from discontinued operation		0	-	-
	Net profit		25.1	30.7	21.4

Technology Investment

Technological Innovation

Category	Unit	2022	2023	2024
R&D Workforce	Person	9 ¹⁾	22 ²⁾	22
R&D Investment	KRW million	3,880	3,640	3,464
R&D-to-sales Ration	%	0.26	0.23	0.23
Patent	Case	55	50	50
Construction New Technology		5	6	6
Environmental New Technology and Green Technology		2	2	4
Disaster Safety New Technology		1	1	1
Design Patent		2	2	2
Trademark		2	2	2

1) Number of personnel has decreased due to organizational change (In Oct. 2022)
2) Number of personnel has increased due to organizational change (In Oct. 2023)

Environmental

Environmental

Eco-friendly Management

Eco-friendly Management

Category	Details	Unit	2022	2023	2024
Implementation of Environmental Audit	First half	Case	27	33	23
	Second half		32	24	27
	Total		59	57	50
	Ratio of workplaces with environmental management system certification ¹⁾	%	100	100	100
Eco-friendly Investment	Total amount of environmental investment	KRW million	15,711	11,572	33,017
	Environmental management cost		8,902	10,949	8,242
	Investment related to eco-friendly new business		5,000	-	24,500
	Investment in IoT system		1,801	613	260
	Investment in environmental technology		8	10 ²⁾	14
Eco-friendly Products Purchasing and Certification	Green certification status ³⁾	Case	3	3	5
	Purchases of eco-friendly products and services	KRW 10 million	874	1,227	1,245
	Number of eco-friendly purchase items	Case	13	11	11
	Eco-friendly sales performance	KRW 10 million	2,230	4,783	7,843
Violation of Environmental Laws and Regulations	Number of fines imposed on the company	Case	0	0	1 ⁴⁾
	Amount of fines imposed on the company	KRW 10,000	0	0	30

1) 100% of business sites with environmental performance disclosure
2) Environmental patent maintenance costs and green-technology certification costs
3) Green building certification
4) Final ruling in 2021 on a violation of the Air Quality Conservation Act; no impact as of the publication date

Greenhouse Gas and Energy

Greenhouse Gas¹⁾

Category		Unit	2022	2023	2024
Total Greenhouse Gas Emissions ²⁾			16,206	13,294	13,338
Scope 1	Head office	tCO ₂ eq	439	404	354
	Place of business		27	26	19
	Construction site		6,362	5,037	5,132
Scope 2	Head office		215	218	218
	Place of business		6	7	14
	Construction site		9,157	7,602	7,602
Emission Intensity (Scope 1, 2) ³⁾		tCO ₂ eq/KRW 100 million	1.10	0.85	0.84
Scope 3 (Category 1) ⁴⁾		tCO ₂ eq	34,378	54,500	48,569
Emission Intensity (Scope 1, 2, 3) ⁵⁾		tCO ₂ eq/KRW 100 million	3.44	4.31	3.92
Ratio of Workplaces That Disclose GHG Emissions Information		%	100	100	100

1) The 2024 GHG emissions data has been revised as of July 21, 2025, due to a mis-entry [(Original) Total GHG emissions: 13,331 tons, Scope 1 Head Office: 355 tons, Scope 2 Head Office: 218 tons, Scope 2 Place of business: 14 tons → (Corrected) Total GHG emissions: 13,338 tons, Scope 1 Head Office: 354 tons, Scope 2 Head Office: 217 tons, Scope 2 Place of business: 13 tons].

2) 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. 2023-221).

3) (Scope 1 + Scope 2)/Consolidated revenue

4) Scope 3 Category 1 GHG Calculation theory reflected

5) (Scope 1 + Scope 2 + Scope 3)/Consolidated revenue

Energy¹⁾

Category	Details	Unit	2022	2023	2024
Excluding Subcontractors	Total amount	TJ	296	245	245
	- Gasoline		4	4	3
	- LPG		0	0	0.006
	- Brown coal		2	2	2
	- Kerosene		50	25	16
	- Diesel		41	48	57
	- Propane		0	0	0
	- Electricity		196	164	163
	- LNG		3	2	2
	- Renewable energy ²⁾		-	-	0.002
	Energy intensity ³⁾	TJ/KRW 100million	0.020	0.016	0.016
Including Subcontractors	Consumption by subcontractors	TJ	499	789	701
	Energy intensity ³⁾	TJ/KRW 100million	0.054	0.066	0.060

1) The 2024 GHG emissions data has been revised as of July 21, 2025, due to a mis-entry [(Original) Diesel: 58 TJ, Electricity: 164 TJ → (Corrected) Diesel: 57 TJ, Electricity: 163 TJ)].

2) Renewable energy consumption managed since 2024

3) Energy intensity based on consolidated revenue

Pollution and Material Management

Water Consumption¹⁾

Category	Details	Site	Unit	2022	2023	2024
Water Consumption	Total		ton	192,956	177,176	166,736
	Region	Metropolitan area		-	-	54,820
		Non-metropolitan area		-	-	111,917
	Water source	Municipal water		124,999	116,123	120,410
		River water		52,924	44,325	46,168
		Underground water		15,033	16,728	158
	Ratio of Workplaces That Disclose Water Usage ²⁾			%	100	100
Number of Accidents Involving Excess Hazardous Substances in Water ²⁾			Case	0	0	0

1) Due to the characteristics of the construction industry, the usage for concrete pouring and measures to reduce fugitive dust are included. Water withdrawal is equal to consumption.

2) Head office/Place of business/Construction site

Water Pollutants¹⁾

Unit: ton

Category	Unit	2022	2023	2024
COD emissions	ton	1.07	0	0
TOC emissions ²⁾		-	0	0
BOD emissions		0.41	0.28	0.98
SS emissions		0.69	0.46	0.66

1) HL D&I Halla does not have wastewater treatment facilities, which are water pollution discharge facilities. It calculates emissions based on the managed pollution concentration at four worksites with private sewage treatment facilities (sewage treatment facilities) (Seohaeseon Section 10, Cheongju Wolmyeong, Daeyul, Wido Port), with a management standard of 20ppm or less.

2) TOC emissions reported from 2023

Hazardouse Chemiclas

Unit: tCFC-11eq

Category	Details	Unit	2022	2023	2024
Ozone-depleting Substances ¹⁾	Output	tCFC-11eq	0	0	0
	Imports		0	0	0
	Exports		0	0	0

1) There is no source of freon gas, which is an air pollutant and 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.

