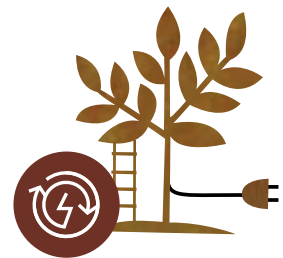
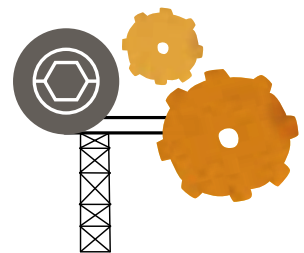
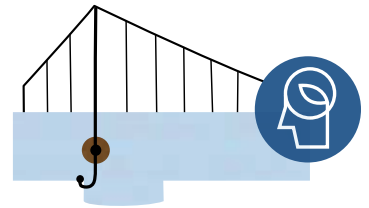


We Build Tomorrow

HYUNDAI ENGINEERING & CONSTRUCTION
SUSTAINABILITY REPORT 2012



Overall Business Sustainable Management Activities

Hyundai E&C strives to provide sustainable management across all areas of our business operations. Hyundai E&C not only strives to create short-term profit, but we are also dedicated to the maximization of our corporate value in the mid- to long-term perspectives through sustainable management activities.

Green Value

Management Policy



Business Management



Carbon Management Strategy by Hyundai E&C

- Applying the Integrated Management System at the corporate level (division and onsite) combining ISO 14001, KS I 7001-7002, and ISO 50001 from 2012

P. 13

Energy Reduction Design

- BIPV (Building Integrated Photovoltaic) System for Securing Visibility: About 12% energy reduction when applied to the a 45 Acreage apartments

P. 26

Enforcing the Green Purchasing Process

- Approximately 24.6 billion won of Green Purchasing Performance in 2011 (a 73% increase from 2010)

P. 29

Green Home System

- Undertaking the Green Hillstate Project (A total energy reduction of 30% in 2011)

P. 34

Social Value

Win-Win Cooperation

- Raising 38 billion won for a Win-Win growth fund to give support to financially challenged suppliers.

P. 47

Raising Safety Awareness and the Prevention of Accidents through System Improvement

- Permit to Work: Monthly accident average decreased from 6.6 (prior to enforcement) to 3.7

P. 46

Communication with Suppliers

- Collection and Review of difficulties and suggestions from suppliers through the suppliers Association with 8 branches and 295 suppliers

P. 48

Selection of Suppliers

- Ensuring equity in distributing opportunities to all suppliers by clarifying the company-selection procedure

P. 47

Economic Value

Endeavors for the Internalization of Ethical Management

- Ethical Management and Anti-corruption training participants in 2011 totaled 8,209

P. 61

Setting a cooperation system to share with the companies in the Group

- Ensuring stable fundamentals for business management through cooperation with the companies in the Group

P. 66

Fair Trade Compliance Program (CP)

- The CEO's declaration of and employees' promises to the Fair Trade Compliance Program.

P. 61

Infrastructure Investment

- Job creation and production through infrastructure investment

P. 65

Achievement and Evaluation

Responses to Climate Change

- Earning the CTS(Carbon Trust Standard) Certificate for the first time as a Korean company

P.12

Major R&D Achievement

- Commercialization of various R&D achievements such as the decreased amount of energy use, decreased CO₂ emissions, and utilization of renewable energy

P. 24

Distribution of Induced Economic Value among Stakeholders

- Total amount of economic values distribution in 2011: 8 trillion won and 318.7 billion won

P. 64

Fair Evaluation of Performance

- Achievement evaluation and Performance evaluation upon competence diagnostic perspectives through the predefined performance evaluation program regardless of employment relationship and position

P. 42

10 Trillion Won in Sales for 2 Consecutive Years

- 10 trillion won and 104.6 billion won in 2011 sales

P. 66

Ranked 1st by the construction performance evaluation for 4 years in a row

- The highest rank for the company's business management skill and performance

P. 66

Future Growth

Expansion of Research Personnel and the Budget

- R&D budget 2011: about 18.3 billion won (an 85% increase from last year), research personnel: 93 persons (a 24% increase from last year)

P. 22

Development of Eco-friendly Technology

- Cost reduction and activation of information sharing on eco-friendly technology development through co-research with companies in the Group

P. 22

Securing Human Resources

- Employing 263 university graduates and 101 employees with experience in 2011

P. 40

Raising Global Leaders

- Average hours of education per person in 2011: 174.9 hrs, Average cost for education per person: 1.19 million won

P. 41

Reinforcing Expansion by Marketing to Developing Countries

- Dominating the market and obtaining large scale orders through strengthening expansion into Africa, South America and CIS regions

P. 67

Reinforcing Entry into Eco-friendly Markets

- Reinforcing entry into eco-friendly markets as a future growth power

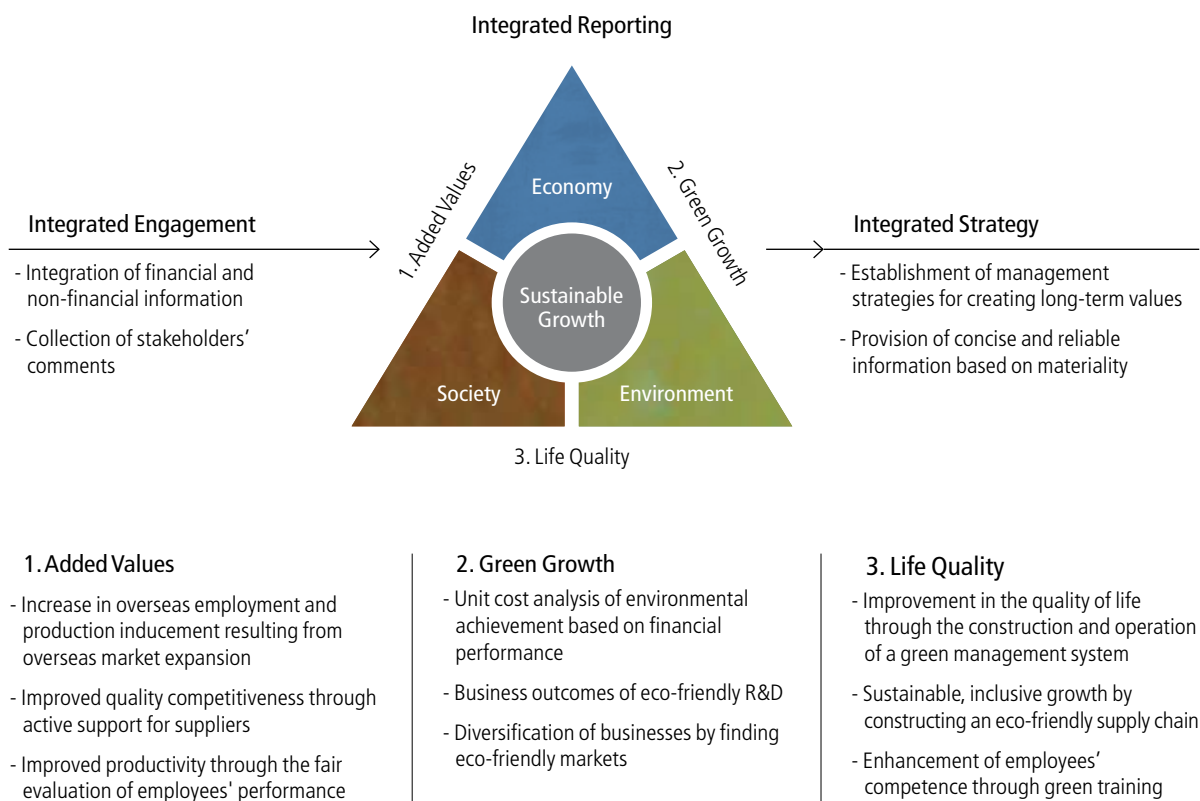
P. 68



Integrated Report

Following its previous publication in 2011, Hyundai E&C Sustainability Report 2012 has been written using an integrated reporting format. By utilizing this format, the report now assures that a wider range of complete coverage reporting is available concerning financial and non-financial performance. Additionally, this format allows for further in-depth reporting by disclosing the relationship between the two through organic combination. In addition, the introduction of the concept of integrated reporting allowed Hyundai E&C to evaluate its short-term performance and long-term sustainability, helping to adhere to advanced reporting.

