

Beyond Blue Forward to Green

2023 ESG DATA BOOK

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Interactive PDF

This report has been published as an interactive PDF, featuring functionalities such as navigation to relevant pages within the report and direct access to related web pages.



ESG Data Index & Factsheet

Statement on Reporting	HD Hyundai Heavy Industries has prepared this report in accordance with the GRI Reporting Standards
GRI Standards	GRI 1: foundation 2021
Application of GRI Sector Standards	No applicable sector standards currently available.

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GRI Index

Universal Standards				
GRI Index Disclosure Items		Key Information	Global Initiatives	
			UNGC	UN SDGs
The organization and its reporting practices	2-1	Organizational details	<ul style="list-style-type: none">HD Hyundai Heavy Industries maintains a leading position in the shipbuilding sector, leveraging its extensive shipbuilding experience, diverse product lineup, proven track record with global shipping companies, and in-house production and procurement of key ship components. With world-class shipbuilding technology, we continuously respond to market changes.- Legal name: HD Hyundai Heavy Industries Co., Ltd.- Headquarters address: 1000, Bangeojinsunhwando-ro, Dong-gu, Ulsan, Republic of Korea- Date of establishment: June 1, 2019 (HD Hyundai Heavy Industries established through spin-off from HD Korea Shipbuilding & Offshore Engineering)- Main businesses: Shipbuilding Business, Offshore Plant Business, Naval and Special Ship Business, Engine and Machinery Business	
	2-2	Entities included in the organization's sustainability reporting	<ul style="list-style-type: none">The integrated report includes ESG management activities and performance across all HD Hyundai Heavy Industries domestic business sites.	
	2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none">The report covers the activities of HD Hyundai Heavy Industries from January 1, 2023, to December 31, 2023. Quantitative performance data, including financial information, is provided for three years (2021–2023). Some activities and achievements extend to the first half of 2024.- Reporting frequency: Annual, with quantitative performance data and indicators covering three years (2021-2023)- Publication date: June 28, 2024	
	2-4	Restatements of information	<ul style="list-style-type: none">This report serves as HD Hyundai Heavy Industries' ESG Data Index & Factsheet, and there are no restatements such as error corrections of information from the integrated report.	
	2-5	External assurance	<ul style="list-style-type: none">HD Hyundai Heavy Industries undergoes third-party assurance by an external organization to enhance the reliability and reporting quality of publicly disclosed sustainability-related information.Sustainability report assurance<ul style="list-style-type: none">- Assurance body: DNV Business Assurance Korea Ltd.- Verification standard: AA1000AS v3Greenhouse gas and energy verification<ul style="list-style-type: none">- Verification body: Scope1,2(Korean Standards Association), Scope3(Korean Foundation for Quality)- Verification standards:<ul style="list-style-type: none">• Scope 1,2:<ul style="list-style-type: none">· 2006 IPCC guidelines· KS I ISO 14064-1:2018· KS I ISO 14064-3:2019• Scope 3:<ul style="list-style-type: none">· WBCSD/WRI, Corporate Value Chain (Scope 3) Accounting and Reporting Standard· ISO14064-1:2018· GHG Protocol Corporate Standard· ISO14064-3:2019The integrated report published by HD Hyundai Heavy Industries is based on the GRI Standards 2021 and incorporates industry-specific indicators from SASB and the climate-related disclosure framework of TCFD to reflect the characteristics of the shipbuilding and marine industry. Environmental and social disclosures are structured according to the TCFD framework (governance, strategy, risk management, metrics, and targets), while the IIRC Integrated Reporting Framework has been applied to systematically present the company's value creation process.HD Hyundai Heavy Industries has obtained certification as Excellent Weather Management Companies from the Korea Meteorological Administration and carried out preemptive management to actively respond to physical risks due to climate change. In addition, The company has been for the family-friendly policies including support for childbirth and childcare, flexible working hours, and other family friendly initiatives. In this regard, we have obtained and maintained the Ministry of Gender Equality and Family's certification as a 'Family-Friendly Company.'HD Hyundai Heavy Industries discloses data on environmental pollutants and greenhouse gas emissions generated at its business sites through the ENV-INFO SYSTEM, and the data is disclosed after going through a verification process including document evaluation and on-site inspection by the Korea Environmental Industry and Technology Institute.Due to the nature of the contracting industry, HD Hyundai heavy industries sometimes receives ESG-related audits by external auditors based on customer requirements, covering safety, environment, human rights, compliance and security.	

GRI Index

Universal Standards								
GRI Index Disclosure Items			Key Information	Global Initiatives				
				UNGC	UN SDGs			
Activities and workers	2-6	Activities, value chain and other business relationships	• HD Hyundai Heavy Industries operates in the Shipbuilding Business, Offshore Plant Business, Naval and Special Ship Business and Engine and Machinery Business					
	2-7	Employees	<ul style="list-style-type: none">As of December 31, 2023, HD Hyundai Heavy Industries employs a total of 13,267 people.<ul style="list-style-type: none">No. of employees (By gender): Male – 12,655, Female – 612No. of employees (By age group): Under 30 – 915, 30 to 50 – 8,524, Over 50 – 3,828As of December 31, 2023, HD Hyundai Heavy Industries employs a total of 494 foreign workers.<ul style="list-style-type: none">No. of employees (By nationality): India – 57, Philippines – 1, Thailand – 108, Malaysia – 1, Sri Lanka – 327					
	2-8	Workers who are not employees	<ul style="list-style-type: none">As of December 31, 2023, the HD Hyundai Heavy Industries has 129 non-affiliated workers*. <p>* Non-affiliated workers are considered as temporary agency workers.</p>					
Governance	2-9	Governance structure and composition	• The board of directors of HD Hyundai Heavy Industries consists of experts in management, accounting, law, and risk management who have a strong understanding of the shipbuilding industry, ensuring effective decision-making.					
			HD Hyundai Heavy Industries Board Composition					
			(As of March 31, 2024)					
			Category	Name	Position	Gender	Key Experience	Initial Appointment Date
			Inside Directors	Lee Sang-kyun	CEO (Board chairperson)	Male	- Former CEO, HSHI - Former COO of Shipbuilding Business Unit, HHI - Incumbent CEO, HHI	Apr 2021
				Noh Jin-yul	CEO	Male	- Former Head of Management Support Headquarters, HHI - Incumbent Head of Corporate Safety and Health Office, HHI - Incumbent CEO, HHI	Mar 2024
				Shin Dong-mok	Outside director	Male	- Current professor, Department of Naval Architecture and Ocean Engineering, University of Ulsan - Current Dean, Graduate School, University of Ulsan	Mar 2024
			Outside Directors	Chae Jun	Outside director	Male	- Current independent director, Yuanta Securities Korea Co., Ltd. - Current professor, College of Business Administration, Seoul National University	Mar 2020
				Park Hyun-jung	Outside director	Female	- Former judge, Seoul Central District Court - Current professor, School of Law, Hanyang University	Mar 2022
	2-10	Nomination and selection of the highest governance body		• All directors of HD HHI is appointed at the general meeting of shareholders after going through fair procedures and sssessments. Candidates for directors are nominated by the BoD and the Independent Director Recommendation Committee. With the notice of convening a general shareholders meeting, personal information about the nominees, recommenders, and their relationship with major shareholders is disclosed. In addition, the appointment of directors is presented as a separate agenda item and is subject to the shareholders’ approval at the Annual General Meeting.				
	2-11	Chair of the highest governance body	• At the first board meeting following the annual general meeting, HD Hyundai Heavy Industries appoints a board chairperson for a one-year term. As of March 2024, the board chairperson is Lee Sang-kyun. In case of the chairperson’s absence, the company has regulations to determine the order of acting authority or designate a temporary chairperson.					

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Universal Standards			
GRI Index Disclosure Items		Key Information	Global Initiatives
			UNGCUN SDGs
Governance	2-12	Role of the highest governance body in overseeing the management of impacts <ul style="list-style-type: none">The BoDs of HDHHI establishes the long-term vision and goals of the companies and make decisions on significant management issues. For example, the BoD systematically manages those issues that are directly related to creation of corporate values such as risks, ethical and compliance management, internal accounting, and auditing as well as issues for sustainable management including climate change, human rights, safety and health, etc.Operating the ESG Committee<ul style="list-style-type: none">Enhancing sustainability and improving ESG management capabilitiesOverseeing the requirements related to corporate sustainability, including climate change, safety and health, human rights, and risk	
	2-13	Delegation of responsibility for managing impacts <ul style="list-style-type: none">HD Hyundai Heavy Industries has the ESG Organizational Structure where the ESG Committee under the BoD, the Chief ESG Officer, the ESG Promotion Committee, ESG executives, and ESG-dedicated departments play central roles. <div><p>HD Hyundai Heavy Industries ESG Governance Structure</p><pre>graph TD; BoD[BoD ESG Committee] --> CEO[CEO Holding Chief ESG Officer title concurrently]; CEO --> ESGC[ESG Promotion Committee]; ESGC --> Env[Environment]; ESGC --> Soc[Society]; ESGC --> Gov[Governance]; Env --> EnvList["Environment, Property, Technology & Business Planning, Construction Engineering, Design-R&D"]; Soc --> SocList["Safety, Integrated procurement, Co-prosperity, DT, HR, General affairs, Coexisting planning"]; Gov --> GovList["Finance, Ethical management*, Compliance*"]; GovList --- Note["* Integrated support from HDKSOE"]</pre></div>	
	2-14	Role of the highest governance body in sustainability reporting <ul style="list-style-type: none">HD Hyundai Heavy Industries operates an ESG Committee under the board of directors to strengthen corporate sustainability and enhance ESG management. The ESG Committee oversees key sustainability-related matters, including climate change, occupational health and safety, human rights, and risk management. The company is also conducting company-wide support activities to develop and internalize ESG capabilities.	
	2-15	Conflicts of interest <ul style="list-style-type: none">HD Hyundai Heavy Industries enhances the independence of BoD by appointing a majority of directors as outside directors, creating an environment where board members are open for discussion, free from the interests of management, or controlling shareholders. Outside directors are not involved in the company's ordinary course of business and are selected based on independence requirements. In addition, the appointment of directors is presented as a separate agenda item and is subject to the shareholders' approval at the Annual General Meeting.	
	2-16	Communication of critical concerns <ul style="list-style-type: none">HD Hyundai Heavy Industries reviews Significant interests identified through stakeholder engagement via the ESG Committee. In particular, the ESG Committee comprehensively manages key sustainability issues, such as climate change, occupational health and safety, human rights, and risk management and is carrying out enterprise-wide support activities for the development and internalization of ESG capabilities. These material concerns are regularly reported to the board and integrated into management decision-making.	
	2-17	Collective knowledge of the highest governance body <ul style="list-style-type: none">HD Hyundai Heavy Industries provides various training programs to enhance the judgment and decision-making expertise of directors. In September 2023, the company conducted an ESG management competency training program for directors of HD Hyundai Heavy Industries. The training covered IFRS S1 and S2 disclosure compliance, risk factor analysis, and mitigation strategies.	