Building Materials

Category	Details	Unit	2022	2023	2024
Material Usage	Reinforcing bar	ton	63,245	54,490	66,387
	H-BEAM		13,232	16,089	8,757
	Sheet-PILE		1,034	30	0
	Ready-mixed concrete	m ³	661,561	628,136	794,828
	Aggregate		156,009	129,247	91,921
	Ascon	ton	6,192	23,642	13,781
	Cement		85,847	98,080	86,688
Recycled Material Usage	Reinforcing bar	m ³	63,245	54,490	66,387
	Recycled aggregate		22,194	13,903	11,943
	Regenerated ascon	ton	162	0	403
	Cement ¹⁾		17,822	26,557	52,108

1) Slag cement, Fly ash, Hardening agent

Waste

Waste Generation and Treatment

Unit: ton

Category	Details	Unit	2022	2023	2024
Waste Generation	Total amount		236,916 ¹⁾	87,133	68,129
	Construction		232,171	86,006	65,916
	Industrial		4,706	1,093	2,213
	Specified		39 ²⁾	34	0
Waste Treatment	Total amount		236,916	87,133	68,129
	Incinerated		0	0	1
	Landfilled		1,939 ³⁾	0 ⁴⁾	4
	Recycled		234,977	87,133	68,125
Amount of Construction Waste by Type	Construction waste ⁵⁾		117,110	48,813	39,601
	Waste wood		2,551	2,334	2,472
	Waste synthetic resin		1,322	1,756	1,211
	Mixed construction waste		95,589	27,445	21,736
	Others ⁶⁾		15,599	5,658	897
Amount of Industrial Waste(General) by Type ⁷⁾	Timber waster wood	ton	-	1,047	539
	Waste synthetic resin		-	46	166
	Others ⁸⁾		-	-	1,508
Amount of Designated Waste by Type ⁷⁾	Waste paint and waste lacquer		-	1	0
	Waste fuel oil		-	32	0
	Waste asbestos		-	0	0
	Other types of waste oil		-	0	0
	Other ⁹⁾		-	0	0
Treatment of Construction Waste by Type	Incinerated		0	0	1
	Landfilled		0	0	0
	Recycled		232,171	86,006	65,916
Treatment of Industrial Waste(General) by Type	Incinerated		0	0	0
	Landfilled		1,939	0	4
	Recycled		2,767	1,093	2,209
Treatment of Designated Waste by Type	Incinerated		0	0	0
	Landfilled		0	0	0
	Recycled		39	34	0

1) 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.

2) 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.

3) 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.

4) 30kg of landfill wastes were generated at the construction site in Yanggeun-ri, Yangpyeong in 2023.

5) Waste concrete, Waste asphalt concrete, Waste bricks, Waste blocks, Waste tiles, Waste construction soil

6) Construction sludge, Waste boards

7) Generated volume began to be calculated from 2023.

8) Waste tires, Waste construction soil, Other combustion residues, Other plant-based residues

9) Vinyl sheets, dust masks, working uniforms, etc., used when removing asbestos

Waste Recycling

Unit: %

Category	2022	2023	2024
Waste Recycling Rate	99	100	100
Ratio of Workplaces That Disclose Waste Emissions	100	100	100

Biodiversity

Distribution of Endangered Species near Biodiversity Risk Assessment Areas¹⁾Unit: Species

Category	Cheongju, Chungbuk	Yangpyeong, Gyeonggi	Anseong, Gyeonggi	Icheon, Gyeonggi	Gunsan, Jeonbuk	Jeonju, Jeonbuk	Buan, Jeonbuk
Mammals	4	4	2	2	2	2	4
Birds	20	14	10	8	35	11	25
Amphibians and Reptiles	2	1	3	3	3	1	2
Fish	1	3	0	0	0	0	1
Insects	3	1	1	1	0	0	3
Invertebrates	0	0	0	0	2	0	3
Terrestrial Plants	0	1	0	0	3	1	6
Marine Algae	0	0	0	0	0	0	0
Higher Fungi	0	0	0	0	0	0	0
Total	30	24	16	14	45	15	44

1) Refer to the distribution status of endangered wild animals for each city and province in the Endangered Wildlife Statistical Data Book (National Institute of Ecology, 2023).

Protected SpeciesUnit: Species

Category	2022	2023	2024
Number of Protected Species in the Project Area ¹⁾	13 ²⁾	13 ³⁾	33 ⁴⁾

1) Endangered and legally protected species in Korea
2) Bean goose, Mandarin duck, Salamander, Suwon tree frog, Korean golden frog, Eurasian hobby, Eelgrass colony, Narrow-mouthed toad, Saunders's gull, Chinese egret, Whooper swan, Oriental stork, Eurasian otter
3) Eelgrass colony, Korean golden frog, Saunders's gull, Chinese egret, Whooper swan, Oriental stork, Eurasian oystercatcher, Eurasian otter, Narrow-mouthed toad, Golden eagle, Salamander, Mandarin duck, Centipede's foot orchid
4) Korean golden frog, Suwon tree frog, Yellow-throated bunting, Leopard cat, Otter, Eurasian hobby, Narrow-mouthed toad, Golden eagle, Peregrine falcon, Eurasian oystercatcher, Eurasian sparrowhawk, Bean goose, Salamander, Mandarin duck, Eurasian sparrowhawk, Cinereous vulture, Saunders's gull, Black-faced bunting, Chinese egret, Common cuckoo, Osprey, Japanese sparrowhawk, Black kite, Northern boobook, Eastern marsh harrier, Northern goshawk, Steller's sea eagle, Whooper swan, Pallas's fish eagle, Oriental stork, White-tailed sea eagle, Greater spotted eagle, Flickering star orchid

Social

Safety

Safety Management

Occupational Safety and Health Management System

Category	Details	Unit	2022	2023	2024
Occupational Safety and Health Management System	Number of employees applying the system ¹⁾	Person	6,809	7,064	6,817
	Ratio of employees applying the system	%	100	100	100
	Number of employees applying the system and internal audit	Person	6,809	7,064	6,817
	Ratio of employees applying the system and internal audit	%	100	100	100
	Number of construction sites applying the system and internal audit	Number	45	47	45
	Ratio of construction sites applying the system and internal audit	%	100	100	100
	Ratio of construction sites applied by the system, external audits and certification		100	100	100
On-site Safety Inspection	Number of safety inspection at construction sites	Time	98	169	140
	Number of inspections of construction equipment		860	1,593	657
	Number of sites subject to inspection	Number	33	39	38
Safety and Health Education	Workshop	Person	196	194	226
	E-learning		893	776	536
	Subcontractors		138	91	97
	Safety and health Mind-set training ²⁾		888	128	102

1) The number of full-time workers is calculated based on estimated sales in 2023, according to the following formula: average monthly wage in construction industry x number of months worked /(division amount × labor ratio)

2) E-learning for all employees: Implemented for supervisory personnel

3) Mindset training: Implemented for all employees in 2022, for directors, public affairs, and construction team leaders in 2023, and for general safety and health managers and supervisory personnel in 2024

Industrial Disaster

Industrial Disaster

Category	Unit	2022	2023	2024
Industrial Accidents ¹⁾	Case	78	45	71
Industrial Accidents Victims	Person	78	45	71
Industrial Accident Rate ²⁾	%	0.33	0.36	0.26
General Injury Rate ³⁾		0.82	0.54	0.64
Mortality Rate	‰	1.54	0.00	0.00
Injury Frequency Rate	%	4.43	2.65	4.34
Labor Loss Rate		1.41	0.31	0.78

1) Number of approved industrial accidents
2) Formula: (number of accidents victims + number of disease victims) / Number of workers covered by workers' compensation insurance x 100
3) HL D&I Halla internal management item, formula: Occupational accident victims (excluding accidents occurring during commuting, and occupational diseases) / Number of full-time workers x 100