Integrated Reporting Framework



*By participating in the Integrated Reporting Pilot Programme held by the IIRC (International Integrated Reporting Council), Hyundai E&C endeavors to strengthen the content power of corporate reports and become a global leader of the Integrated Reporting field.



2012 Cover Story

Hyundai E&C is committed to realizing the hope for tomorrow, in which economic, environmental, and social issues are resolved in harmony to the greater benefit of all. The image represents Hyundai E&C's sustainable commitment to making our hopes come true.

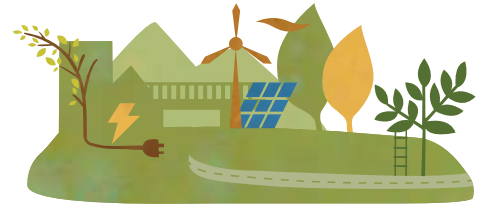


Table of Contents

We Build Tomorrow

CEO Message	02
Company Profile	04
Introduction of Major Operations	05
Management Philosophies & Core Values	06
Stakeholders' Participation	07
Materiality Analysis	08

2012 Carbon Management 10

Responses to Climate Change	11
Carbon Management Strategy	13
Carbon Emissions Management	14
Carbon Management Performances	15

To Build Green Value 16

Green Management System	18
Eco-Friendly Technology Development	22
Eco-Friendly Design	26
Eco-Friendly Materials	28
Eco-Friendly Transportation	30
Eco-Friendly Construction	31
Eco-Friendly Building Operation	34
Eco-Friendly Removal	36
Eco-Friendly Supply Chain	37

To Build Social value 38

Creating Employee Value	40
Corporate Culture	43
Safety Management	45
Win-Win Cooperation	47
Customer Satisfaction Management	49
Social Contribution	52

To Build Economic Value 56

Stability	58
Public Benefit	64
Economic Feasibility	66

Appendix 69

CEO Message



Greetings to all!

As the 'Leader of the Construction Industry' of Korea for the past 65 years, Hyundai E&C has promoted its unique, challenging spirit and belief while retaining its constant status as the top construction company in Korea. Hyundai E&C has led the consistent development of the construction industry to date and will continue to lead.

However, due to the global economic crisis and changes in the construction market, Hyundai E&C has now come to understand its new task, which is to embrace fresh changes and challenges that are distinct from its conventional business management strategies. Providing its associates with new values that are not just bound for shortsighted economic prosperity but for long-ranged, consistent improvement, Hyundai E&C will not stop striving to become a revered construction company, not only within Korea but on the global stage as well.

Hyundai E&C's challenge and passion to actualize sustainable management that leads the age

Hyundai E&C's challenge and passion to actualize sustainable management will lead it towards consistent growth through its durable internal stability and as a global engineering company, Hyundai E&C will lead convergence with future technologies through its indispensable support of related industries.

Following the company's management regulations, which emphasize maintaining the balance of the quality of growth, Hyundai E&C is striving to accomplish not only just external improvement but also sustainable management. Such a managerial strategy has already made the public revere Hyundai E&C as a superb sustainable enterprise, whose record of accomplishment speaks for itself. Hyundai E&C was accepted into DJSI World for 2 years in a row for the first time in global construction history and was selected as a World Sector Leader in the construction field in 2011.

In a new paradigm of the global energy industry, incorporating an eco-friendly 'low-carbon, green-growth' strategy, Hyundai E&C has found its new growth engine through audacious investment in environmental develop-



" As a global construction company that leads Korea into a construction power, Hyundai E&C promises to become a 'beloved enterprise' that contributes to mankind's happiness, by strengthening the base for sustainable management and making ceaseless challenges and innovations."

ment that pursues the co-existence of humanity and nature, new technologies that reduce dependence on existing energy resources, and development of new renewable energy sources.

Hyundai E&C grows together with its all stakeholders and helps create a more developed tomorrow

Hyundai E&C will do its best to play a role as a social citizen through Co-Growth with suppliers and enhance social contribution activities to help the disadvantaged of society, and thus will become an exemplary enterprise that contributes to the national economy and social development. Hyundai E&C will become a company that grows together with all its stakeholders to have a sustainably positive influence on our society.

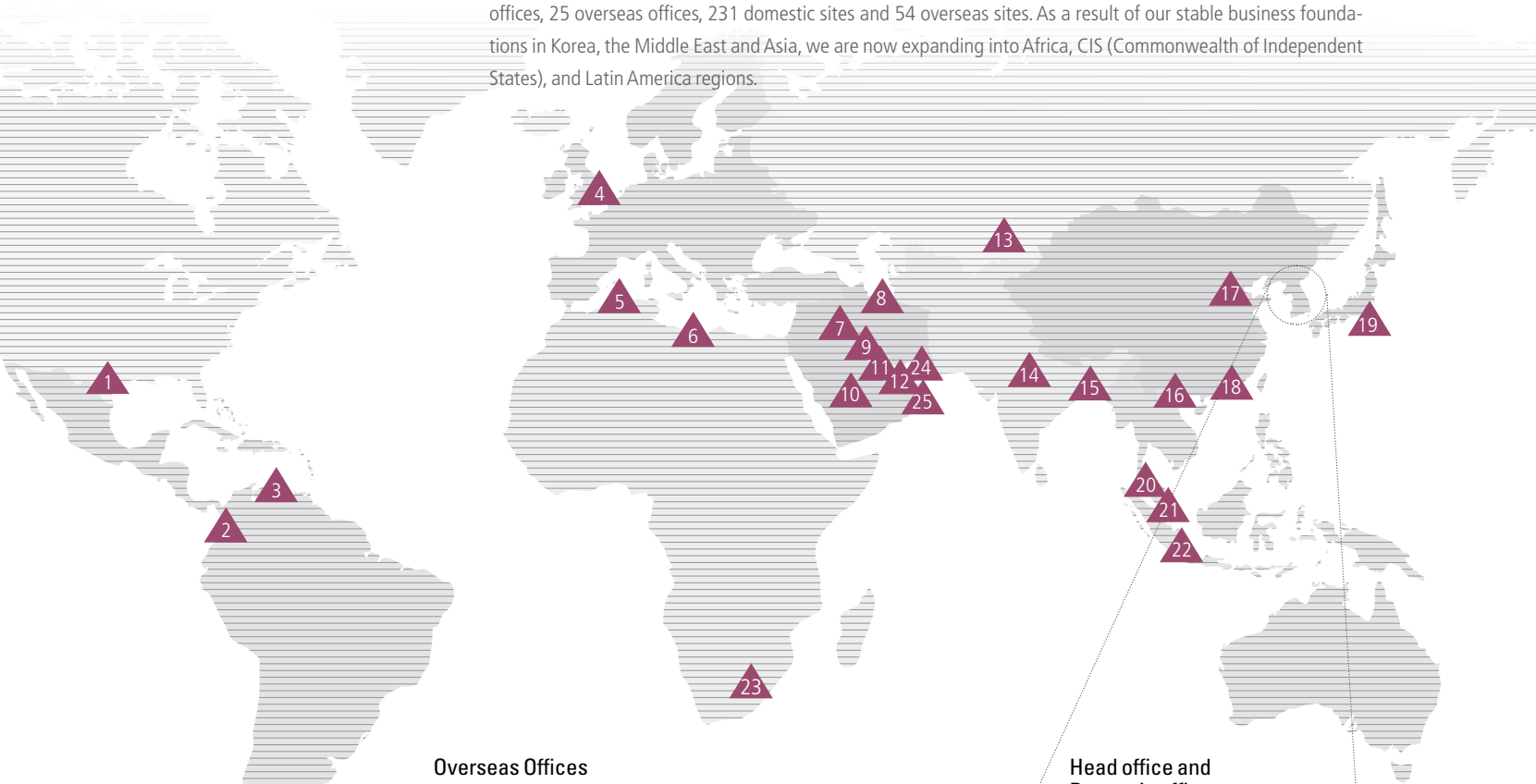
As a global powerhouse for Korea's construction industry, Hyundai E&C promises to become a 'beloved enterprise' that contributes to the happiness and future of mankind, by strengthening the basis of sustainable management through endless innovations and challenges.

