

Materiality Analysis

Determining the content to be included in the report – Materiality Analysis

Through the publication of the Sustainability Report for the last 2 years, Hyundai E&C is undertaking sustainable management in the economic, environmental and social aspects. To determine the key issues per area to improve the sustainable management of Hyundai E&C, the materiality of each issue was selected through a 3x3 matrix from the "materiality for stakeholders" and "materiality for Hyundai E&C" perspectives. The materiality of issues was determined in accordance with the materiality analysis framework, which has been used for Hyundai E&C since 2010. 18 key issues out of a total of 227 were selected, and the major reporting content was determined by the significance on these issues. These selected issues and reporting content were confirmed by a third party verification institution for compliance with the 3 principles of AA1000AS: responsiveness, completion, and diversity.



2012 Stakeholder Engagement Survey

Since 2009, Hyundai E&C has surveyed its stakeholders with regard to its sustainability management. And from June to July 2012, it carried out a survey targeting internal and extra stakeholders and identified their recognition on its sustainability management.

Summary of the Survey

Survey period	from June 18 to July 6, 2012.
Survey method	Survey announcements on intranet & corporate websites, email survey
Number of participants	3,784 persons

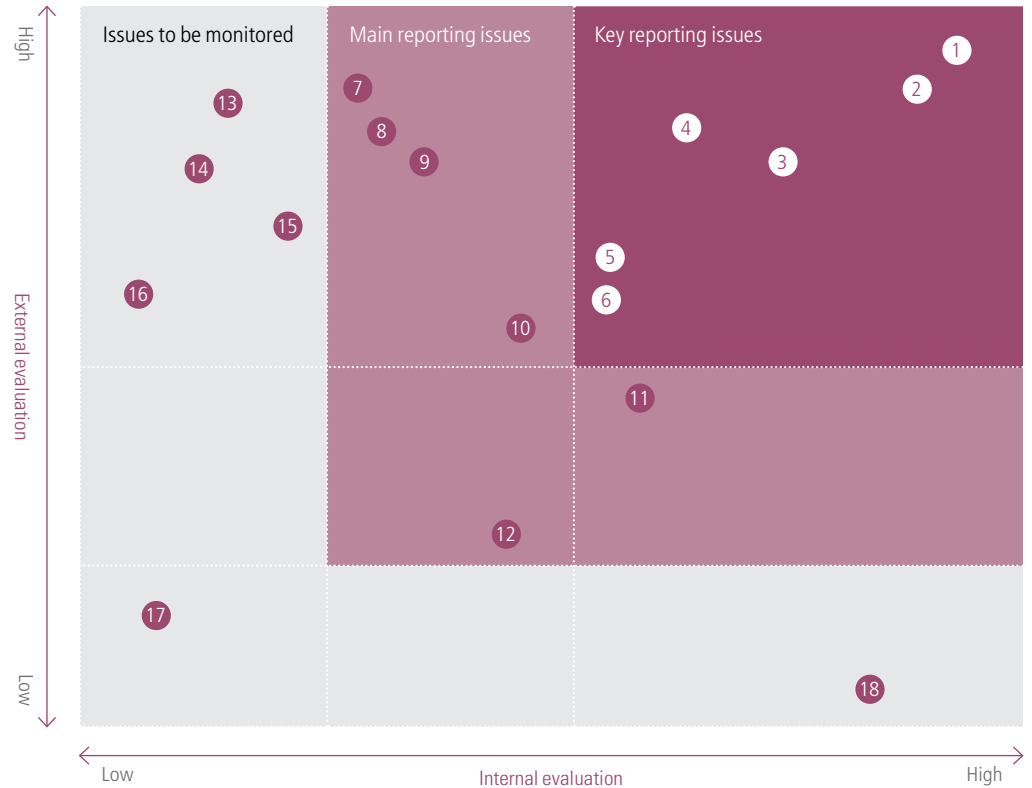
Major issues by areas

Environment	Building of an eco-friendly supply chain
Society	Fairness and transparency in suppliers evaluation
Economy	Strengthening of risk management

Structure of survey questions for internal and external stakeholders

Recognition level on Hyundai E&C's sustainability management	I. Level of promotion of sustainability management
	II. Level of sustainability management
	III. Level by areas (economy, society, environment)
Evaluation of sustainability management issues	IV. Evaluation of interest in each issue
Direction of sustainability management	V. Measures for sustainable growth

Materiality Matrix



Results of the 2012 materiality test

The 2012 materiality test revealed high interest mainly in social issues, including talent nurturing, ethical management and customer privacy protection, and both internal and external stakeholders have very high interest in such issues. Eco-friendly R&D-related issues were identified as key issues as in the previous year's test. Environmental issues were highly material to stakeholders but relatively low in regards to internal impact.

Key reporting issues	Main reporting issues	Issues to be monitored
1 Program for systematic talent nurturing p.41	7 Employees' health and safety p.45	13 Various social contribution programs p.52
2 Implementation of transparent ethical management p.43	8 Independency and transparency of the Board of Directors p.58	14 Protection of biodiversity p.33
3 Fairness and transparency in suppliers evaluation p.48	9 Training and support for suppliers p.47	15 Eco-friendly design p.26
4 Strengthening of quality competence p.49	10 Strengthening of risk management p.63	16 Eco-friendly supply chain p.37
5 Expansion of eco-friendly R&D p.22	11 Providing various welfare benefits p.42	17 Eco-friendly transportation p.30
6 Stricter management of customer information p.51	12 Active collection of customer opinions p.50	18 Diversification of overseas businesses p.67