Work-related Fatality/ Injury

Category	Details	Unit	2022	2023	2024
Employees	Fatal accident ¹⁾	Case	0	0	0
	Fatal accident rate ²⁾	%	0	0	0
	Injury accident ³⁾	Case	4	3	12
	Injury accident rate ⁴⁾	%	0.11	0.12	0.36
	Occurrence of an injury accident requiring record/retention	Case	4	3	12
	Occurrence rate of an work-related injury accident requiring record/retention ⁵⁾	%	0.11	0.12	0.36
	Fatalities due to work-related diseases	Person	1	0	0
	Occurrence of work-related diseases requiring record/retention	Case	1	2	0
	Total fatalities	Person	1	0	0
Subcontractors	Fatal accident ¹⁾	Case	1	0	0
	Fatal accident rate ²⁾	‰	3.12	0	0
	Injury accident ³⁾	Case	49	40	48
	Injury accident rate ⁴⁾	%	2.18	0.88	1.39
	Occurrence of an injury accident requiring record/retention	Case	49	40	48
	Occurrence rate of an work-related injury accident requiring record/retention ⁵⁾	%	2.18	0.88	1.39
	Fatalities due to work-related diseases	Person	0	0	0
	Occurrence of work-related diseases requiring record/retention	Case	21	25	15
	Total fatalities ¹⁾	Person	1	0	0
	Injury frequency rate	%	9.09	5.98	7.61
	Labor loss rate		3.65	0.44	1.51
	Number of full-time employees at subcontractors ⁶⁾	Person	3,209	4,828	3,449

1) Number of work-related fatal accidents (fatalities at Subcontractors calculated based on ownership share)

2) Formula: (Number of fatalities / Number of full-time workers) × 10,000

3) Injury cases excluding fatalities with more than three days of lost work

4) Formula: (Number of injury cases / Number of full-time workers) × 100

5) Formula: (Number of work-related injury accidents requiring record/retention / Number of full-time workers) × 100

6) Based on estimated revenue; formula: (Average monthly wage in construction × months worked) / (conversion factor × labor ratio)

Labor

Employees and Employment

Employee Management

Category	Details	Unit	2022	2023	2024
Employment Type ¹⁾	Regular employees	Person	651	638	643
	Temporary employees		311	313	340
	Total		962	951	983
Gender	Male	Person	886	871	894
	Female		76	80	89
	Total		962	951	983
Position	Managerial ²⁾	Person	689	689	684
	Non-managerial		273	262	299
	Total		962	951	983
Employee Diversity	Ratio of female employees ³⁾	%	7.9	8.4	9.1
	Number of female managers ²⁾	Person	28	29	29
	Ratio of female managers ⁴⁾	%	4.1	4.5	3.0
	Number of disabled employees	Person	5	21	20
Average Years of Service of Employees	Total	Year	10 years 11 months	11 years 4 months	11 years 7 months
	Female		7 years 9 months	7 years 8 months	7 years 4 months
	Male		11 years 1 month	11 years 8 months	11 years 3 months

1) Employees in employment types other than full-time and temporary positions are excluded. Number of non-affiliated workers: 14 in total (13 assistants, 1 emergency staff).
2) Managerial level: Manager(Gwa-jang) or higher position
3) Number of female employees as a proportion of total employees
4) Number of female managers as a proportion of total managers

Turnover Employees Management¹⁾

Category		Details	Unit	2022	2023	2024
Total Turnover Employees			Person	22	25	22
Total Turnover Rate ²⁾			%	3.6	4.1	3.6
Voluntary Turnover Rate ³⁾				3.6	4.1	3.6
Gender	Female	Person	0	2	2	
	Male		22	23	20	
	Ratio of female among turnover employees	%	0	8.0	9.1	
	Ratio of male among turnover employees		100	92.0	90.9	
Age	Under the age of 30	Person	1	1	3	
	Between the ages of 30 and 50		21	23	17	
	Over the age of 51		0	1	2	
	Ratio of turnover employees under the age of 30	%	4.5	4.0	13.6	
	Ratio of turnover employees between the ages of 30 and 50		95.5	92.0	77.3	
	Ratio of turnover employees over the age of 51		0	4.0	9.1	

1) Turnover data revised for 2022–2023 due to a change in calculation base to full-time employees from the previous year
2) Ratio of turnover calculated as the ratio of employees who left to total employees (based on full-time employees)
3) Voluntary turnover: In case of turnover during the contract period (excluding turnover due to contract expiration, retirement, or disciplinary action)

Parental Leave

Category	Details	Unit	2022	2023	2024
Number of Employees Eligible for Parental Leave ¹⁾	Total		267	243	179
	Male		250	227	162
	Female		17	16	17
Number of Employees on Parental Leave ²⁾	Total	Person	7	5	9
	Male		4	2	5
	Female		3	3	4
Number of Employees Returning from Parental Leave ²⁾	Total		2	8	7
	Male		0	3	3
	Female		2	5	4
Number of Employees who Have Worked for More than 12 Months after Returning from Parental Leave	Total		1	0	3
	Male		0	0	2
	Female		1	0	1
Rate of Return from Parental Leave ³⁾	Male	%	0	100	50
	Female		100	100	33
Rate of Employees Serving the Company after Returning from Parental Leave ³⁾	Male		0	0	50
	Female		100	0	33

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

2) For the period from January 1 to December 31 of each reporting year

3) Formula: (Number of employees returning from parental leave/Number of employees eligible to return from parental leave)x100

Employee Benefit-related Expenses

Unit: KRW 100 million

Category	Unit	2022	2023	2024
Employee Benefits Expenses	KRW 100 million	45.1	57.8	58.6

Education

Talent Development

Category		Details	Unit	2022	2023	2024
Completion of Education Program			Case	2,654	5,035	3,508
Total Employee Education Hours				25,457	27,010	30,050
Average Education Hours per Person				26.0	28.0	30.4
Gender	Male		Hour	26.2	28.8	30.0
	Female			32.9	31.3	32.0
Position	Managerial			28.4	29.7	31.7
	Non-managerial			22.4	27.0	28.5
Employee Education Expenses			KRW million	1,117	1,012	1,030
Average Education Cost per Person			KRW	1,161,123	1,064,143	1,041,456
Ratio of Employees by Position who Received Regular Performance Evaluations ¹⁾			%	100	100	100
Employees Subject to Regular Performance Evaluation ¹⁾				996	980	868
Information Security/Personal Information Protection/Ethical Management Education	Total number of employees who complete the education		Person	1,047	1,072	1,149
	Average education hours per person		Hour	5.2	10.0	12.4

1) Employees who have completed education and those subject to regular performance evaluation are calculated cumulatively from January 1 to December 31 of each reporting year.

Wage

Salary of Employees

Category		Details	Unit	2022	2023	2024
Statutory Minimum Wage ¹⁾				1,914,440	2,010,580	2,060,740
Starting Salary for New Employees ²⁾	Male ³⁾		KRW	46,156,790	46,156,790	51,573,285
	Female			42,488,675	42,488,675	47,905,170
Average Salary for Employees in Managerial Positions ⁴⁾	Male			83,612,393	84,923,443	88,450,246
	Female			75,846,143	76,156,773	79,691,239
Salary Ratio of Female to Male in Managerial Positions			%	91	90	90
Average Salary for Employees in Non-managerial Positions ⁵⁾	Male		KRW	55,930,060	56,788,219	60,162,903
	Female			56,996,184	54,383,970	54,013,987
Salary Ratio of Female to Male in Non-managerial Positions			%	102	96	90

1) Based on the Minimum Wage Commission's officially disclosed data (Monthly basis; all other indicators are annual)

2) Based on employees at the head office

3) Annual salary (salary class in military is recognized)

4) Manager(Gwa-jang) or higher among employees at all workplaces

5) Assistant manager(Dae-ri) or lower among employees at all workplaces

Labor and Management

Labor Management

Category	Details	Unit	2022	2023	2024
Labor Management Relationship	Minimum notice period for changes in management ¹⁾	Day	60	60	60
Labor Union	Number of employees covered by collective agreement ²⁾	Person	619	608	619
	Number of employees eligible for labor union membership ²⁾		619	608	619
	Number of labor union members ³⁾		590	575	584
	Labor union membership rate	%	95.3	94.6	94.3

1) 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.