We ask for your continued interest, and that you would witness how Hyundai E&C in harmony with our customers accomplishes our dream of building a better life for today and a bright future for tomorrow.

President & CEO
Hyundai Engineering & Construction
Jung Soo-Hyun

Company Profile

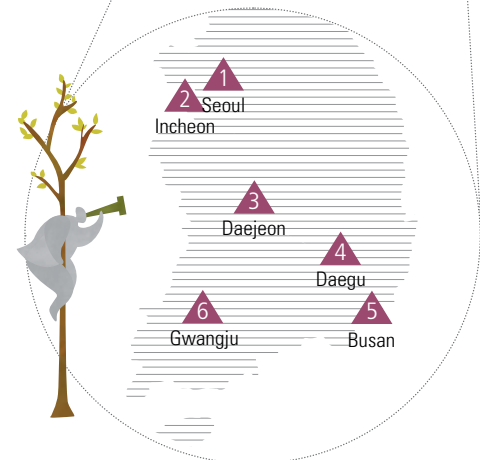
Hyundai E&C leads the domestic construction industry through its use of high technology and verified ability to complete project undertakings successfully; and furthermore, its dedication to be the "Global Top-Tier Construction Company." As of July 2012, we have a total of 5,184 employees working at our head office, 5 domestic offices, 25 overseas offices, 231 domestic sites and 54 overseas sites. As a result of our stable business foundations in Korea, the Middle East and Asia, we are now expanding into Africa, CIS (Commonwealth of Independent States), and Latin America regions.



Overseas Offices

- | | |
|--------------------------------------|--|
| 1. United States of America, Houston | 14. India, New Delhi |
| 2. Colombia, Bogotá | 15. Bangladesh, Dacca |
| 3. Venezuela, Caracas | 16. Vietnam, Hanoi |
| 4. United Kingdom, London | 17. China, Beijing |
| 5. Algeria, Algiers | 18. Hong Kong |
| 6. Libya, Tripoli | 19. Japan, Tokyo |
| 7. Iraq, Baghdad | 20. Malaysia, Kuala Lumpur |
| 8. Iran, Teheran | 21. Singapore |
| 9. Kuwait | 22. Indonesia, Jakarta |
| 10. Saudi Arabia, Al Khobar | 23. Republic of South Africa, Johannesburg |
| 11. Qatar, Doha | 24. Bahrain, Muharraq |
| 12. UAE, Abu Dhabi-Dubai | 25. Oman, Muscat |
| 13. Kazakhstan, Almaty | |

Head office and Domestic offices



2011 Major Operational Achievements



Total assets
(100-million won)
106,837

Capital
(100-million won)
43,178

Sales
(100-million won)
101,046

Operating income
(100-million won)
5,167

Number of employees
(Persons)
5,184

Introduction of Major Operations

Hyundai E&C's business portfolio encompasses Civil & Environment works, Building works, Plant works and Power & Energy works. Thorough preparatory investigation on work sites, active application of eco-friendly construction methods and post management, Hyundai E&C is taking on global leadership in each field while placing significance on eco-friendliness in business operations.



Civil & Environment Division

The Civil & Environment Division is responsible for the land development business, port construction, railroads, roads, bridge construction, water resources and environment-related projects.

Honam Expressway 2-3 | On the Honam Expressway 2-3 sites, a project is in progress by our Civil & Environment Division. Soil contamination in the agricultural area is kept to a minimum by adoption of an eco-friendly soil improvement method of soft ground using small fiber mats consisting of palm fiber ingredients that utilize a horizontal drainage method.



Building Works Division

The Building Works Division is in charge of building structures within a broad range, including living, medical, office, and cultural facilities as well as the latest technological/public institution facilities.

Singapore Asia Square Tower 1 | Asia Square Tower 1 increased eco-friendliness by the application of technology which converts used cooking oil into biodiesel for the first time in Singapore. This resulted in a savings of about 5,840,000 KWh of energy and 40,982m³ of water resources per year with the application of diverse eco-friendly measures.



Plant Division

The Plant Division is roughly categorized into the petrochemical plant, which includes petrochemical/marine equipment facilities, and other industrial equipment fields, which include steel/refinery and LNG terminal.

Yeosu Oil Tank Terminal | Yeosu Oil Tank Terminal's eco-friendliness was raised by the application of the soil seed spray, a commonly used ground protection method. The use of this method minimizes marine pollution sources that are caused by construction. A silt protector was installed, which is always installed when sewage treatment facilities and nonpoint pollution source control facilities are in operation.



Power & Energy Division

The Power & Energy is in charge of electricity transmission/transformation/industrial electricity facilities, which act as fundamentals for power/water plants and energy networks.

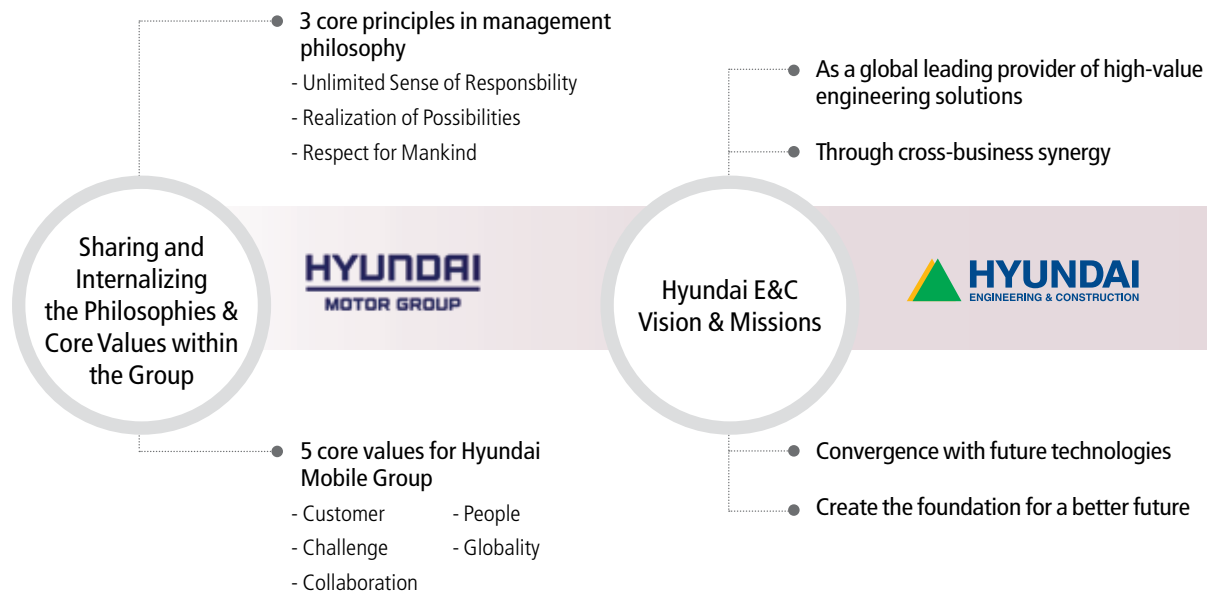
Samcheok Green Power Boiler | The Samcheok Green Power Plant will be completed in December 2015. An advanced thermal power (ATP-1000) plant for export boilers, it is a economical plant which is expected to provide more than 120 billion won worth of reductions in fuel costs every year by adopting the world's largest fluidized bed boiler as compared to the previous high thermal power plant which occupied this site.

Management Philosophy & Core Values

Hyundai E&C secured a solid cooperative system when it organically connected with the newly incorporated Hyundai Motor Group in April 2011 by sharing management philosophies and visions. Soon, Hyundai E&C will take complete responsibilities and roles as a major company in the Group and will strive to lead the Group's future.