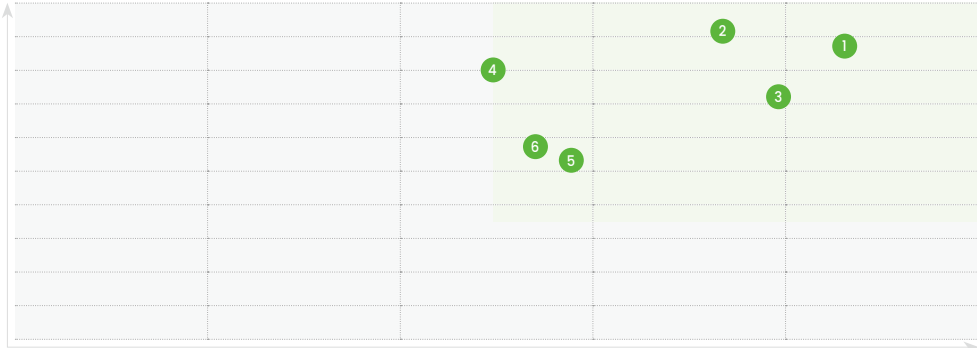
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Universal Standards					Global Initiatives	
GRI Index Disclosure Items			Key Information		UNGC	UN SDGs
Governance	2-18	Evaluation of the performance of the highest governance body				
	2-19	Remuneration policies	<ul style="list-style-type: none">HD Hyundai Heavy Industries has introduced a Board performance evaluation system to assess the appropriateness of Board composition and ensure an effective Board operation. The evaluation system employs criteria for 25 items in 5 areas including BoD’s roles and responsibilities, structure, peration, Board Committees, and the reflection of evaluation results. The evaluation is conducted annually on a self-assessment basis, including the assessment of individual outside directors’ activities. The evaluation for FY2023 found no significant problems in the composition and operation of the Board, and the BoD is fulfilling its roles and responsibilities faithfully.			
	2-20	Process to determine remuneration				
	2-21	Annual total compensation ratio	<ul style="list-style-type: none">As of 2023, the CEO's total annual compensation(average) was KRW 1,101 million, while the median total annual compensation of all employees was KRW 91 million. The CEO's total annual compensation was 12.2 times the employee median compensation.			
Strategy, policies and practices	2-22	Statement on sustainable development strategy	<ul style="list-style-type: none">With our ESG management vision of 'Future From the Ocean' and our slogan 'Beyond Blue Forward to Green' demonstrating our commitment to achieve this vision, we remain committed to expanding sustainable management practices rather than settling for past achievements.			
	2-23	Policy commitments	<ul style="list-style-type: none">HD Hyundai Heavy Industries upholds global human rights standards, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and international human rights conventions ratified by the Korean government. The company values human dignity and ensures that its human rights policies apply not only to employees but also to customers, shareholders, suppliers, local communities, and governments. HD Hyundai Heavy Industries will take responsibility for the implementation and adherence of these policies across all stakeholders. Additionally, In line with the global efforts, HD Hyundai Heavy Industries is committed to achieving the United Nations Sustainable Development Goals (SDGs)		Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	
	2-24	Embedding policy commitments	<ul style="list-style-type: none">HD Hyundai Heavy Industries has implemented the following policies to protect human rights and ensure a healthy working environment for all employees.<ul style="list-style-type: none">Occupational health and safety: Placing employee safety and health as the top priority and systematically promoting industrial safety and health enhancement initiatives.Working conditions: Complying with legal working hours in all operating countries and providing fair compensation to all employees, along with payroll statements.Labor rights: Guaranteeing freedom of association and collective bargaining in accordance with the Constitution and labor laws of South Korea, ensuring that no discrimination or unfair treatment occurs due to union activities.Talent development: Operating diverse talent management programs to attract and retain top talent, establishing a foundation for sustainable organizational growth.Child and forced labor: Strictly prohibiting all forms of forced and child labor.Stakeholder human rights protection: Considering that fundamental human rights, such as local residents’ rights to safety, health, and residence, are not infringed during business operations.		Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	
			<ul style="list-style-type: none">HD Hyundai Heavy Industries has established an environmental management policy that includes specific qualitative and quantitative targets to minimize environmental impact. The company systematically implements and continuously monitors these measures to reduce the environmental impact of its operations.<ul style="list-style-type: none">Energy consumption and greenhouse gases: Carbon neutrality goal (greenhouse gas reduction goal) – 100% reduction by 2050 compared to total emissions in 2018 (Scope 1+2).Water: Achieved a 1% annual reduction in wastewater emissions from 2020(the baseline year) starting in 2022 and exceeded the 1 reduction in wastewater emissions in 2023. Aim to discharge water pollutants within 30 of the permissible discharge limits in 2024.Biodiversity: In connection with the goal of Net Zero Emissions by 2050, the company strives to achieve No Net Loss (NNL) and Net Positive Impact (NPI) on biodiversity.Air pollution: Targeting a 40% reduction in particulate matter (dust, volatile organic compounds) emissions by 2024 compared to the 2016 baseline.Chemical substances: Monthly self-inspection target for hazardous chemical handling facilities to prevent chemical accidents (zero chemical accidents), aiming to reduce chemical substance emissions by 10% by 2030 compared to 2021 levelsWaste: Exceeded targets with a 52% circular use ratio and 10% terminal disposal ratio in 2023, targeting a circular use ratio of over 32% and terminal disposal ratio of under 31% in 2024.Product lifecycle environmental impact: Including the process of productions, the company endeavors to reduce environmental impacts through the life cycle of products and used products.Eco-friendly services and support: Expanding efforts in smart ship development, including Low and Zero Carbon ship and autonomous navigation solutions.			

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Universal Standards							
GRI Index Disclosure Items			Key Information	Global Initiatives			
				UNGC	UN SDGs		
Strategy, policies and practices	2-25	Processes to remediate negative impacts	<ul style="list-style-type: none">• HD Hyundai Heavy Industries operates a grievance resolution system through various channels, prioritizing reporter protection and confidentiality while ensuring prompt resolution within 30 days. Psychological counseling, leave, and departmental transfers are provided to victims, while disciplinary actions are taken against perpetrators in accordance with company regulations. Retaliation against reporters is strictly prohibited, and incidents are regularly monitored to prevent recurrence.				
	2-26	Mechanisms for seeking advice and raising concerns	<p>Grievance Resolution Process</p> <div><div>Report and Receipt</div><div>></div><div>Consultation and Investigation</div><div>></div><div>Investigation Results</div><div>></div><div>Follow-up actions</div></div> <ul style="list-style-type: none">• Reports accepted through various channels• Providing receipt details to informant• Notification sent to member, vice chair, and chairperson of grievance committee• Confidentiality strictly maintained• Consultations verify details and facts• Informant and accused separated if requested/ needed• Findings shared with Informant and accused• Support provided based on Informant's needs• Disciplinary action taken per regulations• Monitoring prevents retaliation and further harm• Regular checks for recurrence prevention• Special training and system guidance provided				
	2-28	Membership associations	<ul style="list-style-type: none">• HD Hyundai Heavy Industries is a member of various associations to participate in policy and regulatory discussions, contribute to industry development, strengthen networking, and collaborate on research and development.- Korea Enterprises Federation, Korea International Trade Association, Korean Standard Association, Korea Chamber of Commerce and Industry, Korea Listed Companies Association, Korea Offshore & Shipbuilding Association, Korea Association of Machinery Industry, Korea Defense Industry Association, Korea Association for Space Technology Promotion etc.				
Stakeholder engagement	2-29	Approach to stakeholder engagement	<ul style="list-style-type: none">• HD Hyundai Heavy Industries adopts the following communication methods with stakeholders for sustainable development.- Customers: Participation in exhibitions, trade shows, and technical forums; customer visits and technical promotions; customer satisfaction management; initial equipment and technology risk management.- Shareholders/Investors: Quarterly earnings announcements and IR materials; IR activities for analysts and institutional investors; disclosure of key information such as board decisions and order performance; publication of corporate governance reports.- Suppliers: Operation of the integrated procurement system (HiPRO); online and offline training and recruitment-linked education support; financial support for suppliers; technical protection support; supplier quality assessment and technical assistance.- Local communities: Employee-driven social contribution activities such as volunteer programs; participation in and establishment of local community consultative bodies; operation of local talent development programs; investment in regional development; support and participation in community events; monitoring of community welfare surveys and indicators.- Employees: Quarterly labor-management meetings; CEO roundtable discussions; publication of internal newsletters and webzines; operation of an intranet communication channel; implementation of talent development programs.- Government/National Assembly: Ad-hoc meetings with relevant committees and institutions; participation in annual parliamentary audits and hearings; attendance at major economic organization seminars and forums; involvement in local government consultative bodies and engagement with civic groups; provision of external institution surveys and requested materials.- Media: Timely distribution of press releases; support for journalist interviews; organization of press briefings.				
	2-30	Collective bargaining agreements	<ul style="list-style-type: none">• HD Hyundai Heavy Industries has a union membership rate of 97%* and a collective bargaining agreement coverage rate of 100%. HD Hyundai Heavy Industries operates various channels to facilitate smooth communication and cooperation between labor and management. The company recognizes legitimate activities of labor unions in accordance with the Constitution and labor laws. and the scope of collective bargaining agreements is determined through negotiations between labor and management.*Calculation: (Number of union members ÷ number of employees eligible for the membership) × 100• In compliance with relevant laws, regular labor-management meetings are held to discuss and address employee working conditions, including welfare benefits, in-house facilities, and work arrangements. For issues where consensus is difficult, the company utilizes mediation mechanisms or engages in ongoing discussions to find solutions. HD Hyundai Heavy Industries recognizes the labor union’s right to collective bargaining and agreement, faithfully upholding collective agreements to foster mutual understanding and trust while continuously working to improve the working environment. Related information is disclosed through collective agreements.				Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

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Universal Standards												
GRI Index Disclosure Items			Key Information	Global Initiatives								
				UNGC	UN SDGs							
Disclosures on material topics	3-1	Process to determine material topics	<ul style="list-style-type: none">• (Step 1) Global index assessment HD Hyundai Heavy Industries analyzed ESG disclosure initiatives, domestic and international ESG evaluation indicators, and relevant legal and regulatory requirements to identify key ESG requirements. Based on this analysis, an issue pool was established, considering industry characteristics, core products, the value chain, and risk management processes.• (Step 2) Internal and external environmental analysis Over the past four years, the company assessed the financial materiality of each issue based on critical topics and internal ESG management strategies. Externally, the ESG disclosures of domestic and global shipbuilders, as well as high-scoring peers in ESG evaluations, were analyzed to comprehensively review environmental changes.• (Step 3) Internal employee and external stakeholder feedback From January 29 to February 2, 2024, HD Hyundai Heavy Industries conducted a survey among internal employees and external stakeholders to identify material topics affecting corporate value. The survey gathered type of impact, likelihood of occurrence, and magnitude of impact. Additionally, expert consultation in ESG and an in-depth review of approximately 4,800 news articles were incorporated to further enhance the analysis with professional insights.									
	3-2	List of material topics	<ul style="list-style-type: none">• According to the double materiality assessment, "enhancing occupational health and safety" has been identified as the top material topic for three consecutive years. Additionally, "greenhouse gas reduction" and "climate change risk management" have been newly designated as double material topics. <div><div><div>Impact Materiality</div><div><div>Financial Materiality</div></div></div><div><div>Double Materiality Assessment Results</div><table><tr><td rowspan="3">Double Material Topics</td><td>1 Enhancing occupational health and safety</td><td>4 Strengthening labor-management cooperation</td></tr><tr><td>2 Investment in environmental impact reduction technologies</td><td>5 ESG management in the supply chain</td></tr><tr><td>3 Greenhouse gas reduction</td><td>6 Climate change risk management</td></tr></table></div></div>			Double Material Topics	1 Enhancing occupational health and safety	4 Strengthening labor-management cooperation	2 Investment in environmental impact reduction technologies	5 ESG management in the supply chain	3 Greenhouse gas reduction	6 Climate change risk management
	Double Material Topics	1 Enhancing occupational health and safety	4 Strengthening labor-management cooperation									
2 Investment in environmental impact reduction technologies		5 ESG management in the supply chain										
3 Greenhouse gas reduction		6 Climate change risk management										
3-3	Management of material topics	<ul style="list-style-type: none">• Enhancing occupational health and safety HD Hyundai Heavy Industries has established strategies and implemented various initiatives to address occupational health and safety issues. Additionally, the company utilizes the integrated HSE management system (Hi-SEs) to build a comprehensive database covering accident cases, safety training, disaster prevention, and health management, which is actively used in operations.• Investment in environmental impact reduction technologies HD Hyundai Heavy Industries is expanding its low-carbon and zero-carbon ship portfolio and focusing on the development of future fuel-powered vessels, including ammonia and hydrogen-fueled ships, to manage environmental impact reduction technologies.• Greenhouse gas reduction HD Hyundai Heavy Industries has established and operates a greenhouse gas management system. The company implements greenhouse gas emission reduction initiatives based on international certification standards and continuously works to improve energy efficiency at its facilities.										