2) Full-time employees excluding some employees such as HR personnel in charge of labor matters

3) All full-time employees, excluding executives, are eligible to join the labor union and are subject to the collective agreement.

Shared Growth

Supply Chain Management

Status of subcontractors

Category	Unit	2022	2023	2024
Total Number of Subcontractors	Number	1,161	1,058	1,048
Architecture		346	343	335
Civil engineering		217	205	204
Equipment rental		14	13	14
Facility		218	204	203
Electricity		209	193	190
Common		157	100	102
Number of Key First-tier Subcontractors		58	43	48
Subcontractors Evaluated for ESG Activities ¹⁾		120	171	235
Ratio of Subcontractors Evaluated for ESG Activities ²⁾	%	10.3	16.2	22.4

1) Calculated by combining subcontractor safety assessment and subcontractor ESG evaluation

2) Number of subcontractors evaluated for ESG activities/Total number of subcontractors

Subcontractor Communication and Support

Category	Details	Unit	2022	2023	2024
Communications with Subcontractors	Number of Hanwoolhoe members	Number	51	51	_{1)}
	Number of participating companies in the roundtable		77	_{2)}	110
Financial Support for Early Payments	Number of early payment	Case	148	1,911	7,214
	Amount of early payment	KRW 100 million	658	2,497	6,506
Support for Sustainability Consultation^{3)}	Consulting costs	KRW 10,000	5,400	10,604	1,810

1) Abolished in 2024
2) Not separately assessed in 2023
3) Consulting on risks and improvement tasks conducted through human rights impact assessments and ESG evaluations.

Customer Value

Customer Complaint Handling

Category	Unit	2022	2023	2024
Number of Consumer Comments and Complaints Received	Case	58,234	99,728	144,567
Number of Consumer Comments and Complaints Processed		48,556	82,376	121,919
Processing Completed	%	83.0	82.6	84.3

Human Rights

Human Rights

Category	Unit	2022	2023	2024
Human Rights Education Hours per Person	Hour	4	6	4
Ratio of Employees who Received Human Rights Education	%	98	99	99
Ratio of Workplaces that Conducted Human Rights Impact Assessment		100	100	100
Workplaces which Have Established Human Rights Violation Mitigation Plans	Number	1	1	1
Occurrence of Incidents of Discrimination and Harassment	Case	2	1	0
Occurrence of Indigenous Rights Violation		0	0	0

Social Contribution

Social Contribution

Category	Details	Unit	2022	2023	2024
Donation	Total cost of spending	KRW 100 million	2.5	1.4	1.5
	Cash donations		19,056	9,150	10,814
	In-kind donations		2,664	3,516	3,584
	Business expenses management expensed	KRW 10,000	3,024	892	391
Volunteer Activities	Monetary value of employee volunteer activities		15,483	9,191	9,555
	Total voluntary service hours	Hour	470	505	525
	Number of participants	Person	111	82	114

Governance

Board of Directors

Board of Directors			As of March 2025		
Category	Details	Unit	2022	2023	2024
Composition of the Board of Directors	Total number of board members	Person	8	7	8
	Number of executive directors		4	3	4
	Number of non-executive(independent) directors		4	4	4
	Number of other non-executive directors		0	0	0
Operation of Board of Directors	Number of non-executive(independent) directors whose BOD attendance rate is less than 75%	Time	0	0	0
	Number of board meetings		9	9	8
	Number of meetings of the Non-executive (Independent) Director Candidate Recommendation Committee		0	0	2
	Agenda for resolution	Person	27	17	24
	Attendance rate	%	98	100	100
Board Diversity	Average term of office of the Board of Directors	Year	4.2	2.7	1.8
	Non-executive directors with industry experience, other non-executive directors	Person	2	2	1
	Number of male directors		7	6	7
	Number of female directors		1	1	1
	Ratio of female directors	%	12.5	14.3	12.5
	Ratio of male directors		87.5	85.7	87.5
	Ratio of directors under the age of 30		0	0	0
	Ratio of directors between the ages of 30 and 50		0	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	Person	1	1	1

Audit Committee

Category	Unit	2022	2023	2024
Total Members of the Audit Committee	Person	3	3	3
Number of Non-executive Directors in the Audit Committee		3	3	3
Number of the Audit Committee Meetings	Time	5	5	7

Executive Remuneration

CEO Remuneration

Category	Unit	2022	2023	2024
Total Annual Remuneration of the Highest Salary Executive Compared to the Median Remuneration of Employee Salary ¹⁾	Times	9.8	8.3	10.7
Total Annual Remuneration of the Highest Salary Executive	KRW million	730.5	647.5	867.3
Median Value of the Annual Salary of All Employees ¹⁾		74.9	78.1	81.2
Total Annual Remuneration Growth Rate for Highest Salary Executive	%	4.0	(11.4)	33.9
Median Value of the Annual Growth Rate of Total Salary of All Employees ¹⁾		(0.4)	2.0	4.2

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

Board Remuneration

Category	Unit	Registered Directors ¹⁾	Non-executive Directors ²⁾	Audit Committee Members
Number of Persons	Person	4	1	3
Total Remuneration	KRW 1 thousand	1,728,481	54,961	165,020
Average Remuneration per Person		432,120	54,961	55,007

1) Excluding Non-executive Directors and Audit Committee members

2) Excluding Audit Committee members

Shareholder Rights

Stock Issuance Details

As of December 31, 2024

Category	Unit	Common Shares	Preferred Shares	Total
Total Number of Shares Issued	Shares	37,858,601	9,006,833	46,865,434
Aggregate par Value ¹⁾	KRW 1 million	194,375	50,872	245,247

1) Calculated at a par value of KRW 5,000 per share

Shareholder Rights

Category	Unit	2022	2023	2024
Prior Notice Date of Location and Agenda of the Regular Shareholders’ Meeting	Days in advance	15	29	29
Number of IR (Company Road Show)	Time	8	4	6 ¹⁾

1) 4 IR Presentation, 2 DART Investment prospectus

Recognition

ESG Evaluation Rating

Korea Institute of Corporate Governance and Sustainability

2024 KCGS Rating



KCGS ESG Ratings

Years	ESG Integrated	Environmental	Social	Governance
2024	A+	A+	A+	A
2023	A	A	A+	B+
2022	B+	B+	A	B+

1) KCGS ratings are classified into the seven grades, from S to D (S, A+, A, B+, B, C, D).

SUSTINVEST

2024 SUSTINVEST Rating



SUSTINVEST ESG Ratings

Years	Scale rating	Overall rating
2024	AA	AA
2023	AA	AA
2022	A	A

1) Sustainvest ratings are classified into the seven grades, from AA to E (AA, A, BB, B, C, D, E).

ESG Initiative

UN Sustainable Development Goals



HL D&I Halla supports the UN Sustainable Development Goals and pursues ESG goals and tasks aligned with the SDGs.

Taskforce on Climate-related Financial Disclosures



HL D&I Halla has declared its support and membership in the Task Force on Climate-related Financial Disclosures (TCFD) in May 2023 and is transparently disclosing related information.