"Creating a future together"

Hyundai E&C is diligently working to achieve the 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." and by sharing and internalizing the management philosophies and core values of the Group.



Management Philosophy

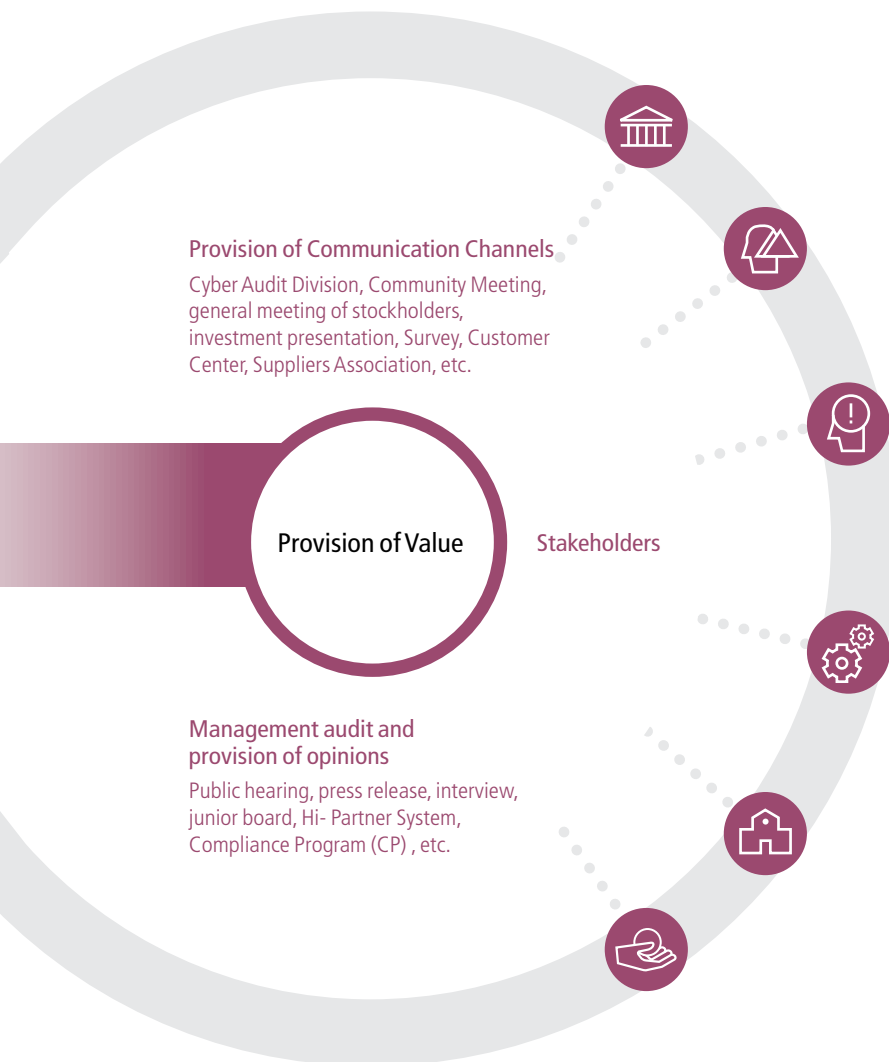
Hyundai Motor Group has established the management philosophy, "to realize the dream of human by creating a new future through creative thinking and endless challenges" based upon core concepts: 1) the infinite sense of responsibilities, 2) realization of possibilities, and 3) embodiment of humanity. With foundations on such a spirit, Hyundai Motor Group has accomplished a history of success and became the driving force of our future society.

5 Core Values

Hyundai Motor Group's core value is a firm standard that steers its actions and decision-makings to the most desirable direction. With the company's longtime-bred DNA known as 'Success', every employee pursues 5 core values while pertaining to the corporate standard for actions and decision-makings in order to achieve the company's future visions. Hyundai E&C will embrace challenge and cooperation by assimilating the core values to the most fundamental level, and lead the domestic construction industry towards global markets with unique corporate environment that respects both customers and human resources in rather creative than conventional attitude.

Stakeholders' Participation

Hyundai E&C considers the government, media, association, employees, customers, suppliers, community, stockholders and investors as key stakeholders, who play an important role in our economic activities, and endeavors to grow together with them. We place a high importance on communication with our stockholders through community meetings, investment presentations, customer surveys, etc.



Government, Media, Association

Endeavors to create a better future by providing transparent information to media institutions and associations, compliance with various regulations, and active participation in government policies.

Employees

Creates a culture of fair evaluation and compensation in support of development for professionals, assuring work safety, and endeavors to create pleasant working environments with many benefits.

Customers

Enhancement of customer trust through quality improvement and the creation of a pleasant living environment and strengthening communication with our customers.

Suppliers

Endeavors for the establishment of fair and transparent trading relationships with suppliers and realizes win-win values through information sharing and technology transfers.

Community

Active communication and sharing of hope with the local community by protecting the environment around the establishments and participating in sharing activities.

Stockholders & Investors

Maximizes the value for stockholders and investors with a stable governance structure and consistently strengthens corporate competition through the transparent operation of the board of directors.

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.

Step1.

Creating the Issue Pool

Understanding major issues related to sustainable management

Analysis of trends in the domestic / foreign engineering industry
Review of global standards
Analysis of channel-dialogue per stakeholder
Inside interview

Step2.

Stakeholders' Survey

Evaluating interest level and current status per issue
- Collecting opinions from employees and proprietors as well as outside opinions

2012
Stakeholder
Engagement
Survey

Expectations from employees
Expectations from proprietors
Expectations from suppliers
Expectations from other stakeholders

Step3.

Selecting Important Issues

Inducing important reporting issues through the materiality matrix

Business influence, policy directions, issue within the same company, stakeholders' interest, social regulation

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)

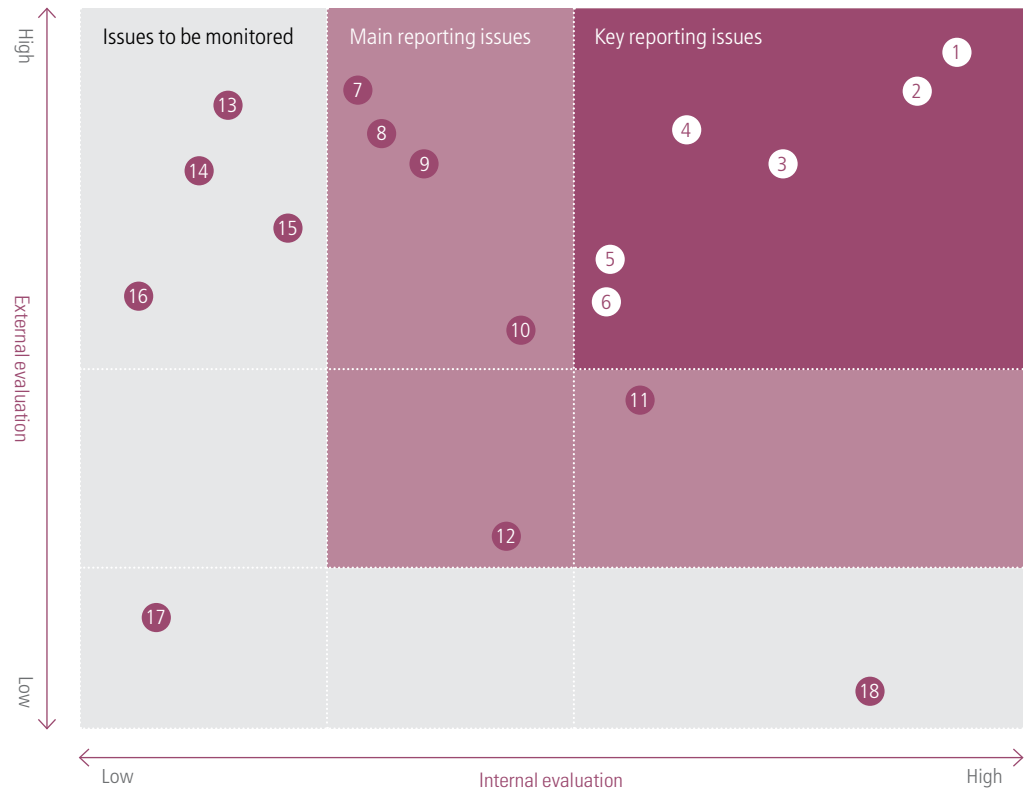
Evaluation of sustainability management issues

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

2012 Carbon Management



Responses to Climate Change

Hyundai E&C is actively participating in activities to control risk factors related to climate change by understanding opportunity elements and risk elements. A strategic implementation is being conducted to create corporate values regarding opportunity elements.