GRI Index

Topic Specific Standards				
GRI Index Disclosure Items		Key Information	Global Initiatives	
			UNGC	UN SDGs
Economic Performance	201-1	Direct economic value generated and distributed	• HD Hyundai Heavy Industries recorded revenue of KRW 11,963.9 billion in 2023, with an operating profit of KRW 178.6 billion and a net income of KRW 24.7 billion.	
	201-2	Financial implications and other risks and opportunities due to climate change	• Policy and regulatory aspects - Financial impacts are expected due to carbon taxes and rising carbon prices, along with increased costs to trade GHG emissions. In response, HD Hyundai Heavy Industries closely analyzes emission allowance market trends and works to reduce operating costs by transitioning to high-efficiency energy facilities. • Market environment changes - The demand for low-carbon and zero-carbon fuel-powered ships is expected to increase, while sales of fossil fuel carrier vessels are anticipated to decline due to rapid changes in energy sources and ship demand trends. In response to these shifts, the company is strengthening research and development efforts for ships powered by new energy sources, such as hydrogen and ammonia, and is working to expand its renewable energy business portfolio. • Technological innovation - The need for technology development in response to climate change is growing, the amount of investment required to enhance technology is expected to increase. HD Hyundai Heavy Industries is enhancing R&D efforts to enter the low-carbon and zero-carbon markets and secure market share for new products. • Reputation management - As stakeholder demands for climate action continue to grow, HD Hyundai Heavy Industries is striving to enhance its order competitiveness by providing diverse solutions that meet government climate policies and stakeholder requirements.	
	201-3	Defined benefit plan obligations and other retirement plans	• HD Hyundai Heavy Industries operates a retirement pension system to ensure financial stability for employees after retirement. The company safeguards pension assets by externally funding retirement reserves, with defined benefit (DB) plan obligations amounting to KRW 873.0 billion as of 2023. Training sessions are conducted to enhance employees' understanding of the pension system and support its effective utilization, helping them systematically prepare for post-retirement life.	
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	• As of 2023, the average annual salary for new employees was KRW 58.7 million for men and KRW 57.4 million for women. The statutory minimum wage(annual) was KRW 24.1 million*, and new employees' salaries* were set above this threshold. <small>* Statutory minimum wage per hour * 209 hours (contracted working hours per month) * 12 months</small> <small>* For employees with less than one year of service, the annual salary is calculated based on the December payroll records.</small>	
	202-2	Proportion of senior management hired from the local community	• As of 2023, the percentage of senior management positions filled through local hiring is 100%.	
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	• HD Hyundai Heavy Industries engaged in various social contribution activities in 2023, fostering shared growth with local communities. Employees participated in an average of 0.9 hours of volunteer work per person annually, contributing to regional development. The company invested a total of KRW 955 million in social initiatives, including KRW 722 million in cash donations and KRW 233 million in in-kind contributions*. <small>* Criteria for calculation of in-kind donation amount: based on donation receipt.</small>	
	203-2	Significant indirect economic impacts	• As of 2023, HD Hyundai Heavy Industries spent KRW 7,323.0 billion on raw material procurement to support mutual growth with suppliers. In addition, HD Hyundai Heavy Industries paid KRW 1,053.6 billion in employee wages and the company incurred KRW 131.9 billion in interest expenses for shareholders and investors. Besides, HD Hyundai Heavy Industries contributed KRW 9.7 billion in corporate tax and KRW 2.8 billion in other taxes and dues to the government. Additionally, KRW 4.6 billion was donated to local communities to support regional development. These efforts reflect the company's commitment to corporate social responsibility and sustainable growth with local communities.	
Procurement Pratices	204-1	Proportion of spending on local suppliers	• As of 2023, key suppliers(Tier 1) accounted for 58% of total procurement.	
Anti-corruption	205-1	Operations assessed for risks related to corruption	• HD Hyundai Heavy Industries conducts an annual compliance risk assessment to identify and analyze legal risks, including violations of the Fair Trade Act and the Subcontracting Act. The company implements risk mitigation measures through targeted training, monitoring, and audits. After the training, the company monitors the effectiveness of improvements in each risk indicator.	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
			• HD Hyundai Heavy Industries has obtained ISO 37001 certification, the international standard for establishing a framework to prevent and manage risks related to bribery and corruption in corporate management activities. To obtain the certification, a total of 45 items in 7 ethical management categories had been strictly assessed over 2 months such as organizational context, leadership, planning, support, etc. The result satisfied all detailed criteria and proved our high-level compliance management capacities and endeavors toward fair transactions with contractors.	

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Topic Specific Standards				
GRI Index Disclosure Items		Key Information		Global Initiatives
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Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none">With the goal of developing into a trusted and respected company, HD Hyundai Heavy Industries pursues transparent and innovative management. To this end, the company has established and implemented anti-corruption compliance guidelines to ensure transparent and fair business operations across all domestic and international business areas. These guidelines are based on the company's Charter of Ethics, Code of Conduct, Business Ethics Guideline, and Code of Conduct for Business Partners providing clear standards for decision-making and business practices in strict compliance with anti-corruption laws and international agreements.HD Hyundai Heavy Industries conducts thorough pre-screening and review processes in compliance with its anti-corruption guidelines. The company promotes an ethical corporate culture through online and offline ethics training for employees and suppliers. Regular training and tailored consulting are provided on key compliance issues such as fair trade and subcontracting, reinforcing a culture of legal compliance. In 2023, the average ethics training time per employee was 0.21 hours, with 35.8% of all employees completing the training.HD Hyundai Heavy Industries operates various systems to establish a company-wide anti-corruption culture. All employees and suppliers are required to sign an Ethical Management Pledge, committing to prohibiting unfair transactions, improper solicitations, and monetary or in-kind offerings. Employees also conduct annual self-assessments on gifts and hospitality, conflicts of interest, and job ethics to strengthen ethical awareness. Additionally, disciplinary actions involving salary reduction or more severe penalties related to ethics and compliance violations are reflected in regular performance evaluations, emphasizing the importance of ethical management.	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
	205-3	Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none">HD Hyundai Heavy Industries operates multiple reporting channels, including phone, mail, and online reporting, ensuring strict confidentiality of all reports. If a reporter faces unfair treatment, they may request corrective action and protection from the Ethical Management Team, which ensures appropriate measures are taken. The number of corruption violation cases received is disclosed in the integrated report (p.145).	
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<ul style="list-style-type: none">HD Hyundai Heavy Industries promotes transparent and fair business practices through its Code of Conduct for Job Ethics and Compliance Guidelines for Anti-Corruption and Economic Sanctions. The company minimizes legal violation risks through pre-screening, approval for economic benefits, transaction due diligence, and a legal support system under its compliance pre-approval process. As a result, there were zero cases of fair trade violations in 2023. <p>* Violations of fair trade laws and regulations were prepared based on the Annual Report, excluding cases currently under litigation, trials, or objections.</p>	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
Tax	207-1	Approach to tax (Tax strategy and review & approval authority, review frequency, link between tax strategy and sustainable development strategy)	<ul style="list-style-type: none">HD Hyundai Heavy Industries implements a structured strategy to manage foreign exchange risk and raw material price fluctuation risk.- Foreign Exchange Risk : HD Hyundai Heavy Industries manages a considerable portion of foreign exchange risk exposure positions unhedged by the balance of foreign exchange derivatives transactions among net inflows of each foreign currency or the net assets denominated in foreign currencies through hedge trading such as forward exchange transactions. We set hedging criteria and execute hedging strategies based on comprehensive consideration of foreign exchange volatility and order conditions.- Raw Material Price Fluctuation Risk : Based on the analysis of supply & demand as well as price fluctuation, HD Hyundai Heavy Industries incorporate the risks of volatile raw material prices within a predictable range, into a ship contract. However, if a raw material price is expected to exceed an initial forecast, we minimize the impacts of such fluctuation by implementing countermeasures such as signing a long-term procurement contract, diversifying suppliers, securing an optimal inventory level, and executing hedge trading.	
	207-3	Stakeholder engagement and management of concerns related to tax (Engagement with tax authorities, approach to tax policy advocacy, collection and consideration of stakeholder views)	<ul style="list-style-type: none">HD Hyundai Heavy Industries ensures tax transparency and regulatory compliance by cooperating with tax authorities and disclosing corporate tax information through the Financial Supervisory Service's electronic disclosure system. The company implements tax policies based on the principle of faithful tax payment while strengthening objectivity through a tax governance system and independent audits to prevent tax avoidance.	
Materials	301-1	Materials used by weight or volume	<ul style="list-style-type: none">As of 2023, HD Hyundai Heavy Industries' steel procurement amounted to KRW 1,234.8 billion, with recycled steel purchases totaling KRW 52.6 billion.	
	301-2	Recycled input materials used	<ul style="list-style-type: none">Use of recycled steel A portion of the steel used in shipbuilding is sourced from recycled scrap metal. In 2023, the company purchased KRW 52.6 billion worth of recycled steel.In-process recycling Scrap metal generated during production is sorted at the resource recycling facility and reused by relevant departments. Some materials are further processed by external contractors for reuse in internal operations.Utilization of other recycled materials The Engine & Machinery Division collects packaging boxes and SKID for recycling into waste wood. Additionally, the company repurposes discarded PET bottles to produce eco-friendly work uniforms as part of various recycling initiatives.	
	301-3	Reclaimed products and their packaging materials	<ul style="list-style-type: none">HD Hyundai Heavy Industries conducts Life Cycle Assessment (LCA) to systematically manage the environmental impact of ships throughout their entire life cycle. In 2023, the company collaborated with Lloyd's Register (LR), Norwegian shipping company Knutsen and HD Korea Shipbuilding & Offshore Engineering to perform an LCA on a 174,000m³ LNG carrier. This assessment measured and managed greenhouse gas emissions across all stages, including raw material extraction and transport, ship construction, operation, maintenance, dismantling, recycling, and disposal.	

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Topic Specific Standards					Global Initiatives		
GRI Index Disclosure Items			Key Information		UNGC	UN SDGs	
Energy	302-1	Energy consumption within the organization	<ul style="list-style-type: none">• HD Hyundai Heavy Industries has obtained an environmental management system(ISO 14001) and energy management system(ISO 50001) to enhance energy efficiency and address climate change. The company has developed a 2050 carbon neutrality strategy and is implementing various reduction initiatives, including energy efficiency improvements, fuel conversion, and renewable energy adoption. Additionally, data on renewable energy consumption and production is disclosed transparently, and audits are conducted through greenhouse gas and energy verification processes.• HD Hyundai Heavy Industries systematically manages energy consumption at its facilities and promotes energy efficiency through various activities. The company encourages employee participation in energy-saving efforts by conducting Energy-saving Target Initiative and energy-saving idea contest.• Energy efficiency in production processes<ul style="list-style-type: none">- (Case) Equipment efficiency enhancement Production equipment, including cranes, air compressors, and heaters, has been replaced with high-efficiency energy systems. Inverter welding machines have been installed to improve energy efficiency. Additionally, on-site air pressure optimization, high-voltage power system enhancements for test operations, and air compression system efficiency improvements are being implemented.- (Case) Waste heat utilization Waste heat generated from incineration facilities is recycled. The Hi-eGAS system repurposes waste heat from ship engines to heat LNG fuel, reducing fuel consumption.			Principle 8. Business should undertake initiatives to promote greater environmental responsibility.	Goal 13. Climate Action
	302-3	Energy intensity	<ul style="list-style-type: none">• Low- and Zero-carbon technology development<ul style="list-style-type: none">- (Case) Ship efficiency technology HD Hyundai Heavy Industries is developing optimized hull designs for each vessel type to improve Carbon Intensity Indicator (CII) ratings and is enhancing sloshing load and Boil-Off Rate (BOR) prediction technologies for LNG carriers. Additionally, the company is securing technologies to reduce environmental impact, such as the development of liquefied CO₂(LCO₂) cargo tanks.- (Case) Energy Electrification HD Hyundai Heavy Industries is transitioning company vehicles from gasoline and diesel to electric vehicles and is actively promoting the shift to energy electrification by replacing fuel-based power with electricity for high-voltage test equipment.• As for 2023, the total energy consumption was 11,511 TJ, and the energy consumption intensity (sales) was 0.96.• Introduction of Renewable Energy In line with the plan to use 100% renewable energy by 2050, we will transition grid electricity to renewable energy by introducing self-generating equipment and expanding offsite purchases and investments regarding renewable energy. Moreover, we will review various market mechanisms including the Power Purchase Agreements (PPA), the Renewable Energy Credit (REC), and establish optimal strategies to procure and invest in renewable energy.				
	302-4	Reduction of energy consumption	<ul style="list-style-type: none">• Sustainable hull design HD Hyundai Heavy Industries is promoting sustainable hull design through optimized engineering and environmental impact reduction technologies. To improve ship energy efficiency, waste heat recovery systems such as Organic Rankine Cycle (ORC) and Multi Inlet Economizers are installed on certain ship types. Additionally, compliance with IMO regulations is ensured through verification of the Energy Efficiency Design Index (EEDI) and Carbon Intensity Indicator (CII).• Energy consumption reduction measures To expand the use of low-carbon and zero-carbon ships, HD Hyundai Heavy Industries is developing alternative fuel technologies, ship engine efficiency enhancements, and structural improvements. The company is also collaborating with domestic and international supply chains to develop low-carbon steel for ships, low-VOC coatings, and low-/zero-carbon fuels.				
	302-5	Reductions in energy requirements of products and services	<ul style="list-style-type: none">• Other activities In 2023, HD Hyundai Heavy Industries conducted a life cycle assessment (LCA) of a 174,000m³ LNG carrier in collaboration with Lloyd’s Register (LR), Norwegian shipping company Knutsen and HD Korea Shipbuilding & Offshore Engineering. This assessment measured greenhouse gas emissions across the entire life cycle, from raw material extraction to ship dismantling.				