ISO Certification



HL D&I Halla Environmental Management System Certification (ISO 14001)

HL D&I Halla Safety and Health Management System Certification (ISO 45001)

HL D&I Halla Quality Management System Certificate (ISO 9001)

Major Association Membership and Awards

Memberships

Associations, Organizations and Societies

Associations and Organizations	Societies
Korea Railway Industry Association	
Korea Road Association	Korean Geotechnical Society
Korea Railway Construction Association	Korea Society of Coastal and Ocean Engineers
Korea Ports & Harbours Association	The Korean Society for Railway
Korea Remodeling Association	Korea Society of Coastal Disaster Prevention
Korea Environmental Damage Prevention Association	Korea Concrete Institute
Korea Environment Construction Association	Korea Society of Road Engineers
Korea Electric Railway Technology Association	Korean Society for Rock Mechanics and Rock Engineering
Korea Fire Facility Association	Korea Tunnelling and Underground Space Association
Korea Construction Engineers Association	Earthquake Engineering Society of Korea
Korea Construction Association	Korea Geosynthetics Society
Construction Safety Manager Committee	Korea Institute of Navigation and Port Research
Construction Safety and Health Manager Association	Korean Transportation Society
Construction Health Council	Korea Society of Steel Construction
Korea Construction Material Workers Council	The Society of Air-Conditioning and Refrigerating Engineers of Korea
Construction Outsourcing Council	Korean Institute of Electrical Engineers
Geonwoohoe	
Korea Professional Engineer Association	
Seoul Chamber of Commerce and Industry	
Korea Data Center Alliance	

Awards

Awards

Years	Awards	Awarded by
2024	Ministerial Award from the Ministry of the Interior and Safety at the 2024 Korea Safety Technology Awards	Ministry of the Interior and Safety
	Award for Construction Technology R&D Manager	Korea Federation of Construction Contractors
	Grand Prize in the Construction Sector at the 2024 Broadcast Advertising Festival	MTN / The Korean Advertising & PR Practitioners Society
	LACP Vision Awards Platinum Winner	League of American Communications Professionals
2023	Commendation from the President of the Korea Occupational Safety and Health Agency	Korea Occupational Safety and Health Agency
	Award for maintenance of Yesan sewage pipe	Yesan County Governor
	Received LH Excellent Quality Notice	LH Corporation
	Awarded by the Minister of the Interior and Safety	Ministry of the Interior and Safety
	Awarded by the Mayor of Gwangju Metropolitan City	Gwangju Metropolitan City
	Awarded by the Gyeonggi Province Governor for APT in Gwangju Ssangdong District	Gyeonggi Province
	Awarded by the Minister of Oceans and Fisheries for Namyangri Coastal Maintenance in Ulleung-gun	Ministry of Oceans and Fisheries
2022	LACP Vision Awards Platinum Winner	League of American Communications Professionals
	Award by the Fair Trade Commission	Fair Trade Commission
	Award by the mayor of Seoul Metropolitan City for contribution to improving child welfare facilities	Seoul Metropolitan Government
	Awarded 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
	Awarded by the Minister of the Interior and Safety at the New Government Complex Sejong	Ministry of Public Administration and Security
	Awarded by the President of Incheon International Airport Corporation for the 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
	Awarded 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 Metropolitan City
	Grand Prize in the 2022 Safety Excellence in Construction Site 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 Metropolitan City
	Award by the Mayor of Gwangju for Safety Management of Disaster Vulnerable Facility	Gwangju Metropolitan City

2024 HL D&I Halla Greenhouse Gas Verification Statement

Scope 3 Greenhouse Gas Verification Statement

Independent Assurance Statement

2024 HL D&I Halla Independent Assurance Opinion Statement



To: The Stakeholders of HL D&I HALLA CORPORATION

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the 2024 HL D&I Halla Sustainability Report (hereinafter referred to as the "Report"). The Assurer is independent of the HL D&I HALLA CORPORATION and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the HL D&I HALLA CORPORATION report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the HL D&I HALLA CORPORATION and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

HL D&I HALLA CORPORATION is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to HL D&I HALLA CORPORATION only.

The Assurer is responsible for providing HL D&I HALLA CORPORATION management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of HL D&I HALLA CORPORATION. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than HL D&I HALLA CORPORATION in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with HL D&I HALLA CORPORATION includes the following:

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

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

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

Assurance Level and Type

The assurance levels and types are as follows;

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

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by HL D&I HALLA CORPORATION.

[Universal Standards]

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

[Topic Standards]

201-1~2, 205-2~3, 302-1, 302-3, 303-1~3, 303-5, 304-1~2, 304-4, 305-1~4, 305-6, 306-1~5, 308-1, 401-1, 401-3, 402-1, 403-1~7, 403-9, 404-1~2, 405-1~2, 414-1~2, 416-1

Methodology

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

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

Limitations and approach used to mitigate limitations

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

Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with 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 an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

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

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

Conclusions

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

Inclusivity: Stakeholder Engagement and Opinion

HL D&I HALLA CORPORATION defined Shareholders/investors, partners, executives/employees, customers, communities and governments/media/academia as a Key Stakeholder Groups. In order to collect opinions by each stakeholder groups in the context of sustainability, operated the stakeholder engagement process. HL D&I HALLA CORPORATION conducted a review of the stakeholder engagement process at the governance level in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. HL D&I HALLA CORPORATION disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics

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

Responsiveness: Responding to material sustainability topics and related impacts

HL D&I HALLA CORPORATION operated a management process for material issues in the context of sustainability derived from the materiality assessment. The HL D&I HALLA CORPORATION established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. HL D&I HALLA CORPORATION disclosed the process including policy, indicator, activity and response performance on material 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 identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the reported material issues. HL D&I HALLA CORPORATION established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material issues, disclosed mid- to long-term plans and strategic system in the Report.

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

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

- GRI Topic standards: 201-2, 205-2~3, 206-1, 302-1, 302-3, 305-1~4, 306-1~5, 401-1, 401-3, 403-1~7, 403-9, 404-1~2, 405-1~2, 416-1

Recommendations and Opportunity for improvement

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

- It may be helpful to advance sustainability management systems by identifying stakeholder and value chain, taking into account key business sector characteristics.
- It may be helpful to advance sustainability management systems by strengthening internal control procedures within the key sustainability and indicator management framework.