Opportunities and Risks of Climate Change

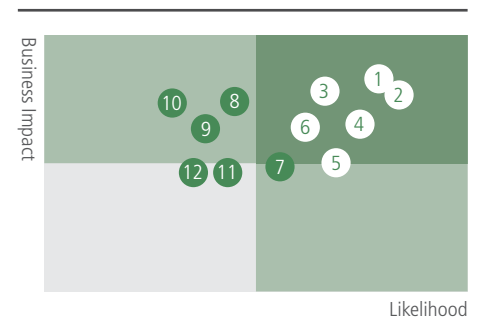
As the portion of energy used in the construction industry grows, corporate responses to climate change are becoming an important issue. According to the Korea Institute of Construction & Technology, the total amount of energy used both directly and indirectly in the construction site is 51,092 thousand TOE (Ton of Oil Equivalent), which is proportional to 12.9% of the energy used over the entire industries. As the energy needs in the construction field increase, measures for climate change are becoming an imminent issue. Unlike the response to climate change in other industries, activities for dynamic responses to climate change are limited due to some characteristics of the construction industry. Most emissions of greenhouse gases and energy are caused from construction equipment and emissions in building construction processes and are dependent on operational characteristics, and the dissipation and creation of the site is not consistent, making it difficult for standardization in the establishment and management of reduction objectives. Hyundai E&C has accomplished various activities and achievements to take a leadership role as an eco-friendly construction company by overcoming these characteristics of the construction industry. We will continue our construction activities to protect the environment and create sustainable development to satisfy our multiple stakeholders.

Classification of opportunities and risks

Regulatory Issues	Risk elements	Opportunity elements
1. International agreements	○	○
2. Emission reporting obligations	○	○
3. Carbon Taxes	○	-
4. Cap and trade schemes	○	○
5. Product-efficiency regulations and standards	○	○

Physical Issues	Risk elements	Opportunity elements
6. Changes in the precipitation pattern	○	-
7. Uncertainty of physical risks	○	-
8. Induced changes in natural resources	○	○
9. Order of new projects for the prevention of disasters	-	○
10. Expansion of business opportunities	-	○

Materiality Test result



Other issues	Risk elements	Opportunity elements
11. Reputation	○	○
12. Changing consumer behavior	○	○

Climate Change Materiality Test

Hyundai E&C has induced key issues regarding climate change through business reviews conducted by inside/outside specialists and employees. Based on such development of key issues, a Materiality Test was conducted in consideration of influences on the business. According to the results, International agreements and cap and trade schemes, product efficiency regulations and standards are very important issues. Other than these, significance was high not only on the government's activities on policy regulations such as carbon taxes but also on emissions disclosure obligations, namely, information sharing activities. Hyundai E&C will continue green management through the selection of and concentration on issues according to the Materiality Test.

International Agreements | With the emergence of carbon protection trade policies, Post Kyoto Protocol negotiations, it is expected that the formation of new agreements among regions and countries will thrive, and as a result, exposure to regulatory risks will occur. As a response to this movement, Hyundai E&C is engaging in the estimation and management of greenhouse gas emissions at all of its domestic operations utilizing the greenhouse gas inventory system created in June 2010, and established the greenhouse gas-energy performance management system through construction of KS I 7001-7002 (green management system) in November 2011. Also, through the introduction of ISO 50001 (energy management system) in March 2012, Hyundai E&C has established foundations for the development and application of greenhouse gas reduction options at all sites. Thanks to these efforts, Hyundai E&C was selected as a corporation of excellence for carbon efficiency by incorporating these modifications to the carbon efficiency index in 2011, and the company obtained the Carbon Trust Standard certificate in April 2012. Hyundai E&C is continuously planning reduction activities at all sites and is expected to decrease about 32,578tCO₂-e in 2013, and about 150,466tCO₂-e in 2018, for greenhouse gas emissions.

Cap and Trade Schemes | In preparation for the Emissions Trading System, effective in 2015, Hyundai E&C is estimating the expected emissions amount for the future by basing it on the greenhouse gas emissions amount collected from all the sites as well as both mid- and long-term business strategies, and is conducting reduction activities through analysis of the greenhouse gas reduction objectives and reduction potentials established at each site. Also, using more daring methods, the feasibility of CDM (Clean Development Mechanism) project is being reviewed through the city complex development project, next energy generation project, CCS (Carbon Capture & Storage), and new renewable energy project, which is reflected in 5 green business areas among the mid- and long-term business strategies. According to these business strategies, Hyundai E&C plans to develop and commercialize the technology development roadmap step by step for renewable energy technologies, such as photovoltaic power generation, wind power generation and tidal power generation as well as element technology development for low carbon eco-friendly construction.

Product Efficiency Regulations and Standards | Besides direct regulations evaluating energy efficiency such as the Building energy rating systems and Green building certification system, the Zero-Energy obligation will gradually be enforced for new construction through 2025. In preparation for this, Hyundai E&C has established a roadmap to commercialize Zero-Energy technology and is planning to apply it in stages through technology development and the analysis of economic value.



| CTS Certificate

Reputation | The Carbon Trust Standard Certificate is an international certificate given to both companies and institutes that have proven their performance of establishing a systematic energy system and reducing greenhouse gas emissions in their actual practices. Receiving the certificate for the very first time in Korean history as well as in the Korean construction site, Hyundai E&C has proven its greatness by being globally certified for its greenhouse gas emissions reduction. In 2011, the Carbon Disclosure Project (CDP) Korean Committee has chosen Hyundai E&C as an exemplary case for ideally countering the climate change.



| Banpo Hillstate - Constructing an eco-friendly complex utilizing photovoltaic power generation, mini wind power generation, and a system



| "Khoo Teck Puat Hospital" won the "BCA Construction Excellence Award," the most prestigious award in the public buildings construction, organized by Singapore's Building and Construction Authority (BCA)

Carbon Management Strategy

Carbon Management Strategy

Hyundai E&C's target is to decrease 30% of its greenhouse gas emissions compared to BAU (Business As Usual) by 2018 and to obtain total energy Zero-House technology by 2020 to achieve the vision, "2020 Global Green One Pioneer." The objectives for the reduction in greenhouse gas energy are achieved through eco-friendly technology development, and greenhouse gas emissions will be drastically decreased in construction and use by obtaining the energy Zero-House technology. Additionally, Hyundai E&C will be leading the global market as an eco-friendly construction company by increasing the corporate value through development of a new market and diversification of the business.

Green Management Principle | As an anticipatory response to various domestic and global policies and regulations related to climate change, Hyundai E&C has applied the integrated management system at the corporate level combining ISO 14001 (Environment Management System), KS I 7001-7002 (Green Management System) and ISO 50001 (Energy Management System) from 2012. Performance index and objectives related to climate change have been established and carried out at all operations.

Carbon Management Strategies by Hyundai E&C

Vision	2020 Global Green One Pioneer		
Goal	- 2018 GHG (Green House Gas) emissions 30% reduction compared to BAU	- 2020 obtaining of total energy Zero-House technology (2025 LCCO ₂ * Zero-House technology obtainment)	
	Green System Establishment of the Undertaking System for Green Management	Green Project Management Realization of Green Sites/Operations	Green R & BD** Induction of Power for Green New Growth
	1. Green management infrastructure	4. Systematic reduction of greenhouse gases	7. Developing green technologies
	2. Enhancing green reputation	5. Expanding green outsourcing	8. Developing green businesses
	3. Green Management Committee	6. Green project operation	

* LCCO₂ (Life Cycle CO₂) ** Research & Business Development

Establishment of Green Management System | Hyundai E&C has established the green management system in order to systemically respond to and reflect the climate change issues upon internal management strategies. Hyundai E&C is maximizing green performance through the systemic management of the green index at the corporate level by operating the green integrated performance management system. Hyundai E&C will realize the green management roadmap in stages by disclosing the activities performance for our efficient operation of green management system internally and externally through the green management committee.