Topic Specific Standards				Global Initiatives	
GRI Index Disclosure Items		Key Information		UNGC	UN SDGs
Water and Effluents	303-1	Interactions with water as a shared resource	<ul style="list-style-type: none">• HD Hyundai Heavy Industries has established and operates a structured water management system to ensure the efficient management and sustainable use of water resources.• Water Audit HD Hyundai Heavy Industries is identifying and improving inefficient water and energy usage practices in office and factory buildings. The company is also building a water and energy consumption monitoring system (Hi-Energy System) and plans to use the system for advanced analysis and management of water usage.		
	303-2	Management of water discharge-related impacts	<ul style="list-style-type: none">• Water Reuse The company is reusing all the water used in the hydrostatic testing process at some external factories. After a certain period of reuse, the water is properly treated through specialized contracted treatment companies.• Reduced water consumption Hyundai Heavy Industries improved the process by changing the process that used water to air during some pipe pressure tests. In addition, the company has transitioned cooling and heating systems in some buildings from absorption chillers requiring water consumption to air-cooled systems, reducing overall water usage. Managing water consumption through various measures such as installing water-saving devices and minimizing drain water usage for winter freeze prevention at quay walls and docks.		
	303-3	Water withdrawal	<ul style="list-style-type: none">• Wastewater quality assessment The company has treated the wastewater from its worksites through the ‘Commissioned wastewater treatment – electronic transfer management system’ to optimize the treatment based on emission source. Wastewater treated at the in-house treatment facility flows into the Water Quality Improvement Office at Bangeojin, Ulsan. To manage emissions of specific hazardous substances, water quality analysis is regularly conducted based on the legal cycle for each facility.		
	303-4	Water discharge	<ul style="list-style-type: none">• Wastewater control In the machining process where cutting oil is circulated and used, the waste oil generated after using water and cutting oil is properly treated through specialized contracted treatment companies. In addition the company has installed oil skimmers in heavy equipment maintenance processes to separate and process waste oil generated during procedures.		
	303-5	Water consumption	<ul style="list-style-type: none">• Reduce water consumption on board The Vacuum Toilet System is applied as a standard feature to minimize water consumption in the Soil Drain System.• Other management activities Water resource risks near operational sites are analyzed based on the World Resources Institute (WRI) guidelines, and use the results to seek management strategies.		
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<ul style="list-style-type: none">• Biodiversity conservation goals HD Hyundai Heavy Industries has declared its commitment to biodiversity conservation and deforestation prevention to minimize biodiversity loss and forest degradation during shipbuilding and facility operations. The company strive to achieve No Net Loss (NNL) and a Net Positive Impact (NPI) on biodiversity by 2050, aligning with its carbon neutrality strategy.• Biodiversity conservation activities HD Hyundai Heavy Industries plants nationally protected species on company premises and complies with biodiversity requirements outlined by international organizations, including the International Maritime Organization (IMO) and the International Union for Conservation of Nature (IUCN). The company is also expanding biodiversity conservation efforts by establishing partnerships with local governments and nonprofit organizations.		
	304-2	Significant impacts of activities, products and services on biodiversity	<ul style="list-style-type: none">• Marine ecosystem protection initiatives Considering the impact of underwater radiated noise from ship operations on marine life, HD Hyundai Heavy Industries has been developing ship noise monitoring and reduction technologies since 2020 in collaboration with the Korea Research Institute of Ships & Ocean Engineering (KRISO), the Ministry of Trade, Industry, and Energy, HD Korea Shipbuilding & Offshore Engineering, and HD Hyundai Mipo. Additionally, the company independently developed the ‘HiBallast’ to remove microorganisms and pathogens contained in ballast water to prevent disturbance of the marine ecosystem.		
	304-3	Habitats protected or restored	<ul style="list-style-type: none">• Marine Pollution Prevention activities HD Hyundai Heavy Industries in collaboration with the Ulsan Maritime Police Station, established the “HHI Dolphin Response Team”. This initiative aims to minimize pollution damage by providing rapid initial response in the event of marine pollution incidents. In addition, HD Hyundai Heavy Industries conducts annual oil pollution drills to strengthen its capability to respond to actual marine pollution. In 2023, we conducted a public- private partnership drill with Ulsan Maritime Police Station the Korea Marine Environment Management Corporation, and HD Hyundai Mipo to review our response system at all stages.		
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<ul style="list-style-type: none">• Biodiversity impact assessment and management HD Hyundai Heavy Industries incorporates biodiversity impact assessments, including effects on flora and fauna, into the environmental impact assessment process when projects or activities are expected to affect biodiversity and ecosystems. Through this process, we predict impacts on specific species and populations and develop mitigation measures. While no biodiversity-sensitive areas* have been identified near our facilities, we continue to manage potential impacts through ongoing monitoring. Furthermore, we are developing biodiversity conservation plans by categorizing 30 ecological conservation areas designated by the Ministry of Environment, Ministry of Oceans and Fisheries, and municipal and provincial Governors into areas within 50km, 100km, and 150km. We plan to expand our survey and management activities for endangered species of flora and fauna.		
* Identify biodiversity-sensitive areas : https://www.globalsafetynet.app					

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Emissions	305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none">Greenhouse gas reduction targets and strategy HD Hyundai Heavy Industries has established a phased greenhouse gas (GHG) reduction target based on the Science-Based Target (SBT) methodology. The company aims to reduce Scope 1 (direct emissions) and Scope 2 (indirect emissions) by 28% by 2030 and 60% by 2040, using 2018 as the baseline, ultimately achieving 100% reduction by 2050 to reach carbon neutrality. These mid-to-long-term targets are systematically integrated into the company-wide carbon neutrality roadmap.	Principle 8. Business should undertake initiatives to promote greater environmental responsibility.	Goal 13. Climate Action	
	305-2	Indirect (Scope 2) GHG emissions	<ul style="list-style-type: none">Key greenhouse gas reduction implementation measures To systematically reduce GHG, HD Hyundai Heavy Industries has developed and implemented the following strategic plans:<ul style="list-style-type: none">- Carbon Neutrality Implementation Strategies for Scope 1 and 2 Emissions : HD Hyundai Heavy Industries has developed carbon neutrality implementation strategies with a focus on energy efficiency and electrification, a transition to Low- and Zero-Carbon (LZC) fuels, the introduction of renewable energy, and the establishment of a climate change response system.- Value chain emissions management: In 2023, the company successfully conducted a Life Cycle Assessment (LCA) for a 174,000m³ LNG carrier, calculating the carbon footprint across the entire lifecycle of the ship. The company plans to expand LCA implementation across all products in the future.- Transition risk response: HD Hyundai Heavy Industries has formulated a transition risk response three major strategies: GREEN PRODUCT, GREEN PARTNERSHIP, and GREEN SHIPYARD. The company is accelerating efforts to achieve greenhouse gas reduction targets through continuous development of environmental impact reduction technologies.- Participation in global initiatives: The company is actively contributing to global climate action efforts by participating in initiatives such as the Carbon Disclosure Project (CDP).			
	305-3	Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none">Establishment of management systems and governance framework HD Hyundai Heavy Industries has implemented the following governance framework to ensure effective execution of greenhouse gas (GHG) reduction initiatives:<ul style="list-style-type: none">- GHG reduction investment: The company allocates and executes budgets for facility investments and environmental improvement activities related to GHG reduction. In 2023, a total of KRW 1.85 billion was invested in GHG reduction initiatives.- Dedicated organizational structure: The company operates specialized environmental management teams, including the ESG Department, Energy Management Department, and Green Resources Department. The ESG Department is responsible for environmental policy development, carbon neutrality strategy planning, and environmental KPI management. The Energy Management Department oversees energy management systems, while the Green Resources Department manages waste disposal and operate Incineration plants.- Evaluation and incentive integration: The company has introduced ESG KPIs to systematically evaluate environmental performance and climate action efforts, linking them to the compensation system.			
	305-4	GHG emissions intensity	<ul style="list-style-type: none">Greenhouse gas emissions management HD Hyundai Heavy Industries implements various initiatives for systematic GHG emissions management:<ul style="list-style-type: none">- Development of a GHG inventory and monitoring system: HD Hyundai Heavy Industries operates its own GHG management system called HGMS based on international standards such as IPCC Guidelines and domestic guidelines on GHG emissions calculation. In addition, based on the HGMS, the company strengthens the completeness of emission calculation plans through monitoring of renewable energy status and steam management.- Life cycle assessment (LCA): In 2023, the company conducted an LCA on a 174,000m³ LNG carrier. Moving forward, HD Hyundai Heavy Industries plans to expand LCA implementation across all products beyond major ship types, ensuring systematic management of GHG emissions throughout the product lifecycle.			
	305-5	Reduction of GHG emissions	<ul style="list-style-type: none">Greenhouse gas emissions reporting HD Hyundai Heavy Industries is committed to transparent disclosure of greenhouse gas (GHG) emissions data through the following initiatives:<ul style="list-style-type: none">- Emissions disclosure: The company publishes its GHG emissions inventory, including direct emissions (Scope 1), indirect emissions (Scope 2), and other indirect emissions (Scope 3), in its integrated report to share information with stakeholders.- CDP participation: HD Hyundai Heavy Industries participates in the Carbon Disclosure Project (CDP), aligning its climate action efforts and GHG emissions data disclosure with global standards.- Third-party verification: To ensure credibility and accuracy in its GHG emissions data, the company regularly conducts independent third-party verification through external professional organizations.			