GRI-reporting

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

Issue Date: 27/05/2025

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

BSI representative





Jungwoo Lee, Lead Assurer,
LCSAP

Seonghwan Lim, Managing Director
of BSI Korea

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea

Hold Statement Number: SRA 790000



Report Archive

Archive

2024

2024 Korean 

2023

2023 Korean 

2023 English 

2022

2022 Korean 

2022 English 

2021

2021 Korean 

2021 English 

2020

2020 Korean 

2020 English 

GRI Standards

GRI Content Index

Statement of Use	HL D&I Halla has reported in accordance with the GRI Standards for the period '2024-01-01 ~ 2024-12-31'
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Currently not applicable

GRI 2: General Disclosures

Category	GRI Index	Disclosure	Contents
The organization and its reporting practices	2-1	Organizational details	OVERVIEW > HL D&I Story > About the Company
	2-2	Entities included in the organization’s sustainability reporting	OVERVIEW > About this report
	2-3	Reporting period, frequency and contact point	OVERVIEW > About this report
	2-4	Restatements of information	The information included in this report that has changed from the report published in the previous reporting year is as follows: Change in calculation formula: Employee management Change in information: Corporate tax expense The relevant changes are separately indicated in the footnotes. DATA CENTER > Society > Employees and Employment OVERVIEW > ESG Fundamental > Distribution of Stakeholder Value
	2-5	External assurance	2024 HL D&I Halla Independent Assurance Opinion Statement
Activities and workers	2-6	Activities, value chain and other business relationships	OVERVIEW > HL D&I Story
	2-7	Employees	DATA CENTER > Social > Labor
	2-8	Workers who are not employees	DATA CENTER > Social > Labor

Category	GRI Index	Disclosure	Contents
Governance	2-9	Governance structure and composition	GOVERNANCE > Governance > Board Composition DATA CENTER > Governance > Board of Directors
	2-10	Nomination and selection of the highest governance body	GOVERNANCE > Governance > Board Diversity, Independence, and Expertise
	2-11	Chair of the highest governance body	GOVERNANCE > Governance > Board Composition
	2-12	Role of the highest governance body in overseeing the management of impacts	OVERVIEW > ESG Strategy > ESG Management System GREEN > Climate Change Response > Governance GOVERNANCE > Risk Management > Integrated Risk Management
	2-13	Delegation of responsibility for managing impacts	OVERVIEW > ESG Strategy > ESG Management System GREEN > Climate Change Response > Governance GOVERNANCE > Risk Management > Integrated Risk Management
	2-14	Role of the highest governance body in sustainability reporting	OVERVIEW > ESG Strategy > ESG Management System GOVERNANCE > Governance > Board Operations
	2-15	Conflicts of interest	Refer to page 5 of the Corporate Governance Charter DATA CENTER > Governance > Board of Directors Corporate Governance Charter
	2-16	Communication of critical concerns	OVERVIEW > ESG Strategy > ESG Management System GREEN > Climate Change Response > Governance GOVERNANCE > Risk Management > Integrated Risk Management
	2-17	Collective knowledge of the highest governance body	GOVERNANCE > Governance > Board Diversity, Independence, and Expertise
	2-18	Evaluation of the performance of the highest governance body	GOVERNANCE > Governance > Board Evaluation
	2-19	Remuneration policies	Refer to FY2024 Business Report pp. 324-327 GOVERNANCE > Governance > Board Remuneration FY2024 HL D&I Annual Report
	2-20	Process to determine remuneration	Refer to FY2024 Business Report pp. 324-327 GOVERNANCE > Governance > Board Remuneration FY2024 HL D&I Annual Report
	2-21	Annual total compensation ratio	DATA CENTER > Governance > Executive Compensation

Category	GRI Index	Disclosure	Contents
Strategy, policies and practices	2-22	Statement on sustainable development strategy	OVERVIEW > CEO Message
	2-23	Policy commitments	Quality, Environment, and Safety Policy Supply Chain ESG Management Policy Subcontractor Code of Conduct Customer Service Charter HL D&I Halla Human Rights Management Declaration OVERVIEW > HL D&I Story > Management Vision OVERVIEW > ESG Strategy > ESG Management Strategy GREEN > Climate Change Response > Climate Change Response GREEN > Environmental Management > Environmental Management Strategy PEOPLE > Safety and Health > Safety and Health Management System PEOPLE > Human Rights Management > Human Rights Management Principles PARTNER > Quality Management > Quality Management Vision and Strategy PARTNER > Customer Value > Vision and Strategy for Customer Value Enhancement PARTNER > Sharing Management > Sharing Management Promotion Strategy GOVERNANCE > Ethical Management > Integrity Management Strategy
	2-24	Embedding policy commitments	Quality, Environment, and Safety Policy Supply Chain ESG Management Policy Subcontractor Code of Conduct Customer Service Charter Safety and Health Management Policy HL D&I Halla Human Rights Management Declaration OVERVIEW > HL D&I Story > Management Vision OVERVIEW > ESG Strategy > ESG Management Strategy GREEN > Climate Change Response > Climate Change Response GREEN > Environmental Management > Environmental Management Strategy PEOPLE > Safety and Health > Safety and Health Management System PEOPLE > Human Rights Management > Human Rights Management Principles PARTNER > Quality Management > Quality Management Vision and Strategy PARTNER > Customer Value > Vision and Strategy for Customer Value Enhancement PARTNER > Sharing Management > Sharing Management Promotion Strategy GOVERNANCE > Ethical Management > Integrity Management Strategy
	2-25	Processes to remediate negative impacts	GREEN > Environmental Management > Environmental Accident Response System PEOPLE > Human Rights Management > Human Rights Violation Reporting and Remedy PEOPLE > Safety and Health > Safety Accident Response System PARTNER > Quality Management > Quality Audit Implementation PARTNER > Customer Value > Customer Complaint Handling Process
	2-26	Mechanisms for seeking advice and raising concerns	GOVERNANCE > Integrity and Ethical Management > Integrity and Ethical Management Activities
	2-27	Compliance with laws and regulations	Refer to FY2024 Business Report pp. 340-341 FY2024 HL D&I Annual Report DATA CENTER > Environment > Eco-friendly Management
	2-28	Membership associations	APPENDIX > Major Association Membership and Awards > Memberships
Stakeholder engagement	2-29	Approach to stakeholder engagement	OVERVIEW > ESG Fundamental > Stakeholder Engagement
	2-30	Collective bargaining agreements	PEOPLE > Talent Management > Labor-Management Cooperation DATA CENTER > Society > Labor and Management

GRI 3: Material Topics

Category	GRI Index	Disclosure	Contents
Disclosures on Material Topics	3-1	Process to determine material topics	OVERVIEW > ESG Fundamental > Materiality Assessment
			OVERVIEW > ESG Fundamental > Materiality Assessment

Topic Standards

Category	GRI Index	Disclosure	Contents
Economic Performance	3-3_201	Management of Economic Performance	OVERVIEW > ESG Fundamental > Materiality Assessment
	201-1	Direct economic value generated and distributed	OVERVIEW > ESG Fundamental > Stakeholder Value Distribution
	201-2	Financial implications and other risks and opportunities due to climate change	GREEN > Climate Change Response > Risk and Opportunity Identification
Anti-corruption	3-3_205	Management of Anti-corruption	OVERVIEW > ESG Fundamental > Materiality Assessment
	205-2	Communication and training about anti-corruption policies and procedures	GOVERNANCE > Integrity and Ethical Management > Integrity and Ethical Management Training and Communication
	205-3	Confirmed incidents of corruption and actions taken	GOVERNANCE > Integrity and Ethical Management > Reporting Unethical Conduct
Anti-competitive Behavior	3-3_206	Management of Anti-competitive Behavior	OVERVIEW > ESG Fundamental > Materiality Assessment
Energy	3-3_302	Management of Energy	OVERVIEW > ESG Fundamental > Materiality Assessment
	302-1	Energy consumption within the organization	DATA CENTER > Environmental > Greenhouse Gas and Energy
	302-3	Energy intensity	DATA CENTER > Environmental > Greenhouse Gas and Energy
Water and Effluents	303-1	Interactions with water as a shared resource	DATA CENTER > Environmental > Pollution and Material Management GREEN > Environmental Impact Management > Water Resources Management
	303-2	Management of water discharge-related impacts	DATA CENTER > Environmental > Pollution and Material Management
	303-3	Water withdrawal	DATA CENTER > Environmental > Pollution and Material Management
	303-5	Water consumption	DATA CENTER > Environmental > Pollution and Material Management
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	GREEN > Environmental Impact Management > Biodiversity Management
	304-2	Significant impacts of activities, products, and services on biodiversity	GREEN > Environmental Impact Management > Biodiversity Management
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	GREEN > Environmental Impact Management > Biodiversity Management