Green Management Roadmap



Carbon Emissions Management

Greenhouse gas emissions · Energy use management

In response to government regulatory plans such as the Target Management Scheme for GHG Emission and energy consumption and Emissions Trading System (ETS), Hyundai E&C established the greenhouse gas inventory system at all domestic sites in June 2010 and is managing emissions. In addition, training and management programs for employees on the sites have been in operation since 2010 in an effort to decrease greenhouse gas emissions. Hyundai E&C obtained the KS I 7001-7002 (green management system) certificate in November 2011 and the ISO 50001 (energy management system) certification in March 2012, which led it to establishing fundamental systems to manage achievements by counting energy usage performance on a monthly basis reviewing the energy use across a range of procedures, from the project orientation phase to the construction phase, and by establishing objectives. Currently, it is applied to 5 locations, including the head office buildings, research centers and representative sites per division in operation, and Hyundai E&C is planning to expand its application globally.



Energy Management System Certificate (ISO 50001)

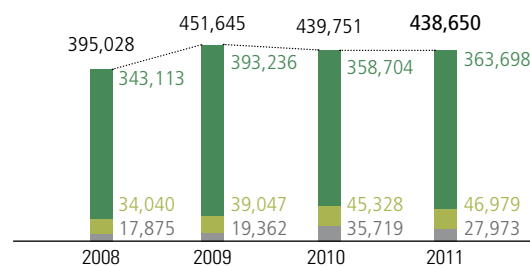
Estimation of greenhouse gas emissions | Understanding that constructing a reliable inventory for greenhouse gas is the first step to a climate change response, Hyundai E&C follows the international guidelines for assessment of emissions sources and estimation of the emissions amount, IPCC (Intergovernmental Panel on Climate Change), GHG protocol (the most widely used greenhouse gas measuring system across the globe) by WRI-WBSCD, M&R guideline (that suggests a precise guideline regarding a business' prospect in terms of scale and activeness) by EU-ETS, and ISO 14064. For the estimation range, it was classified into scope 1,2,3 Optional in reference to the WRI/WBSCD guideline, the international standard. The estimation was made in reference to the guideline for the national Target Management Scheme for GHG Emission and energy consumption.

Current status of greenhouse gas emissions | Hyundai E&C emitted 438,650 tCO₂-e of greenhouse gases in its 2011 sales activities, which is about a 1,101 tCO₂-e reduction from 439,751 tCO₂-e, the total emissions in 2010. These numbers are the result of reduction efforts in all processes of construction activities.

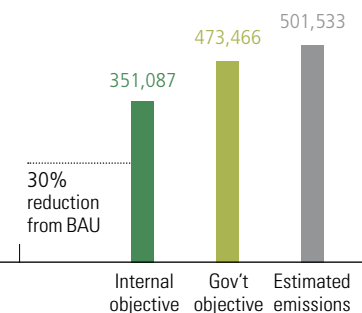
Greenhouse gas emissions reduction plan | Hyundai E&C is working on the following reduction scenario for a 30% reduction by 2018 GHG emissions BAU1). Hyundai E&C will achieve higher objectives for emissions reduction to contribute to the national reduction objectives as an eco-friendly construction company, beyond a 5.6% reduction from 2012 until 2018 (government's objective).

Greenhouse gas emissions (Unit : tCO₂-e)

■ Scope 1: oil, gas etc. ■ Scope 2: electricity, steam
■ Scope 3: construction equipments at suppliers



2018 Greenhouse Gas Emissions Reduction Plan (Unit : tCO₂-e)



Green Policies Engagement | Hyundai E&C consults in policy direction, participating in the establishment of detailed green guidelines through KOSCA and KICT as prepared by the Ministry of Land, Transport and Marine Affairs in order to apply the Target Management Scheme for GHG Emission and energy consumption, currently implemented by the government, into the construction industry by 2013. By participating in government presentations on policies, discussions and seminars related to climate change including the emissions trading system (ETS), Hyundai E&C is introducing the Group's strategies to climate change and providing opinions.

Carbon Management Performances

Greenhouse gas emissions reduction activities

Hyundai E&C endeavors to reduce greenhouse gas emissions by utilizing various campaigns and regulatory devices at its head office along with efforts to decrease emissions in the entire process of construction activities. Such performance in non-financial activities is converted into financial figures for management.

Green Campaign activities | Hyundai E&C has continuously implemented various green campaign activities at head office including construction sites. When converting energy and greenhouse emissions that have been reduced by “setting computers in sleep mode and turning off the electricity during lunch time”, “turning off lights and air conditioners/heaters during lunch time,” and “turning off computers when leaving work”, it has generated up to 10.8 billion won-worth of energy.

Green Campaign activities at construction sites | Since the emission sources and reduction activities for greenhouse gas emissions are different for the onsite construction and the indoor office, Hyundai E&C has conducted campaigns with the development of reduction items separately for the onsite construction. For main items, they concentrate mostly on regulating items related to gas for business vehicles on sites, the regular execution of car inspections on tire air-pressure, air cleaner and injector, reduction in quick acceleration · quick braking/idling ban, and reduction in the use of business vehicles through carpooling, etc.

Use of public transportation and shuttle buses for commuting employees | Hyundai E&C conducted a campaign to encourage the use of public transportation and commuting buses in 2011. All employees at Hyundai E&C are obligated to comply with the related reduction activity in the groupware menu window prior to every Monday.

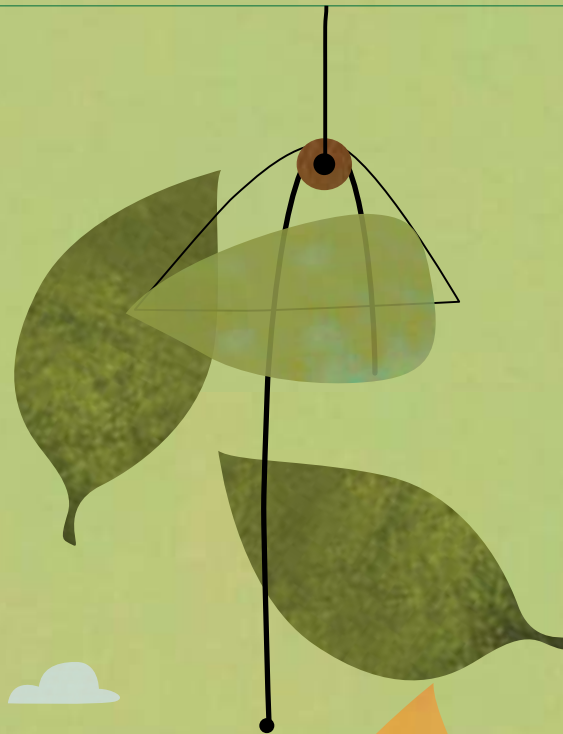
INTERVIEW_

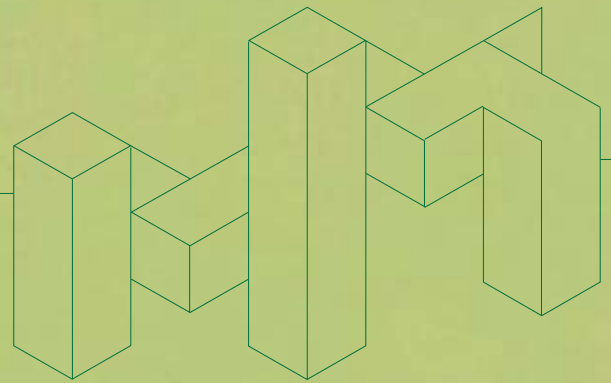
Darran Messem, Managing Director,
Carbon Trust Certification Ltd



The Carbon Trust Standard evaluates a company in terms of its green management strategy, energy reduction performance, and greenhouse gas reducing actions. Based on its stringent inspection process, Carbon Trust Standard estimates and manages the amount of the greenhouse gases emitted from the company's business sectors and determines whether to approve for certification. It is a pleasure to acknowledge that Hyundai E&C passed such an inspection process, reduced the greenhouse gas emissions from its business sectors by 4.0%, and ultimately earned the Carbon Trust Standard Certificate. Hyundai E&C is without a doubt expected to lead the greenhouse gas reduction campaign for the coming era.