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Emissions	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<ul style="list-style-type: none">Air pollutant management system HD Hyundai Heavy Industries has implemented a structured air pollutant management system by installing optimal pollution prevention facilities and establishing process- and facility-specific management standards. In particular, to reduce hazardous air pollutants (HAPs), the company operates volatile organic compound (VOC) reduction facilities at the certain large-scale painting plants.Monitoring and improvement initiatives The company regularly measures air pollutant emissions through specialized institutions and conducts sequential facility maintenance for any equipment exceeding internal management standards. For painting sites less than 50,000㎡, adsorption facilities and regenerative thermal oxidizers (RTOs) have been installed and are in operation. Additionally, from 2020 to 2023, HD Hyundai Heavy Industries gradually replaced RTOs at steel pre-treatment painting facilities to further reduce emissions.Noise management Considering the impact of underwater radiated noise (URN, Monitoring and Reduction Technologies for marine environmental protection) from ship operations on marine ecosystems, the company has been working with the Korea Research Institute of Ships & Ocean Engineering (KRISO), the Ministry of Trade, Industry, and Energy, HD Korea Shipbuilding & Offshore Engineering, and HD Hyundai Mipo to develop ship noise monitoring and noise reduction technologies. Additionally, noise barriers have been installed in certain processes to mitigate noise levels during operations.Technology to reduce NOx from ship engine HD Hyundai Heavy Industries offers the NoNOx™ SCR technology, designed to meet Tier III limits and tailored to customer requests, which can reduce NOx emissions by up to 95%.Other environmental impact reduction activities HD Hyundai Heavy Industries operates a block logistics monitoring system to facilitate the smooth movement of large ship structures and heavy equipment within its worksites. Additionally, the company minimizes traffic congestion during commuting hours by providing employee shuttle bus services.	Principle 8. Business should undertake initiatives to promote greater environmental responsibility.	Goal 13. Climate Action
	306-1	Waste generation and significant waste-related impacts	<ul style="list-style-type: none">(Waste management) HD Hyundai Heavy Industries collaborates with specialized waste management companies to ensure the legal transportation, sorting, and disposal of waste while maintaining transparent oversight throughout the entire process. The company regularly monitors waste treatment facilities to ensure compliance with waste disposal regulations and implements a structured system to manage waste separation and collection.Resource efficiency optimization HD Hyundai Heavy Industries is advancing the design, considering structural simplification, total design of the ship's outfit, shape optimization of the engine, etc. The company also promotes fuel consumption reduction through high-efficiency engine technology development, process optimization through production-design collaboration, and simplification of packaging for large engines and stern frames shipped to the company's shipbuilding division.Waste recycling initiatives The company operates a waste wood recycling facility where packaging boxes and SKID used for ship engine deliveries from the Engine Machinery Division to the Shipbuilding Division are collected, processed, and reused. Additionally, waste paint liquids and waste thinner for cleaning generated during shipbuilding are recycled into waste-derived fuel (WDF) through a contractor. Furthermore, The company Introduced eco-friendly workwear made from company-generated plastic bottles.Employee awareness enhancement To promote waste reduction within worksites, HD Hyundai Heavy Industries has launched a food waste reduction campaign and a campaign to promote the collection of household plastics to produce eco-friendly work uniforms. This initiative fosters voluntary participation and cultivates a workplace culture of continuous waste reduction.	Principle 8. Business should undertake initiatives to promote greater environmental responsibility.	Goal 12. Responsible Consumption and Production
Waste and hazardous materials management	306-2	Management of significant waste related impacts	<ul style="list-style-type: none">Waste treatment status HD Hyundai Heavy Industries recovers waste heat from incineration plants and reuses it in plant operations. Recyclable waste resources are transferred to relevant departments for reuse and recycling, while non-recyclable waste is processed through external waste management contractors. Through these waste management efforts, HD Hyundai Heavy Industries continues to enhance resource circulation systems and minimize environmental impact.Reduce waste discharge on board The company has implemented standardized waste disposal equipment in ship galleys to minimize food waste generation and installed sewage treatment systems on all vessels to reduce marine discharge pollution.(Hazardous materials management) HD Hyundai Heavy Industries has established a comprehensive hazardous materials management system, including preliminary hazard assessments for chemical products, facility management, and employee training, to ensure systematic control of hazardous substances at its worksites.Reducing material consumption through process optimization Through the Future of Shipyard (FOS) Project, HD Hyundai Heavy Industries is advancing digital-based raw material management and production process optimization. In particular, the industrial IoT is used to measure the flow rate, status, and pressure of energy sources as LNG, while the big data is analyzed to cut energy costs and prevent safety accidents.		

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Topic Specific Standards					
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Waste and hazardous materials management	306-3	Waste generated <small>(total waste volume, composition, and data information)</small>	<ul style="list-style-type: none">• Use of recovered raw materials HD Hyundai Heavy Industries sorts and recycles some scrap metal generated from its processes at a recycling plant or processes it through external contractors for reuse. In 2023, the company purchased KRW 52.6 billion worth of recycled steel for use in shipbuilding.• Use of eco-friendly raw materials To reduce volatile organic compounds (VOCs), the company promotes the use of low-VOC paints. Additionally, the company purchases green products, including eco-labeled products and low-carbon products. In 2023, the company purchased KRW 297.2 billion worth of green products.• Implementation of environmental emergency response To prevent potential environmental pollution incidents, HD Hyundai Heavy Industries conducts regular inspections of environmental facilities. For high-risk marine pollution processes, the company also conducts periodic marine pollution prevention drills. Additionally, it continuously updates and operates a company-wide emergency crisis management manual.	Principle 8. Business should undertake initiatives to promote greater environmental responsibility.	Goal 12. Responsible Consumption and Production
	306-4	Waste diverted from disposal <small>(total recycled waste)</small>	<ul style="list-style-type: none">• Designation, storage, handling, and transportation measures The company conducts preliminary hazard assessments of chemical products handled in the workplace to determine whether they can be introduced. Additionally, it proactively assesses and manages the hazards and risks of incoming chemical substances.• Employee training The company provides training on basic chemical concepts and emergency response procedures for employees, including subcontractors. Additionally, departments handling chemicals receive Material Safety Data Sheet (MSDS) training to ensure safe handling practices.		
	306-5	Waste directed to disposal <small>(energy recovery incineration, non-energy recovery incineration, landfill, etc.)</small>	<ul style="list-style-type: none">• Professional disposal and safe waste treatment The company transports and sorts wastes from its work sites in a legitimate way, and treats the waste through professional companies. To fulfill the obligations of an emitter, HHI manages the entire process of transporting and treating wastes in a transparent manner and regularly monitors the facilities of the treatment companies.• Use of alternative substances To reduce chemical emissions, HD Hyundai Heavy Industries promotes the use of low-VOC (volatile organic compound) paints and develops substitute materials that meet regulatory limits for hazardous chemicals.• Reduction of hazardous substance emissions and toxicity The company operates VOC reduction facilities at the certain large-scale painting plants and measures total hydrocarbon emissions semiannually. Additionally, adsorption facilities and regenerative thermal oxidizers (RTOs) have been installed in painting sites with less than 50,000m³ to further reduce hazardous material emissions.• Treatment of Persistent Organic Pollutants We have established a process for handling polychlorinated biphenyls (PCBs) contained in insulating oil of waste transformers, ensuring safe disposal through specialized treatment companies.		
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	<ul style="list-style-type: none">• HD Hyundai Heavy Industries systematically evaluates ESG factors, including environmental considerations, during the supplier registration process. When assessing supplier registration applications, the company incorporates ESG elements such as occupational health and safety, environmental impact, ethical management, and labor relations into its management evaluation. The final supplier registration decision is made through a comprehensive review process, including self-assessments, document screening, and on-site inspections.		
	308-2	Negative environmental impacts in the supply chain and actions taken	<ul style="list-style-type: none">• HD Hyundai Heavy Industries has established and operates a sustainable sourcing policy that includes minimizing environmental impact across the supply chain. The company prioritizes suppliers that maintain environmental management systems. By doing so, HD Hyundai Heavy Industries reduces potential environmental risks in the supply chain and ensures sustainable procurement practices.• HD Hyundai Heavy Industries systematically manages the environmental impact of its supply chain. The company has established a comprehensive risk management system to identify ESG risk factors among suppliers in advance and provides corrective action guidelines.<ul style="list-style-type: none">- Basic policies and evaluation framework: The company implements a supplier code of conduct and policy on conflict minerals. During supplier registration assessments, ESG factors—including occupational health and safety, environmental impact, ethical management, labor-management partnership and education—account for 15 points(out of 100) evaluation system.- Risk assessment and monitoring: The company operates risk filtering process that evaluates suppliers based on business type, location, industry characteristics, and product impact. It conducts document-based risk assessments as well as on-site inspections through third-party professional institutions. Additionally, HD Hyundai Heavy Industries ensure continuous monitoring.- Capacity building and support programs: To enhance internal capabilities, the company provides ESG training for procurement teams and distributes monthly ESG reports. For suppliers, ESG consulting and improvement support are offered. ESG-leading suppliers receive an "ESG Excellent SME Certification," which provides benefits such as financial support, market expansion opportunities, and environmental and energy management assistance. In particular, the company conducts supplier surveys, online ESG training, on-site inspections, and consulting in accordance with the OECD Due Diligence Guidance for conflict minerals management.• HD Hyundai Heavy Industries operates a structured hazardous materials management system to ensure safe handling of chemicals by its suppliers. HHI conducts a preliminary hazard assessment of chemical products handled in the workplace to determine whether they can be introduced. HHI reviews MSDS registration, product hazards, and whether the product contains legally regulated substances before purchasing approved products. When handling unapproved products is necessary, the company ensures they are managed under strict control after obtaining use authorization in accordance with the Chenmical Substances Control Act. This enables proactive identification and management of hazardous material risks within the supply chain.		

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			UNGC	UN SDGs
Employment	401-1	New employee hires and employee turnover	<ul style="list-style-type: none">As of 2023, the total number of new employees hired was 389, accounting for 2.9% of the workforce, while the total number of employees who left the company was 319, representing 2.7%*.* Total turnover rate (%) = (Total number of turnover ÷ number of permanent employees) × 100%HD Hyundai Heavy Industries covers evaluation costs and post-hiring health examination costs for foreign workers, but applicants bear certain costs such as visa issuance and renewal fees depending on the country-specific situation.	
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	<ul style="list-style-type: none">HD Hyundai Heavy Industries operates a variety of welfare programs to enhance employees' quality of life and job satisfaction.Communication and organizational culture<ul style="list-style-type: none">- Strengthening communication with management: The company operates Meeting with CEO where top executives directly explain the company's vision and direction to employees, fostering open communication. Additionally, meetings with team leaders are held to share company policies and management updates. Special sessions are also conducted with foreign employees to improve working conditions and provide lifestyle support.- Organizational culture innovation programs: Through the One Heart Communication Committee, designated department representatives propose customized workplace improvement measures. In 2023, approximately 20 workplace enhancement initiatives were identified and implemented.- Salary and Performance Bonus: The company pay salaries to employees every month and provide a detailed breakdown of their salary, which can be accessed through a mobile app and the company intranet. The annual salary increase and management performance bonuses are disclosed through company-wide internal notices to communicate with employees.Work-life balance<ul style="list-style-type: none">- Flexible work system: The company offers various flexible working time, and holiday work substitution, and alternative holiday compensation systems, based on job characteristics and individual circumstances. The PC-OFF system promotes work-life balance, while VPN access and online collaboration tools support remote work.- Leave and welfare facilities: Employees can take self-development leave twice a year, for up to five days per session, with vacation facility vouchers provided. A company fitness center is available free of charge to support All employees health and well-being.Compensation and performance management<ul style="list-style-type: none">- Performance-based compensation system: The company provides equal allowances for employees with the same job and qualifications, with some differential factors based on years of service and job performance after joining. Additionally, various incentive programs tailored to different roles (e.g., design, R&D, sales, production, and safety) are operated, and an employee stock ownership plan (ESOP) is offered to promote a sense of ownership among employees.- Overtime pay compensation : The company pay overtime allowances to employees who work beyond regular working hours or on holidays, in compliance with relevant laws.- Employee satisfaction management: Regular employee satisfaction surveys are conducted to assess employee engagement, internalization of core values, and change management activities. The findings are used to enhance the work environment.	Good Health and Well-Being
	401-3	Return-to-work and retention rates by gender after parental leave	<ul style="list-style-type: none">As of 2023, 246 male employees and 34 female employees have taken parental leave.	Good Health and Well-Being
Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	<ul style="list-style-type: none">In accordance with Article 9 of the Collective Agreement, the labor-management promptly exchange written notifications in cases of operational changes, including those regarding company name, article of incorporation, employment rules, personnel, organizational restructuring, labor welfare, training programs, in-house contractors and other personnel-related matters.	
Occupational Health and Safety	403-1	Occupational health and safety management system	<ul style="list-style-type: none">HD Hyundai Heavy Industries has established and operates a structured safety and health management policy based on its core value, "Safety for All." The company complies with domestic and international regulations related to safety and health, and establishes a safety and health management system(ISO 45001) to minimize risks and evaluates compliance with safety and health regulations. This system continuously evaluates risk mitigation efforts and compliance with legal requirements. In addition, safety and health management goals, including quantitative goals such as ‘Safety Vision 2027’, are disclosed.	
	403-2	Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none">The company identifies workplace hazards and risk factors, assesses the likelihood and severity of injuries and illnesses, and implements mitigation measures through risk assessments. The Hi-STANDARD system is used to systematically manage job-specific risks and hazard information. Additionally, to enhance safety management for foreign employees of various nationalities, the company provides work standards and risk assessment information in 25 languages.HD Hyundai Heavy Industries operates an integrated control center that includes video control system, intelligent video analysis system, and an emergency reporting application. The company also utilizes big data and AI-based safety incident prediction models to prevent workplace accidents. Safety performance is evaluated through the Safety Leading Indicator (SLI) system, which assesses safety management across four levels and identifies areas for improvement.	

