

CREATING SUSTAINABLE FUTURE

BOUNDARY



<http://en.hdec.kr/sustainability/sustainability.asp>

MANAGEMENT APPROACH

In order to create a sustainable future with various stakeholders including suppliers, customers, and local communities, Hyundai E&C has strengthened the sustainability management system. In addition, we are striving for the continuous growth by advancing the internal management system through the establishment of a sound corporate governance, reinforcement of ethical management, and strategic risk management.

Sustainability Management Strategy

Hyundai E&C's sustainability management philosophy is clearly presented in its corporate vision, "as a global leading provider of high-value engineering solutions, we will create the foundation for a better life through cross-business synergy and convergence with future technologies." The mission given to us today is to provide a sustainable base for humanity and solve the problems including climate changes, population growth, energy and water scarcity, and resource depletion through sustainable construction products and competitive technologies.

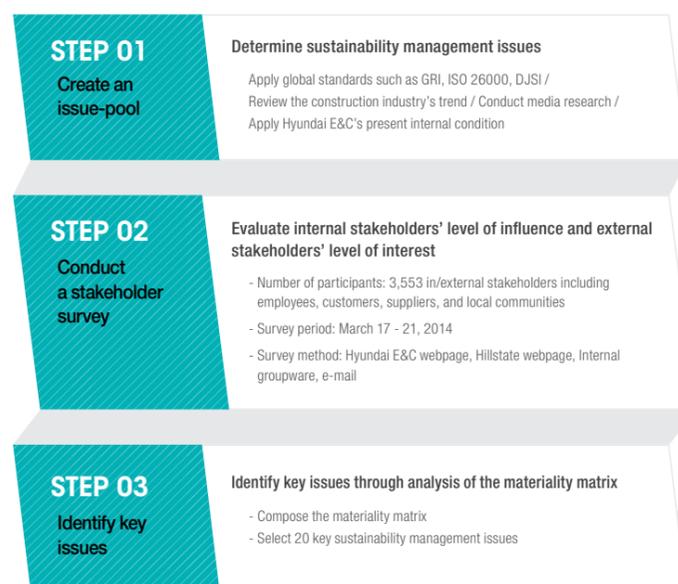
Sustainability Management Organization

Hyundai E&C established a Sustainability Task Force in February 2014 to effectively pursue systematical sustainability management to establish the sustainability strategy. The TF is implementing multilateral sustainability management activities, such as analyzing megatrends and reviewing a Materiality Test and the improvement tasks by areas. We will grow with our stakeholders through the internalization and enhancement of sustainability management.

Key Sustainability Issues

Every year, we conduct a Materiality Test to determine key issues that affect Hyundai E&C's sustainability. Based on the determined issues, we select key contents to report and establish goals and plans for sustainability management by business areas. In 2013, we have determined five areas of sustainability and 20 key sustainability issues. The five areas are management & strategy, environment, technology, employee, and society.

• Materiality Test Process



• Materiality Matrix



- 20 Key Sustainability Issues**
- 1 Long-term corporate vision
 - 2 Customer satisfaction
 - 3 Appraisal and compensation
 - 4 Source Technology secured
 - 5 Creation of economic outcome
 - 6 Development of human resource
 - 7 Work-Life balance
 - 8 Business ethics
 - 9 Safety management
 - 10 Environment-friendly R&D
 - 11 Diversification of business abroad
 - 12 Sustainability management
 - 13 Customer information management
 - 14 Custom of Labor relations
 - 15 Environmental management system
 - 16 Risk management
 - 17 Fair trade
 - 18 Employee welfare
 - 19 Environmental pollution prevention
 - 20 Law compliance