To Build **Green Value**
To Build Social Value
To Build Economic Value





Hyundai E&C's green management is at the center of the company's overall green management system, 'greenizing' the entire 8-phased construction processes, including technological development, design, material, transportation, construction, operation, removal, and an eco-friendly supply chain. With the help of the Materiality Evaluation, which keeps a vigilant watch on such processes, Hyundai E&C never pulls the plug on managing its eco-friendly activities.

	Green Management System	Eco-Friendly Technology Development	Eco-friendly Design	Eco-friendly Materials	Eco-friendly Transportation	Eco-friendly Construction	Eco-friendly Building Operation	Eco-friendly Removal	Eco-friendly Supply Chain
Stockholders and Investors	H	H	M	M	L	M	M	M	L
Customers	H	M	H	L	L	H	H	L	M
Gov. Media, Association	H	M	M	H	M	L	M	L	L
Employees	H	M	M	M	H	M	L	L	M
Community	H	L	L	L	M	M	L	H	M
Suppliers	H	L	L	M	M	M	L	L	H

* Materiality by stakeholders H : High-M : Medium-L : Low

Principle & Policy | Hyundai E&C monitors the greenhouse gas and energy data of all operations and implements activities for energy reduction by establishing green and sustainable enterprise management strategies and policies for the vision, "2020 Global Green One Pioneer." To demonstrate our leadership as a global eco-friendly corporation, we enforce intensive management of the entire process of construction activities through the classification of stockholders. In reference to eco-friendly technology development, Hyundai E&C endeavors to strengthen competitiveness in obtaining orders. For our customers, we practice eco-friendly design, construction and operation of eco-friendly buildings. In addition, we try to activate green purchasing by observing national regulations, including the use of eco-friendly materials, and contribute to energy and greenhouse gas reduction by operating eco-friendly vehicles at our operations. Hyundai E&C takes the lead in reducing negative environmental influences through our efforts in eco-friendly removal in the community. Our green management policies are gradually expanding to our suppliers.

Key Performance Data

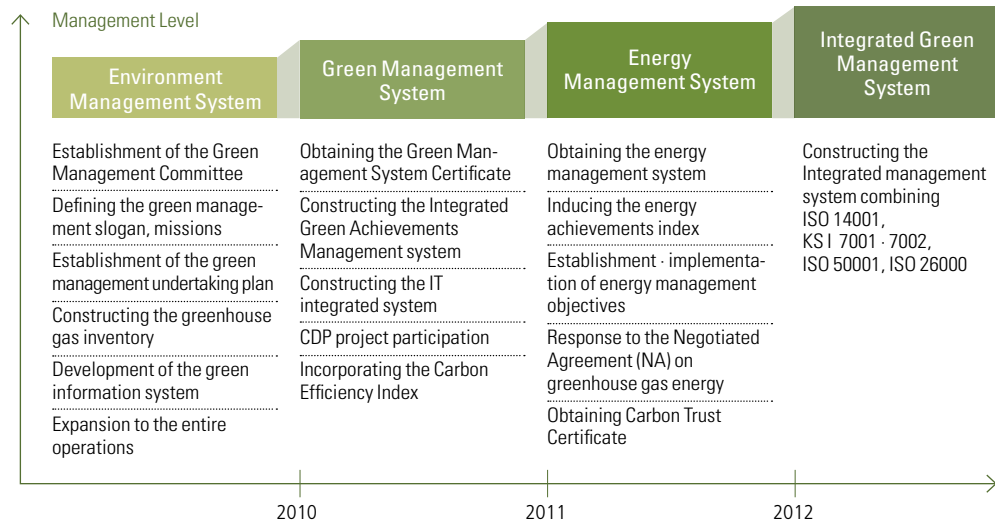
Category	Detail (Unit of Won: Divide by Sales)	2009	2010	2011
Energy	Amount of direct energy (TJ/ ton/100million won)	0.008	0.012	0.008
	Amount of indirect energy (TJ/ ton/100million won)	0.015	0.017	0.018
Greenhouse gas	Greenhouse gas emissions (tCO ₂ -e/ ton/100million won)	9.00	8.64	8.74
Water	Amount of water (ton/ ton/100million won)	-	30.0	25.5
Wastes	Waste discharge (ton/100million won)	28.8	9.0	11.5
Investment	Investment for environmental protection (100million won)	256	330	306

* TJ (Terajoule) : an energy measurement unit

Green Management System

The green management system of Hyundai E&C represents the very footing of its global position as the green management leader that, based on the conventional environmental management system, takes into account issues such as natural resources, energies, the latest climate change, as well as social responsibilities of and challenges toward new green industries by companies.

Development of the Hyundai E&C's Green Management System



Direction in undertaking Green Management

Hyundai E&C built company-wide green management policies and mid- to long-term strategies in establishing a central green management system. The system has led the company to employing and carefully commencing the green management throughout not just the head office but also worksites associated with all ongoing projects. Such efforts will reduce both environmental risks across business activities and resource and energy-dependent costs, and secure competitiveness in business operation.

Operation of the Green Management Committee | Hyundai E&C has operated the Green Management Committee with our President as the chairperson since April 2010 to establish and discuss strategies for environmental issues at the corporate level. Committee meetings are held quarterly and play a role as the best decision making mechanism in becoming a global green leading corporation.

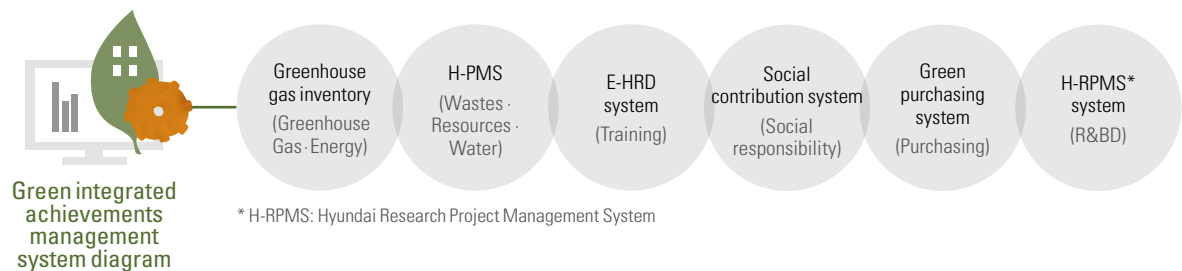
Introduction of the energy management system | Hyundai E&C tries to reduce the amount of energy required in each construction phase and optimize its usage in the most efficient ways by fully taking advantage of the Certificate on Energy Management System, the first case of acquiring such a system. And, as a recognized eco-friendly construction company, Hyundai E&C endeavors to comply with the existing environmental policies. In doing so, the company is currently at its best in developing various types of eco-friendly technologies.

Green performance management

In order to emphasize its green management accomplishment records, Hyundai E&C has set a green management accomplishment index applicable to the head office and each worksite. Each worksite sets annual goals and plans to accomplish them, which are later assessed to confirm whether their results are ultimately

satisfactory or not. Based on such performance records, feedbacks are generated in helping establishing goals and plans for a coming year, which improves efficiency in organizing the company's accomplishment records.

Integration of the Green Performance management system | Hyundai E&C is developing a green integrated performance management system for efficient management of the green management performance index. Qualitative data is automatically calculated in real-time by the integrated management of training, purchasing, wastes, social contributions and R&BD including the greenhouse gas inventory with our IT system.