GRI Index

Topic Specific Standards			Global Initiatives	
GRI Index Disclosure Items		Key Information	UNGC	UN SDGs
Occupational Health and Safety	403-3	Occupational health services	<ul style="list-style-type: none">HD Hyundai Heavy Industries has implemented a monitoring system that includes the prevalence of high blood pressure, excess rate of work environment measurement, and occupational disease rates to identify health vulnerabilities and establish management strategies. The company also operates job stress prevention and management programs while actively working to improve employee health and workplace conditions.The company conducts regular hazard assessments for musculoskeletal burden tasks and an on-site investigation at the workplace, if necessary, to establish a causal link between the disease and the work performed. Additionally, an automated chemical safety management system is in place, along with safety handling support for foreign workers.The company operates stress management programs and runs ‘mind safety bus’ and ‘Love of Life Campaign’ for all employees(permanent, contract, and dispatched). The company has also strengthened workplace environment monitoring and on-site management, while ensuring strict health and hygiene measures through disinfection protocols and hygiene inspections in cafeteria facilities.	
	403-4	Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none">HD Hyundai Heavy Industries operates a structured system for worker participation and consultation on occupational health and safety. The company recognizes legitimate activities of labor unions in accordance with the Constitution and labor laws, and the scope of collective bargaining agreements is determined through negotiations between labor and management. Through regular labor-management council meetings, employees openly discuss and negotiate working conditions, welfare benefits, office amenities, and working systems. For issues where agreement is difficult, the company seeks resolution through mediation systems or continued discussions. In 2023, the company improved various health and safety-related policies, including industrial accident prevention measures, extended long-service leave for employees on parental leave, and enhancements to office working conditions. The company also operates the Occupational Safety and Health Committee and has procedures in place to handle safety-related grievances.	
	403-5	Worker training on occupational health and safety	<ul style="list-style-type: none">HD Hyundai Heavy Industries operates a structured program to enhance the occupational health and safety capabilities of both employees and contractors. The company provides basic training for new hires, on-site training for production workers, customized training for office staff, and specialized training for supervisors. The number of people including employees and contractors, who completed safety and health training programs in 2023 is disclosed on page 138 of the Integrated Report. Additionally, the company provides safety guidebooks in 11 languages for foreign workers and strengthens workplace safety through a range of Internal safety and health training.- Emergency response system: The company has established a crisis management manual to prepare for natural disasters, fires, and explosions. Regular emergency response drills and fire drills are conducted. Employees are granted the ‘right to request work safety’, which allows them to stop the work as soon as they discover hazardous elements at the business site.- Enhanced safety training: Occupational health and safety training is provided to all employees, with hands-on training programs such as VR-based education and safety experience training. Customized safety training for foreign workers is also being strengthened.	
	403-6	Promotion of worker health	<ul style="list-style-type: none">HD Hyundai Heavy Industries invites internal and external instructors to provide training to improve the job competency and business communication skills of industrial security personnel.HD Hyundai Heavy Industries operates a systematic management system and various programs to promote employee health and occupational safety.- Medical checkups and disease prevention: The company conducts general and specialized medical checkups for employees, offering professional counseling and health education for high-risk groups and individuals with identified health concerns. Health indicators such as the prevalence of high blood pressure and excess rate of work environment measurement are continuously monitored to ensure comprehensive health management.- Mental health support: The company provides job stress prevention and management manuals and operates in-house psychological counseling center such as "Mind Garden" to support employees' mental well-being. The program offers stress measurement, in-depth job stress assessment, and professional counseling tailored to individual needs.	Good Health and Well-Being
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<ul style="list-style-type: none">HD Hyundai Heavy Industries applies the same safety and health policies and standards to its contractors to enhance their occupational health and safety levels. The company evaluates contractors' safety and health performance during the selection process and conducts regular risk assessments. The company supports safety checks for all internal subcontractors, and in 2023, it conducted safety assessments for 11 external subcontractors. In addition, the company has mandated the contractors to participate the 'Recognition of Excellent Risk Assessment Workplaces' system provided by Korea Occupational Safety & Health Agency (KOSHA) to support them in conducting risk assessments. This includes providing work standards, on-site guidance, and specialized training. Additionally, safety meetings and discussions are held with contractors to address safety issues and develop solutions. On-site safety inspections and technical guidance are provided to help contractors establish autonomous safety systems, strengthen safety management systems, and comply with OSH laws and regulations.HD Hyundai Heavy Industries conducts systematic regular safety inspections and audits to ensure workplace safety. To enhance safety in confined spaces, the company operates a complex gas remote monitoring system that measures five gases—oxygen, hydrogen sulfide, methane, carbon dioxide, and carbon monoxide—four times per day. Real-time monitoring is available through the Hi-SEs program and a mobile application. In 2023, the company conducted Statutory Safety Inspections on cranes, lifts, pressure vessels, industrial robots, and gondolas, as well as internal safety inspections of cranes and hoists under two tons. As a result of the medical examination, employees who were at high risk, among those who needed hearing monitoring (C1) and respiratory monitoring (C1), were tested for earplug fit and respirator fit. Additionally, the company continuously improves the quality management and oversight systems for personal protective equipment (PPE) and safety supplies.	
	403-8	Workers covered by an occupational health and safety management system	<ul style="list-style-type: none">HD Hyundai Heavy Industries operates a safety and health management system that prioritizes the safety and well-being of employees, contractors, and stakeholders. The company adheres to domestic and international occupational health and safety laws and regulations and applies its safety and health policies to all personnel potentially affected by corporate activities. To prepare for natural disasters and emergency situations, the company continuously updates and operates its crisis management manual. In 2023, emergency preparedness training was conducted for all departments and contractors.	
	403-9	Work-related injuries (rate of injuries)	<ul style="list-style-type: none">In 2023, there were no fatalities due to occupational accidents among employees. Serious work-related injuries totaled 2 cases (0.015%), and Work-related injury accidents with record/preservation obligations amounted to 33 cases (0.26%).Among contractors in 2023, there were no fatalities due to occupational accidents. Serious work-related injuries totaled 9 cases (0.05%), and Work-related injury accidents with record/preservation obligations amounted to 18 cases (0.1%).Detailed work-related injury statistics are disclosed in the integrated report (p.137).	
	403-10	Work-related ill health (occupational diseases related to work)	<ul style="list-style-type: none">In 2023, the number of occupational illnesses (OI) among employees was 410 cases, with an occupational illness frequency rate (OIFR) of 3.00 per 200,000 hours worked.Detailed work-related injury statistics are disclosed in the integrated report (p.137, 138).	Good Health and Well-Being

Topic Specific Standards				Global Initiatives	
GRI Index Disclosure Items		Key Information		UNGC	UN SDGs
Training and Education	404-1	Average hours of training per year per employee	<ul style="list-style-type: none">HD Hyundai Heavy Industries provides diverse learning opportunities tailored to each employee’s job characteristics and learning needs, fostering a non-discriminatory education environment. In 2023, the average training hours per employee was 18 hours, and the company ‘is making continuous efforts to expand’ to educational opportunities. The average training hours per employee over the past three years are disclosed in the integrated report (p.135).		
	404-2	Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none">HD Hyundai Heavy Industries operates over 60 specialized training programs through its talent development center to enhance employees’ job expertise and technical capabilities. In addition, technical training center offers customized training, particularly for production and technical employees, with skill development and knowledge transfer programs focused on highly skilled production techniques and core process technologies, strengthening the company’s technical competitiveness in the field.HD Hyundai Heavy Industries operates a system that allows internal personnel to circulate through job rotation and internal recruitment, providing employees with motivation and growth opportunities. Additionally, when promotions or personnel changes occur, the company informs employees through internal notices.The company provides personalized retirement planning education to support employees in maintaining a stable and healthy life post-retirement. This program offers practical information on asset and health management, reemployment, and entrepreneurship, covering areas such as lifetime financial planning, startup strategies, and rural relocation.In response to changes in the shipbuilding industry, HD Hyundai Heavy Industries operates the "Professional Technician Cultivation Program," with seven sessions completed 2023. Trainees who achieved excellent scores in the program were given the opportunity of being recruited as production workers. In 2024, a short-term training course has been introduced for 130 students from Ulsan Meister High School and universities to train future skilled workers.		
	404-3	Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none">HD Hyundai Heavy Industries manages employee performance and career development through a structured performance evaluation system. Performance assessments are conducted based on key operational tasks aligned with the company’s overall performance goals. Evaluations comprehensively cover routine job responsibilities and KPIs as well as project-based achievements, including participation in temporary task forces (T/F) or special projects. Through this structured system, 92.8% of all employees underwent regular performance evaluations in 2023.		
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none">As of March 2024, HD Hyundai Heavy Industries’ board of directors consists of five members, including one female director, representing 20% of the total board members. As of December 31, 2023, the company had a total of 13,267 employees, with 12,655 male employees and 612 female employees. By age group, there were 915 employees under 30, 8,524 employees aged between 30 and 50, and 3,828 employees aged 51 and above.		Goal 5. Gender Equality
	405-2	Ratio of basic salary and remuneration of women to men	<ul style="list-style-type: none">In 2023, the average annual salary was KRW 92 million for male employees and KRW 66.5 for female employees, resulting in a female-to-male salary ratio of 72.3%.		
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none">HD Hyundai Heavy Industries publicly discloses its goals related to anti-discrimination and prevention of harassment in its human rights management regulations and collective agreements.HD Hyundai Heavy Industries provides fair opportunities for employee capacity building programs and promotion, ensuring that no unfair discriminatory treatment occurs based on gender, education, region of origin, age, or other reasons. Additionally, the company establishes necessary systems to support employees’ work performance and skill development, fostering an environment that enhances professional growth.HD Hyundai Heavy Industries does not discriminate based on gender, region of origin, or other factors during the hiring process, ensuring equal opportunities for all applicants. Specifically, the company states in its job postings that it does not provide unfair treatment in the selection process due to physical disabilities.The company operates multiple reporting channels and a structured grievance handling process for discrimination and human rights-related incidents. The protection of victims is the top priority, and customized support such as relocation, psychological counseling, and leave is provided. Following investigations, appropriate disciplinary actions are taken against perpetrators, and strict measures are in place to prevent retaliation and recurrence. In 2023, a total of eight cases were reported and resolved, with strict enforcement of protections against unfair treatment of whistleblowers.The company actively supports diversity and inclusion initiatives within the supply chain, particularly by assisting partner companies in hiring foreign workers. To ensure their smooth transition and successful work performance, the company operates the Co-Prosperity Human Resources Supporting Department and has established a The Foreign Support Center. The center provides on-site interpretation in eight languages, administrative and safety management assistance, and grievance handling counseling. Additionally, the company conducts regular skill assessments and supplementary training for foreign workers of contractors, while reinforcing certification exams for fitting and welding skills to enhance technical capabilities. Furthermore, it organizes "Meeting with Foreign Workers" meetings, bringing together foreign workers from seven countries—including Vietnam and Uzbekistan—and the top management of HD Hyundai and its shipbuilding affiliates to listen to their concerns and seek improvement measures.HD Hyundai Heavy Industries does not require employees to provide original identification documents. Additionally, the company supports a system that allows applicants to request the return of submitted documents through the recruitment website during the hiring process.	Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Goal 5. Gender Equality Goal 8. Decent Work and Economic Growth
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<ul style="list-style-type: none">HD Hyundai Heavy Industries conducts comprehensive human rights impact assessments (HRIA) to systematically manage potential human rights risks across its business operations. In conducting HRIsAs, the company considers the entire work facilities as the scope of assessment, including domestic headquarters, research centers, and production factories. The scope of HRIA is divided into management administration and business administration, and since shipbuilding is our main business, we take the relevant areas as our priority. The company prioritizes the shipbuilding sector, its core business, for in-depth evaluation. In addition to assessing risks for its own employees, the company identifies and manages human rights risks contractors’ employees, local communities, customers, and other stakeholders, including vulnerable groups. For partner companies, human rights impacts are separately evaluated through supply chain ESG risk assessments. The human rights impact assessment team conducts on-site visits to review internal policies and regulations related to human rights management. The team also interviews relevant departments and stakeholders to identify actual human rights risks.		
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	<ul style="list-style-type: none">HD Hyundai Heavy Industries is committed to human rights management based on a firm policy against child labor and a commitment to action. The company verifies the age of job applicants by reviewing documents such as resident registration records to ensure that they are not minors. Additionally, forced labor is prohibited through Article 10 of the Human Rights Management Guiding Principles.The company is strengthening human rights management with a strict policy against forced labor and a commitment to action. It prohibits all forms of forced labor and underage employment and has clear regulations in place to prevent labor exploitation and protect workers’ fundamental rights. Additionally, forced labor is prohibited through Article 10 of the Human Rights Management Guiding Principles.	Principle 5. Businesses should uphold the effective abolition of child labor.	
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labor.	