Category	GRI Index	Disclosure	Contents
Emissions	3-3_305	Management of Emissions	OVERVIEW > ESG Fundamental > Materiality Assessment
	305-1	Direct (Scope 1) GHG emissions	DATA CENTER > Environmental > Greenhouse Gas and Energy
	305-2	Energy indirect (Scope 2) GHG emissions	DATA CENTER > Environmental > Greenhouse Gas and Energy
	305-3	Other indirect (Scope 3) GHG emissions	DATA CENTER > Environmental > Greenhouse Gas and Energy
	305-4	GHG emissions intensity	DATA CENTER > Environmental > Greenhouse Gas and Energy
	305-6	Emissions of ozone-depleting substances (ODS)	DATA CENTER > Environmental > Pollution and Material Management
Waste	3-3_306	Management of Waste	OVERVIEW > ESG Fundamental > Materiality Assessment
	306-1	Waste generation and significant waste-related impacts	GREEN > Environmental Impact Management > Waste and Resource Circulation Management
	306-2	Management of significant waste-related impacts	GREEN > Environmental Impact Management > Waste and Resource Circulation Management
	306-3	Waste generated	DATA CENTER > Environmental > Waste
	306-4	Waste diverted from disposal	DATA CENTER > Environmental > Waste
	306-5	Waste directed to disposal	DATA CENTER > Environmental > Waste
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	GREEN > Environmental Management > Eco-friendly Supply Chain Management PARTNER > Shared Growth > Subcontractor Sustainability Evaluation
Employment	3-3_401	Management of Employment	OVERVIEW > ESG Fundamental > Materiality Assessment
	401-1	New employee hires and employee turnover	DATA CENTER > Society > Labor
	401-3	Parental leave	DATA CENTER > Society > Employee Management
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	DATA CENTER > Society > Labor and Management

Category	GRI Index	Disclosure	Contents
Occupational Health and Safety	3-3_403	Management of Occupational Health and Safety	OVERVIEW > ESG Fundamental > Materiality Assessment
	403-1	Occupational health and safety management system	PEOPLE > Safety & Health > Safety & Health Management System PEOPLE > Safety & Health > Safety & Health Activities DATA CENTER > Society > Safety
	403-2	Hazard identification, risk assessment, and incident investigation	PEOPLE > Safety & Health > Safety & Health Activities DATA CENTER > Society > Safety
	403-3	Occupational health services	PEOPLE > Safety & Health > Safety & Health Activities
	403-4	Worker participation, consultation, and communication on occupational health and safety	PEOPLE > Safety & Health > Safety & Health Activities
	403-5	Worker training on occupational health and safety	PEOPLE > Safety & Health > Safety & Health Activities
	403-6	Promotion of worker health	PEOPLE > Safety & Health > Safety & Health Activities
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	PEOPLE > Safety & Health > Safety & Health Management System PEOPLE > Safety & Health > Safety & Health Activities
	403-9	Work-related injuries	DATA CENTER > Society > Safety
Training and Education	3-3_404	Management of Training and Education	OVERVIEW > ESG Fundamental > Materiality Assessment
	404-1	Average hours of training per year per employee	DATA CENTER > Society > Education
	404-2	Programs for upgrading employee skills and transition assistance programs	PEOPLE > Talent Management > Talent Development and Capacity Building
Diversity and Equal Opportunity	3-3_405	Management of Diversity and Equal Opportunity	OVERVIEW > ESG Fundamental > Materiality Assessment
	405-1	Diversity of governance bodies and employees	DATA CENTER > Social > Labor DATA CENTER > Governance > Board of Directors > Board of Directors
	405-2	Ratio of basic salary and remuneration of women to men	DATA CENTER > Society > Wage
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	PARTNER > Shared Growth > Subcontractor Sustainability Evaluation
	414-2	Negative social impacts in the supply chain and actions taken	PARTNER > Shared Growth > Subcontractor Sustainability Evaluation PEOPLE > Human Rights Management > Human Rights Management Activities
Customer Health and Safety	3-3_416	Management of Customer Health and Safety	OVERVIEW > ESG Fundamental > Materiality Assessment
	416-1	Assessment of the health and safety impacts of product and service categories	PARTNER > Quality Management > Product and Service Safety Inspections



IF-EN. Engineering & Construction Services

Sustainability Disclosure Topics & Metrics

Disclosures

Disclosure Contents

Data Tables

Files

URLs

Business Cases

1. Environmental Impacts of Project Development

IF-EN-160a.1 Number of incidents of non-compliance with environmental permits, standards and regulations	As of 2024, there was one case with a final ruling regarding a violation of the Air Quality Conservation Act(occurred in 2021), but there has been no impact from the matter.
IF-EN-160a.2 Discussion of processes to assess and manage environmental risks associated with project design, siting and construction	HL D&I Halla has established an environmental management and incident response system to identify and manage environmental risks that may occur during business operations. Through the environmental management system, we monitor and manage environmental indicators such as air, water resources, waste, hazardous chemicals, and soil pollution. We also conduct environmental impact assessments on all sites before a project begins to identify risks in advance and implement corrective plans and goals. In addition, through the incident response system, we conduct mock drills to respond swiftly to environmental pollution and incidents, thereby ensuring thorough compliance with environmental regulations.

2. Structural Integrity & Safety

IF-EN-250a.1 Amount of defect- and safety-related rework costs	As of 2024, it is KRW 4.96 billion.
IF-EN-250a.2 Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	As of 2024, it is KRW 14.87 billion.

3. Workforce Health & Safety

IF-EN-320a.1	0.26% (Industrial accident rate, as of May 20, 2025)
(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	

4. Lifecycle Impacts of Buildings & Infrastructure

IF-EN-410a.1	We have 19 green building certifications.
Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	
IF-EN-410a.2	HL D&I Halla is actively promoting the development and introduction of eco-friendly technologies to enhance resource and energy efficiency. By introducing the PRS method, we are reducing waste generation and improving resource efficiency compared to conventional methods, and we have adopted a curing blanket based on a thermoplastic material with excellent insulation performance to increase the energy efficiency consumed during the concrete curing process. At the worksites, we manage fugitive dust, noise, and vibration through an IoT-based monitoring system and implement customized reduction strategies.
Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	

5. Climate Impacts of Business Mix

IF-EN-410b.1	As of 2024, there are no such projects.
Amount of backlog for (1) hydrocarbon-related projects and (2) renewable energy projects	
IF-EN-410b.2	As of 2024, there are no such projects.
Amount of backlog cancellations associated with hydrocarbon-related projects	
IF-EN-410b.3	As of 2024, there are no such projects.
Amount of backlog for non-energy projects associated with climate change mitigation	