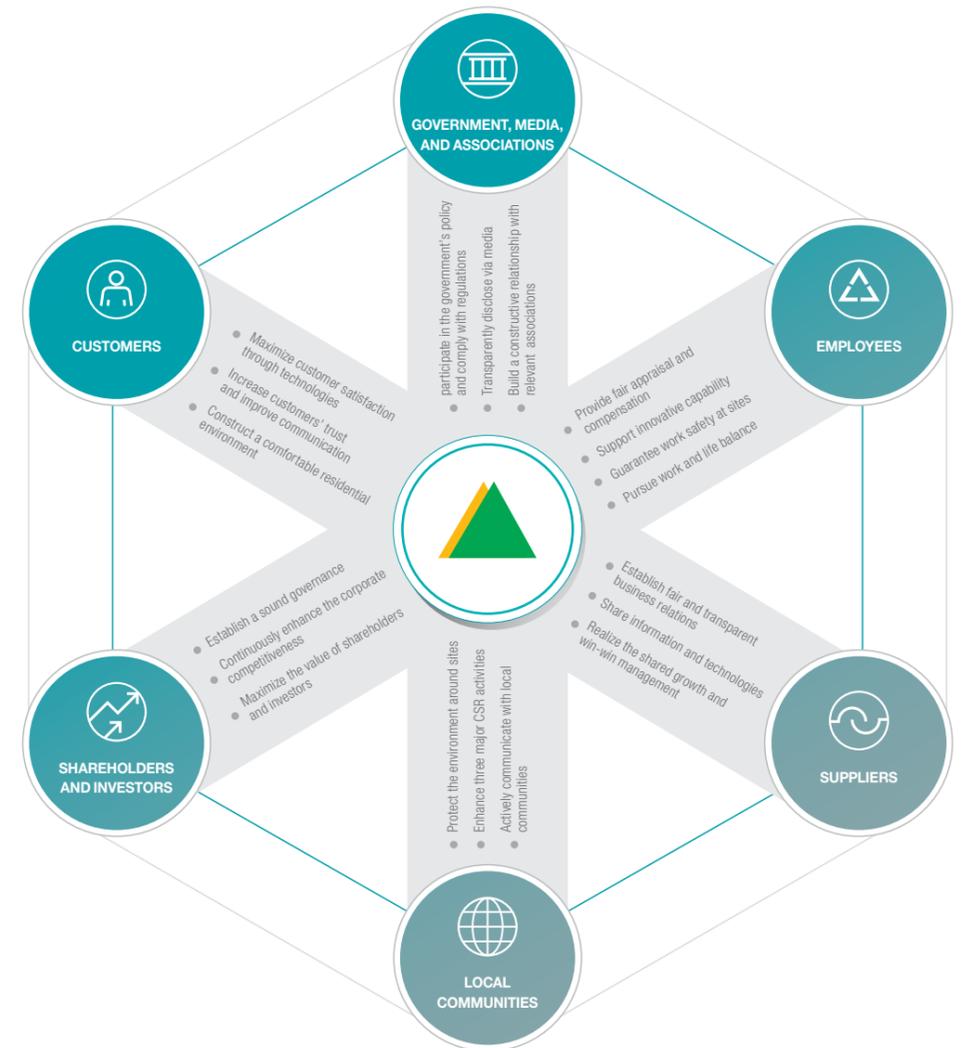
Distribution of Economic Values to Stakeholders

(Unit: billion KRW)

Government	
Corporate tax payment	192.3
Employees	
Total of annual wages	531.2
Suppliers	
Procurement and subcontracting expenses	8,019.1
Local Communities	
Social contribution expenses	9.47
Shareholders/Investors	
Dividends Payment	55.7

Stakeholder Engagement Policy

Hyundai E&C selects the government/media/associations, employees, customers, suppliers, local communities, and shareholders/investors as the six major stakeholders of the company and operates several communication channels to make sustainable growth and maximize the shared value.



Hyundai E&C Stands Out as a Global Top-tier Company in Sustainability Management

Hyundai E&C was selected as the Industry Leader, the most sustainable construction company, in the Dow Jones Sustainability Index (DJSI) in September 2013. DJSI is the world's most authoritative index developed and announced by Dow Jones, the largest financial information company, and RobecoSAM, a Swiss assessment company. It evaluates the sustainability performance of the largest 2,500 companies by industries. The Industry Leader is recognized as a 'company that is delivering social responsibility while being successful in a long term', and therefore can differentiate itself and enhance

the competitiveness in overseas markets. In addition, the evaluation functions as an investment index for a business investment portfolio. The result is given to international investing institutions and pension and fund management institutions every year proving its positive effects in securing the liquidity. Since 2010, Hyundai E&C has been included in the DJSI World Index for four consecutive years enhancing the company's position as a global leader in the construction industry.