Topic Specific Standards			
GRI Index Disclosure Items		Key Information	Global Initiatives
			UNGCUN SDGs
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none">HD Hyundai Heavy Industries actively engages in various social contribution activities to promote mutual growth with local communities. The company operates diverse programs, including talent donation volunteer activities for vulnerable groups, support for job creation for individuals with disabilities, and distribution of holiday care packages, contributing to regional development. In particular, employees actively participate in these initiatives, embodying the spirit of giving. In 2023, the company carried out a total of 11,383 hours of volunteer work and invested KRW 720 million in social contribution projects.HD Hyundai Heavy Industries is striving for mutual growth with the local community by conducting a technology contest in collaboration with the Ulsan Center for Creative Economy and Innovation. This initiative aims to discover and nurture prospective entrepreneurs and venture small and medium-sized enterprises.
	414-1	New suppliers that were screened using social criteria	<ul style="list-style-type: none">HD Hyundai Heavy Industries systematically evaluates ESG (Environmental, Social, and Governance) factors, including social issues, in the registration process for new suppliers. The company incorporates occupational health and safety, environmental management, ethical business practices, and labor relations into supplier evaluations. The final registration approval is determined through a comprehensive review process, including self-assessments, document reviews, and on-site inspections.- Basic policies and evaluation system: The company operates a supplier code of conduct and conflict minerals policy. During supplier registration screening, ESG factors, including occupational health and safety, environmental impact, ethical business conduct, labor relations, and training, account for 15 points out of 100 in the overall evaluation score.- Risk assessment and monitoring: A pre-identification (Risk Filtering) process is implemented to review suppliers’ business types, locations, industry characteristics, and product impact. Risk evaluation includes document-based assessments and on-site inspections conducted by third-party experts. Additionally, the company operates a supply chain Grievance Handling and Reporting system to facilitate continuous monitoring.- Capacity-building and support programs: The company strengthens internal capacity by providing ESG training to procurement teams and distributing a monthly ESG report. For suppliers, the company provides ESG consulting and improvement support. High-Excellent contractors selected based on the ESG risk assessmen receive an ESG Excellence SME Certification, granting benefits such as financial support, export support such as exploring a market, and environmental and energy management support. Furthermore, in alignment with OECD due diligence guidelines, the company conducts written surveys, online ESG training, on-site evaluations, and consulting for conflict mineral management.
Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none">HD Hyundai Heavy Industries declared a sustainable supply chain policy to ensure social responsibility is fulfilled throughout its supply chain. The company implements a human rights management policy to protect the rights of suppliers, customers, and local communities. HD Hyundai Heavy Industries distributes a 'Supplier Code of Conduct Compliance Pledge' to its partners and requires them to comply with the 'Supplier Code of Conduct' by obtaining electronic signatures. In cases where significant violations of obligations by suppliers are discovered, the company may take measures such as terminating contracts or suspending business relationships with the relevant suppliers. By signing the compliance agreement for the Supplier Code of Conduct, suppliers consent to these potential measures, including contract termination and suspension of business relationships.HD Hyundai Heavy Industries has implemented a comprehensive risk management system to preemptively identify ESG factors including negative social impacts in the supply chain and provides guidance on immediate corrective measures when necessary.
	415-1	Political contributions (By country and recipient/beneficiary)	<ul style="list-style-type: none">HD Hyundai Heavy Industries does not provide political donations in accordance with the Political Funds Act and other relevant laws.
Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<ul style="list-style-type: none">In 2023, the number of incidents of non-compliance concerning the health and safety impacts of products and services at HD Hyundai Heavy Industries was recorded as zero.
Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling (Non-compliance with legal and voluntary regulations)	<ul style="list-style-type: none">In 2023, the number of incidents of non-compliance concerning product and service information and labeling at HD Hyundai Heavy Industries was recorded as zero.
	417-3	Incidents of non-compliance concerning marketing communications	<ul style="list-style-type: none">In 2023, the number of incidents of non-compliance concerning marketing communications at HD Hyundai Heavy Industries was recorded as zero.

GRI Index

Topic Specific Standards				
GRI Index Disclosure Items		Key Information	Global Initiatives	
			UNGC	UN SDGs
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		

ESG Data

Environmental

Category			Unit	2021	2022	2023
Environmental Education (Based on chemical substance education performance for hazardous chemical handlers in accordance with the Chemical Control Act)	Employees	Participants	Persons	9,532	10,743	11,157
	Contractors	Participants	Persons	12,263	10,673	14,872
Environmental Risk Assessment Ratio	Environmental compliance assessment		%	100	100	100
	Suitability for inspection of hazardous chemical handling facilities*		%	100	100	100
Environmental Law Violations (Only significant fines (over USD 10,000 fines imposed on confirmed major violations) are indicated)	No. of violations of environmental laws		Cases	0	0	0
	Fines paid for environmental law violations		KRW	0	0	0
Environmental Investment	GHG reduction investment amount		KRW mil.	6,885	12,422	1,851
	GHG reduction financial performance		KRW mil.	1,210	242	73
Green Procurement (Based on eco-labeled products, excellent recycling certified products, and low carbon products)	Green procurement performance		KRW 100 mil.	2,312	3,210	2,972
	Eco-friendly purchase rate		%	3.5	3.6	3.6
	Total procurement		KRW 100 mil.	66,683	89,716	83,771
Patents	Patent application related to environmental impact reduction technologies		Cases	156	196	220
	Intellectual property application		Cases	273	393	435
Greenhouse Gas Emissions (Scope 1 & 2) (All business sites)	Emissions (Scope 1+2)**		tCO ₂ eq	529,999	549,552	639,878
	Direct emissions (Scope 1)		tCO ₂ eq	236,741	244,228	276,779
	Indirect emissions (Scope 2)		tCO ₂ eq	293,262	305,331	363,104
	GHG Intensity (Sales)		tCO ₂ eq /KRW bil.	63.8	60.6	53.5
	Total reduction (Scope 1+2)***		tCO ₂ eq	34,475	15,151	8,071
	Direct reductions (Scope 1)		tCO ₂ eq	32,151	8,127	566
	Indirect reductions (Scope 2)		tCO ₂ eq	2,324	7,024	7,505

* Results of third-party organization inspection conducted in accordance with the Chemical Substances Control Act

** There might be some differences in the sum of emissions amount since the emissions from each business site are rounded off to a whole number.

*** Figures are based on the submitted GHG statement.

ESG Data

Environmental

Category				Unit	2021	2022	2023
GHG Emissions - Scope 3*	Scope 3 Emissions**			tCO ₂ eq	55,628,023	51,907,477	56,118,291
	Upstream total other emissions			tCO ₂ eq	2,255,896	2,736,292	3,055,146
	Purchased goods and services (Category 1)			tCO ₂ eq	2,155,703	2,586,628	2,890,103
	Capital goods (Category 2)***			tCO ₂ eq	23,106	44,190	24,263
	Fuel and energy related activities (not included in Scope 1 or 2) (Category 3)			tCO ₂ eq	31,793	39,905	49,445
	Upstream transportation and distribution (Category 4)			tCO ₂ eq	38,570	37,132	62,152
	Waste generated in operations (Category 5)****			tCO ₂ eq	6,644	9,293	13,254
	Business travel (Category 6)			tCO ₂ eq	65	5,193	3,614
	Employee commuting (Category 7)			tCO ₂ eq	15	13,951	12,315
	Downstream total other emissions			tCO ₂ eq	53,372,127	49,171,186	53,063,145
	Use of sold ships (Category 11)			tCO ₂ eq	53,368,013	49,166,120	53,058,683
	End of life treatment of sold ships (Category 12)			tCO ₂ eq	4,114	5,066	4,462
	Investments (Category 15)			tCO ₂ eq	-	-	-
Energy Usage(All business sites)	Total energy consumption			TJ	9,406	9,887	11,511
	Renewable energy consumption			TJ	2	2	2
	Renewable energy usage ratio			%	0.02	0.02	0.02
Waste (Head office(main plant), offshore plant, Pipe shop & hydro Test shop, Offshore Piping Fabrication Shop, Offshore Pipe Painting Shop, Munsan Shop, Hyundai Incineration Plant, Gunsan Shipyard)	Waste disposed			ton	238,888	214,603	263,915
	General waste	Landfill	Outsourced treatment	ton	308	5,294	552
		Incinerated(energy recovery)	Internal treatment / Outsourced treatment	ton	27,767	30,126	37,091
		Recycled	Outsourced treatment	ton	127,520	113,601	137,024
		Incineration (without energy recovery)	Outsourced treatment	ton	0	0	0
	Designated waste	Landfill	Outsourced treatment	ton	1,440	848	863
		Incinerated(energy recovery)	Internal treatment / Outsourced treatment	ton	1,994	1,889	2,011
		Recycled	Outsourced treatment	ton	4,021	4,122	4,993
		Incineration (without energy recovery)	Outsourced treatment	ton	0	0	0
		Neutralized	Outsourced treatment	ton	2	0	10
	Construction Waste	Recycling	Outsourced treatment	ton	75,837	58,724	81,371
	Waste recycling treatment rate			%	86.8	82.2	84.6

* Advancement of GHG Scope 3 emissions calculation methodology

- Scope 3 emissions for 2021 were calculated based on a methodology developed by HDKSOE and its shipbuilding subsidiaries (third-party verification conducted by the Korea Management Registrar).

- Scope 3 emissions for 2022~2023 were calculated based on a methodology, jointly established by HDKSOE and its shipbuilding subsidiaries, domestic and foreign classification societies, and domestic shipbuilders. Third-party verification was conducted by the Korea Foundation for Quality.

(However, it is noteworthy that some methodologies and scope of application may vary according to the circumstances of each company. Furthermore, additional changes may occur as the standardization of Scope 3 emissions calculation methodologies and the development of global guidelines have been underway.)

** The sum of emissions may differ as the emissions for each category are rounded up to whole numbers.

*** As the capital goods emissions are calculated based on investment or acquisition amounts for major facilities as recorded in the Business Report, yearly deviations may occur.

**** Some of the wastes from its business site is incinerated internally in addition to outsourcing waste disposal to third parties. The resulting GHG emissions are reflected in Scope 1 and 2.



ESG Data

Environmental

Category			Unit	2021	2022	2023
Raw Materials	Steel purchase volume(Based on steel materials, excluding equipment and outfitting materials)		KRW mil.	1,173,172	1,279,990	1,234,824
	Recycled steel purchase amount		KRW mil.	34,735	59,511	52,618
	Recycled steel purchase ratio		%	3.0	4.6	4.3
Water Use (Headquarters (Main Plant), Offshore Plant)	Total water withdrawals		ton	3,058,754	3,095,418	3,421,160
	Water intensity (sales)		ton/KRW bil.	369	341	286
Air Pollutants* (Head office(main plant))	NOx	Emissions	ton	60	49	33
		Intensity (sales)	ton/KRW bil.	0.0072	0.0054	0.0028
	SOx	Emissions	ton	0.616	4.461	1.802
		Intensity (sales)	ton/KRW bil.	0.0001	0.0005	0.0002
	Dust	Emissions	ton	31.820	18.279	16.930
		Intensity (sales)	ton/KRW bil.	0.0038	0.0020	0.0014
Water pollutants (Head office(main plant))	Effluents discharge		ton	3,400	3,940	4,191
	TOC** (Total Organic Carbon)	Emissions	kg	17	21	33
		Intensity (sales)	kg/KRW bil.	0.0021	0.0023	0.0027
	BOD (Biochemical Oxygen Demand)	Emissions	kg	6	6	17
		Intensity (sales)	kg/KRW bil.	0.0007	0.0006	0.0014
	SS (Suspended Solids)	Emissions	kg	6	6	6
		Intensity (sales)	kg/KRW bil.	0.0007	0.0007	0.0005

* When calculating NOx, fuel consumption, emission factor, and efficiency of prevention facilities were used. As for the calculation of SOx and dust, pollutant concentration measurement results, exhaust gas flow rate, and facility operation time were considered.