6. Business Ethics

IF-EN-510a.1	As of 2024, there are no such projects.
(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index	
IF-EN-510a.2	Not applicable as of 2024
Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	
IF-EN-510a.3	HL D&I Halla shares its Code of Ethics and Detailed Ethical Guidelines for practicing integrity management at the Group level. Through the Code of Ethics, it sets standards for compliance and value judgment for each stakeholder, including employees and subcontractors, while providing specific action procedures through the Detailed Ethical Guidelines. Details on the Code of Ethics and the Detailed Ethical Guidelines can be found in the Integrity and Ethical Management section of the report or on the Group's Integrity Management website.
Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	
Activity Metrics	
Disclosures	Disclosure Contents  Data Tables  Files  URLs  Business Cases
1.	
IF-EN-000.A	As of 2024, 65 projects are underway.
Number of active projects	
2.	
IF-EN-000.B	As of 2024, 21 projects have been completed
Number of commissioned projects	
3.	
IF-EN-000.C	As of 2024, it is approximately KRW 5.6 trillion.
Total backlog	

TCFD

Disclosures

Disclosure Contents

 Data Tables

 Files

 URLs

 Business Cases

1. Governance

G-a Guidance for All Sectors Describe the board’s oversight of climate-related risks and opportunities.	 GREEN > Climate Change Response > Governance
G-b Guidance for All Sectors Describe management’s role in assessing and managing climate related risks and opportunities	 GREEN > Climate Change Response > Governance

2. Strategy

S-a Guidance for All Sectors Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	GREEN > Climate Change Response > Climate Change Scenarios
S-b Guidance for All Sectors Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	GREEN > Climate Change Response > Risk and Opportunity Identification
S-c Guidance for All Sectors Describe the resilience of the organization’s strategy, taking into consideration different climaterelated scenarios, including a 2°C or lower scenario.	GREEN > Climate Change Response > Climate Change Scenarios

3. Risk Management

R-a Guidance for All Sectors Describe the organization’s processes for identifying and assessing climaterelated risks.	 GREEN > Climate Change Response > Risk Management
R-b Guidance for All Sectors Describe the organization’s processes for managing climaterelated risks.	 GREEN > Climate Change Response > Risk Management
R-c Guidance for All Sectors Describe how processes for identifying, assessing, and managing climaterelated risks are integrated into the organization’s overall risk management.	 GREEN > Climate Change Response > Risk Management

4. Metrics and Targets

M-a Guidance for All Sectors Disclose the metrics used by the organization to assess climaterelated risks and opportunities in line with its strategy and risk management process.	↗ GREEN>Climate Change Response>Indicators and Targets>Climate Change Management Indicators - Reduction Targets
M-b Guidance for All Sectors Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	↗ GREEN>Climate Change Response>Indicators and Targets>Greenhouse Gas and Energy Status
M-c Guidance for All Sectors Describe the targets used by the organization to manage climaterelated risks and opportunities and performance against targets.	↗ GREEN>Climate Change Response>Indicators and Targets>Climate Change Management Indicators - Reduction Targets ↗ GREEN>Climate Change Response>Indicators and Targets>Greenhouse Gas and Energy Reduction Activities

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Reporting Metrics	Report Contents
1. Governance	
A. Board oversight of natural capital dependence, impacts, risks and opportunities	GREEN>Environmental Management>Environmental Management Promotion Organization
B. The role of management in managing and assessing natural capital dependence, impacts, risks and opportunities.	HL D&I Halla operates an organization dedicated to major environmental management issues such as climate change, carbon neutrality, and natural capital.
C. Human rights policies and practices for indigenous peoples, local communities and other stakeholders in the affected area, and oversight of the entity’s board and management in relation to assessing and responding to natural capital dependencies, impacts, risks and opportunities	-
2. Strategy	
A. Description of natural capital dependency, impacts, risks and opportunities identified in the short, medium and long term	-
B. How natural capital dependency, impacts, risks and opportunities impact an entity’s business model, value chain, strategy and financial planning, and transition planning or analysis.	-
C. Resilience of corporate strategy considering various scenarios	-
D. Disclosure of the location of assets and business activities directly operated by the entity and, where possible, disclosure of the location of upstream/downstream activities that meet key regional criteria.	-
3. Risk Management	
A (i). A process for identifying and assessing the natural capital dependence, impacts, risks and opportunities of the entity's direct operations. (ii). A process for identifying and assessing the natural capital dependence, impacts, risks and opportunities of the entity's upstream/downstream value chains.	GREEN>Environmental Impact Management>Biodiversity Management>Biodiversity Strategy
B. Procedures for managing natural capital dependence, impacts, risks and opportunities	HL D&I Halla is minimizing the impact on natural capital and identifying nature-related risks and opportunities through a cyclical management process.
C. How the process of identifying, assessing, and managing natural capital risks is integrated into the entity’s overall risk management process.	GOVERNANCE>Risk Management>Integrated Risk Management HL D&I Halla plans to operate a company-wide risk management system and manage natural capital-related risks by including them in the management system.
4. Metrics and Targets	
A. Metrics used to assess and manage natural capital risks and opportunities in accordance with strategic and risk management procedures.	GREEN>Environmental Impact Management>Biodiversity Management>Biodiversity Risk Assessment
B. Indicators used to assess and manage natural capital dependence and impacts	HL D&I Halla analyzed biodiversity risk using the WWF Biodiversity Risk Filter tool.
C. Objectives for managing natural capital dependence, impacts, risks and opportunities and performance on these	-



1. General Requirements for Disclosure

Reporting indicators	Key provisions	Reporting location
1. Governance	The governance body	OVERVIEW>ESG Strategy>ESG Management System
	The Role of Management	
2. Strategy	Sustainability Risks and Opportunities	OVERVIEW>ESG Fundamental>Materiality Assessment
	Current and expected impacts	GOVERNANCE>Risk Management>Integrated Risk Management
	Strategy and Decision Making	GOVERNANCE>Risk Management>Integrated Risk Management
	Financial position, financial performance and cash flows	-
	Resilience	-
3. Risk Management	Risk Process and Policy	OVERVIEW>ESG Fundamental>Materiality Assessment>Materiality Assessment Process
	Opportunity Process	OVERVIEW>ESG Strategy>ESG Management Strategy>Major Sustainability Management Policies
	Integration into the overall process	OVERVIEW>ESG Fundamental>Materiality Assessment>Materiality Assessment Results
4. Metrics and Targets	The entity's goals and performance in relation to sustainability-related risks and opportunities	OVERVIEW>ESG Strategy>ESG Management Strategy>Goals and Performance by Promotion Strategy

2. Climate-related Disclosures

Reporting indicators	Key provisions	Reporting location
1. Governance	Decision-making body	GREEN>Climate Change Response>Governance Structure
	The Role of Management	
2. Strategy	Risks and Opportunities	GREEN>Climate Change Response>Strategy
	Business Model and Value Chain	
	Strategy and Decision Making	
	Current and projected financial impacts	
	Climate Resilience	
3. Risk Management	Risk Process and Policy	GREEN>Climate Change Response>Risk Management
	Opportunity Process	
	Integration into the overall process	
4. Metrics and Targets	Industrial base indicators	GREEN>Climate Change Response>Indicators and Targets>Greenhouse Gas and Energy Status
	- Greenhouse gas emissions	
	- Information on assets or business activities vulnerable to conversion risk	
	- Information on assets or business activities vulnerable to physical risks	GREEN>Climate Change Response>Strategy>Identifying Risks and Opportunities
	- Information on assets or business activities that are relevant to the opportunity	
	- Executive compensation	GREEN>Climate Change Response>Governance Structure
	Climate-related goals	GREEN>Climate Change Response>Indicators and Targets>Climate Change Management Indicators - Reduction Targets