** Since 2022, the Ministry of Environment has converted the organic matter measurement index from Chemical Oxygen Demand (COD) to TOC. Accordingly, data for 2021 represent COD emissions while data from 2022 indicate TOC emissions.

ESG Data

Social

Category		Unit	2021	2022	2023	
Diversity	Employees	No. of female employees	Persons	580	587	612
		Female employee ratio (%)	%	4.5	4.6	4.6
	Management positions (from Section leader - executives)	No. of female employees	Persons	6	6	8
		Female employee ratio (%)	%	0.7	0.7	0.8
	New management positions	No. of female employees	Persons	1	1	3
		Female employee ratio (%)	%	0.1	0.1	0.3
	Executives	No. of female employees	Persons	0	2	2
		Female employee ratio (%)	%	0	1.8	1.7
	Board of Directors	No. of female employees	Persons	0	1	1
		Female employee ratio (%)	%	0	20.0	20.0
	Pay gap	Ave. salary of male employees	1,000 KRW	71,522	85,863	92,059
		Ave. salary of female employees	1,000 KRW	50,325	60,995	66,513
		Gender pay gap	%	70.4	71.0	72.3
	Minority workers	People with disability	Persons	256	234	229
		The national merits	Persons	627	622	625
		Foreign workers	Persons	4	16	494
Proportion of Minority workers		%	6.9	6.8	10.2	
Safety & Health (Employees)	Total working hours	Hours	27,448,600	27,253,692	27,047,573	
	Work-related fatal accidents (incidents caused by work-related structures, facilities, or occurring during work activities or other work-related operations)	Cases	1	1	0	
	Serious work-related injuries excluding fatalities (incidents with high potential for severe accidents, incidents caused by work-related structures, facilities, or occurring during work activities or other work-related operations)	Cases	1	4	2	
	Work-related injuries with reporting requirements (Work-related injury: Injuries or fatalities caused by factors related to work, such as construction, equipment, raw materials, gas, steam, dust, etc., or other work activities.)	Cases	44	41	33	
	Lost time incident (LTI)	Cases	44	41	33	
	Lost-time injury frequency rate (LTIFR)	Cases per 200,000 hours worked	0.321	0.301	0.244	
	Occupational illness cases (OI)	Cases	369	418	410	
	Occupational illness frequency rate (OIFR)	Cases per 200,000 hours worked	2.54	3.11	3.00	

ESG Data

Social

Category			Unit	2021	2022	2023
Remuneration System	Ratio of median employee total annual remuneration to CEO total annual remuneration		Times	10.6	13.8	12.2
	Ratio of average employee total annual remuneration to CEO total annual remuneration		Times	10.1	13.4	12.1
Employee Training	Training hours per employee		Hours	56	30	18
	Training expenditure per employee		1,000 KRW	354	186	309
	Skills-related training*		%	26.9	40.4	33.6
Diversity and discrimination	Ratio of employees who have completed sexual harassment prevention training		%	97.3	98.2	97.6
	Ratio of employees who have completed disability awareness training		%	97.4	98.2	97.4
Supply Chain Management	Operational management	Proportion of suppliers that have signed a sustainable procurement on-site/supply chain code of conduct	%	99.0	97.1	97.8
		Proportion of suppliers that have signed contracts including environmental, labor, and human rights clauses	%	99.0	97.1	97.8
		Proportion of procurement staff who completed sustainable procurement training	Companies	-	4	52
	ESG Risk Assessment** (since 2022)	No. of suppliers that underwent ESG risk self-assessment (Implemented since 2022)	Companies	-	33	37
		No. of suppliers that underwent ESG risk on-site audit	Companies	-	33	37
		No. of suppliers identified with ESG risks through self-assessment/on-site audits	Companies	-	33	37
		No. of contractors developing improvement plans among the significant contractors with identified ESG risks	Companies	-	33	37
		No. of contractors having received support for implementation among the significant contractors developing improvement plans	Companies	-	33	37
		No. of contractors whose contracts were terminated due to failure in improving risks among the significant contractors with identified ESG risks	Companies	-	0	0
		No. of significant contractors participating in the supply chain ESG capacity building programs	Companies	-	243.	199

* Based on employees who have completed job/leadership related training hosted by the Human Resources Development Team and Technical Education Institute

** Significant contractors (Tier 1) conducting ESG Risk Assessment



ESG Data

Governance

Category		Unit	2021	2022	2023	
Compliance	Business ethics violations reported through internal reporting procedures*		Cases	4	2	6
	Fair trade	Violation**	Cases	1	0	0
	Corruption and bribery	Violations	Cases	0	0	0
	Money laundering and internal transactions	Violations	Cases	0	0	0
	Personal Information protection	Violations	Cases	0	0	0
	Ethics education	Average ethics training hours per employee	Hours	0.23	0.34	0.21
		Proportion of employees who received ethics training	%	38.4	46.2	35.8
	Corruption risk assessment	No. of departments assessed for corruption risk	Count	48	216	203
		Proportion of departments conducted corruption risk assessments	%	21	100	100
		No. of contractors identified with corruption risks***	Count	-	33	37
		Proportion of suppliers identified with corruption risks****	%	-	10.5	11.8
		Ethical management evaluation and measures	No. of legal consultations on anti-corruption and economic sanctions	Cases	51	42
	No. of legal consultations on fair trade-related laws		Cases	80	77	95
	Other legal consultations		Cases	505	613	628

* Number of reports received through ethics reporting channels

** Excluding ongoing litigation, trial, or objection cases, based on the business report standards.

*** No. of significant contractors (Tier 1) identified corruption risks from ESG risk assessments

**** Proportion of corruption risk identified contractor (%) = Number of significant (Tier 1) contractors with identified corruption risks / Total number of significant (Tier 1) contractors with ESG risk assessments conducted

Certification

ISO Certification Status

Certification standards	Unit	Scope of certification *	Certification valid period
ISO 14001:2015 (Head office (main plant), offshore plant, Gunsan Shipyard, Offshore Piping Fabrication Shop)	%	95	March 2024 - March 2027 (The certification was maintained in 2023 and renewed in 2024)
ISO 45001:2018 (Head office (main plant), offshore plant, Gunsan Shipyard)	%	95	July 2022 – May 2025
ISO 50001:2018 (Head office (main plant), offshore plant)	%	94	November 2022 – November 2025
ISO 37001:2016	%	100	September 2022 – September 2025
ISO/IEC 27001:2022	%	100	February 2024 – January 2027 (The certification was maintained in 2023 and renewed in 2024)
ISO/IEC 27017:2015	%	100	
ISO/IEC 27018:2019	%	100	
ISO/IEC27701:2019	%	100	

* Ratio of number of employees in business establishments within the scope of certification target (product design, production, etc.)

Scope 1, 2

MOC-24-135-02

GHG Emission Verification Opinion

HD HYUNDAI HEAVY INDUSTRIES CO., LTD.

✔ Verification Scope

Korean Standards Association has conducted verification for GHG emissions based on GHG report provided by HD HYUNDAI HEAVY INDUSTRIES CO., LTD. which includes Scope1 and Scope2 emissions.

✔ Verification Standards and Guidelines

To conduct verification activities, verification team applied verification standards and guidelines. The standards and guidelines are as follows.

- Guidance for reporting and verification of GHG emissions trading scheme (No. 2023-221 provided by Ministry of Environment, Republic of Korea)
- Verification Guidelines for the Operation of the Greenhouse Gas Emission Trading System (No. 2021-112 provided by Ministry of Environment, Republic of Korea)
- For matters not specified in other guidelines, refer to 2006 IPCC Guidelines, KS I ISO 14064-1: 2018 and KS I ISO 14064-3: 2019

✔ Level of Assurance

HD HYUNDAI HEAVY INDUSTRIES CO., LTD.'s GHG emissions satisfies the under Reasonable Assurance(less than ±2.5% of total emissions).

✔ Verification Conclusion

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

•2023 Emissions(Scope1, Scope2)

(Unit : tCO₂eq)

Year	Scope 1	Scope 2	Total
2023	276,778.795	363,104.026	639,878

* Decimal place is not considered when calculating the emission of each workplace.

* This emission is calculated as a standard emission when submitting emission rights.

March 22, 2024

Dongmin Moon

KOREAN STANDARDS ASSOCIATION

KSA-MOF-644(Rev.0,'24.02.14)

Scope 3

GHG Emissions

Verification Target

Korean Foundation for Quality (hereinafter ‘KFQ’) has conducted a verification of Scope 3 Greenhouse Gas Emissions (hereinafter ‘GHG emissions’) HD Korea Shipbuilding & Offshore Engineering Co., Ltd., HD Hyundai Heavy Industries Co., Ltd., HD Hyundai Mipo Co., Ltd., HD Hyundai Samho Co., Ltd. (hereinafter ‘Company’) for 2023.

Verification Scope

The verification Scope covered the emission categories selected by the company and the emissions between January 1st, 2023 to December 31st, 2023.

Verification Criteria

The following criteria and coefficients used by the company were applied.

• Criteria

- WBCSD/WRI, Corporate Value Chain (Scope 3) Accounting and Reporting Standard

- ISO14064-1:2018,

- GHG Protocol Corporate Standard

- Rule for emission reporting and certification of greenhouse gas emission trading Scheme*

- ISO 14064-3:2019

*Notification No. 2023-221 of Ministry of Environment

• Coefficient

- Environmental Product Declaration evaluation coefficient (2021)

- EEDI(Energy Efficiency Design Index)

Level of Assurance

The verification was performed in accordance with the procedures specified in ISO14064-3 and the assurance level of the verification was performed to satisfy the limited assurance level.

Verification Limitation

GHG emissions verification involves inherent limitations that may arise depending on the organization’s data characteristics, calculations and estimates, sampling method, and limited assurance level. Additionally, this verification does not include responsibility for the accuracy of the original data provided by the company.

Verification Opinions

Through the verification process according to the ‘ISO14064-3:2006’ KFQ could obtain reasonable basis to express following conclusion on the Greenhouse Gas Emission Report.

1) GHG emissions for 2023 of Company were properly calculated according to the verification standards.

2) For GHG emissions, no material errors or omissions were found, except for emissions information not considered within the selected category range.

3) The criteria and process established or estimated/assumed by the company to calculate GHG emissions were transparently reflected in the internal calculation process.

APPENDIX A. SUMMARY OF SCOPE3 GHG EMISSION RESULTS

Organization:

HD Korea Shipbuilding & Offshore Engineering Co., Ltd., HD Hyundai Heavy Industries Co., Ltd., HD Hyundai Mipo Co., Ltd., HD Hyundai Samho Co., Ltd.

Emission calculation period:

The emission calculation period is from January 1st to December 31st, 2023.

Company Scope 3 Emissions verification Results					(Unit: tCO ₂ eq)
Category		HDKSOE	HHI	HMD	HSHI
1	Purchased goods & services	14,346	2,890,103	1,117,940	2,234,450
2	Capital goods	1,051	24,263	5,909	6,707
3	Fuel and Energy Related Activities Not Included in Scope 1 or Scope 2	379	49,445	11,736	19,209
4	Upstream Transportation and Distribution	209	62,152	27,868	8,505
5	Waste Generated in Operations	76	13,254	23,052	17,507
6	Business Travel	754	3,614	616	469
7	Employee Commuting	580	12,315	4,208	10,185
11	Use of Sold Products	76,190	53,058,683	24,505,194	35,218,698
12	End of Life Treatment of Sold Products	2	4,462	1,529	3,734
15	Investments	22,381	-	-	-
Total		115,967	56,118,291	25,698,051	37,519,463

* As total emissions are summed by rounding emissions by category to whole numbers, a difference of ±1tCO₂eq may occur

June 7th, 2024

CEO Ji-Young Song

Korean Foundation for Quality

Ji Young Song