Green Performance Index management | Applying to Hyundai E&C's head office and all worksites, the green management accomplishment index indicates on issues that comprise not just environmental regulations but other relevant factors as well, such as green purchase, green purchases, natural resources · greenhouse gas, and social responsibilities. By commencing the green management accomplishment index, Hyundai E&C will promote and strengthen the green management throughout all business sectors.

Current status of green management performance

Hyundai E&C has been providing incentives to employees through performance management related to climate change in all divisions and at each site since 2012, and is planning to actively respond to climate change by continuously establishing and creating regulations on various incentives.






Award for excellent site performance | Hyundai E&C will conduct evaluations on its green management performance index more than once every half a year at all sites to practice the green management in 2012. More than 1 annual evaluation for overseas operations will be conducted, and there will be an award for the site that places within the upper 5% per each division after evaluation. For the award, the certificate plate of the CEO and 5 million won in prize money will be given, and an opportunity for overseas training to benchmark the advanced global company will be provided. Hyundai E&C plans to become an eco-friendly global construction company with an active attitude in response to climate change.

Strengthen the Green Training | Hyundai E&C conducts training to increase awareness in green management levels through the enhancement of awareness in green management and obtainment of professional knowledge. Green training was conducted for 8,598 hours targeting 4,211 persons as trainees in 2011, which means every employee received 2 hours of training. Training was organized onsite and training for supplier firms was excluded. For the green training in 2012, participation training programs with a focus on discussions and practices will be included, and we are planning to improve the instructor's level of expertise by developing customized training materials per level. Also, the effect of training will be maximized through enforcement of the specialty of the content and further improved by utilization of onsite cases and information.






Flow of Material Goods

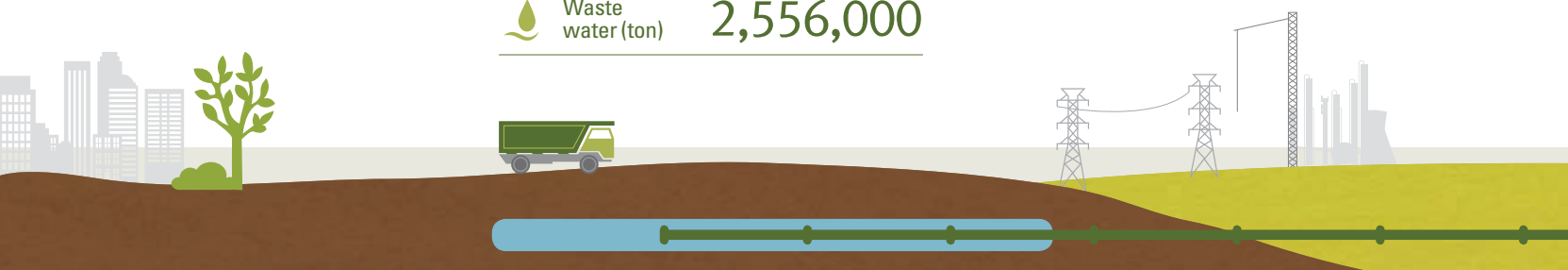
	Eco-friendly Technology Development	Eco-friendly Design	Eco-friendly Materials	Eco-friendly Transportation
STRATEGY	<ul style="list-style-type: none"> - Reorganization of the technology development system - Expansion of personnel and the budget - Expansion of joint R&D with the companies in the Group 	<ul style="list-style-type: none"> - Eco-friendly design development - Development of environment restoration design technology 	<ul style="list-style-type: none"> - Reinforcing the green purchasing process - Expansion of the green purchasing rate - Develop & adopt eco-friendly materials 	<ul style="list-style-type: none"> - Enforcement of eco-friendly transportation - Exchange & operate eco-friendly cars - Enforcement of the driving guideline
ACTIVITIES & ACHIEVEMENTS 2011	<ul style="list-style-type: none"> - Connection and expansion with the Green Management Committee and the Technology Cooperation Committee - Expansion to New Regeneration Energy and New Environment Market - Diversification and Expansion of Participations in National Projects - Expansion to R&D investments in environment and energy 		<ul style="list-style-type: none"> - Improvement and Stabilization of the Green Purchasing Process - Undertaking expansion of the portion of Green purchasing 	<ul style="list-style-type: none"> - Reinforcing training for drivers and employees at cooperators
PLANS FOR 2012	<ul style="list-style-type: none"> - Building the enterprise technology management system - Expansion of Synergistic Co-research within the Group - Priority Research on New Growth Business Areas (nuclear energy, undersea tunnel, marine construction etc.) - Expansion of R&D Investment areas 		<ul style="list-style-type: none"> - Expansion of the green purchasing rate - Reinforcing management standards for green purchasing 	<ul style="list-style-type: none"> - Reinforcing operation standards for eco-friendly vehicles - Raising awareness by implementing the eco-friendly vehicles transportation campaign

INPUT

 Concrete (ton)	299,726	 Water (ton)	1,295,000
 Oil (TJ)	337.69	 Electricity (TJ)	903.43
 Gas (TJ)	41.64		

OUTPUT

 Wastes (ton)	580,077	 Direct, indirect greenhouse gases (tCO ₂)	74,952
 Recycling volume (ton)	35,023	 Other indirect greenhouse gases (tCO ₂)	363,698
 Waste water (ton)	2,556,000		



Eco-friendly Construction	Eco-friendly Building Operation	Eco-friendly Removal	Eco-friendly Supply Chain
<ul style="list-style-type: none"> - Construction sites environment and energy management - Environmental conservation activities - Enforcement of Waste management guidelines 	<ul style="list-style-type: none"> - Operating energy-zero buildings - Actualizing eco-friendly green homes 	<ul style="list-style-type: none"> - Operating a comprehensive environmental wastes management system - Strengthening wastes management policies 	<ul style="list-style-type: none"> - Expanding green technology trades with suppliers - Strengthening green management training for suppliers
<ul style="list-style-type: none"> - Anticipative response to Gov't Negotiated Agreement (NA) on greenhouse gas, energy - Systemic reduction in greenhouse gases 	<ul style="list-style-type: none"> - Developing a village/city-comprehensive energy management system 	<ul style="list-style-type: none"> - Demolishing the stone surface of building structures, establishing demolition policies 	<ul style="list-style-type: none"> - Commencing green management training for suppliers - Strengthening sustainability evaluations of suppliers
<ul style="list-style-type: none"> - Reconstruction of the national greenhouse gas Inventory and responses to policies - Monitoring on the entire process of energy use and energy reduction 	<ul style="list-style-type: none"> - Expanding green item building applications 	<ul style="list-style-type: none"> - Demolishing the stone surface of building structures, establishing demolition policies 	<ul style="list-style-type: none"> - Expanding green management training and funding support for suppliers

Investment for Environmental Protection

(Unit : 100 million won)



*2010 Other expenses included

Energy Usage Performance (Unit : TJ)

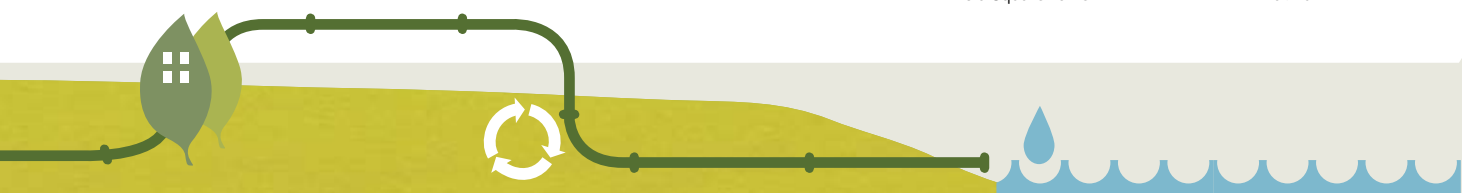


CO₂ Emissions Performance (Unit : tCO₂-e)



Eco-Friendly Buildings Certification

Certificate	Name of building	Rate
Green Mark	- Khoo Tech Puat Hospital	Platinum
	- One Shenton way	Gold
	- Overseas Union House	Gold
	- Pasir Ris Condominium	Gold Plus
	- Asia Square Tower 1	Platinum
	- Pasir Ris Condominium Parcel 2	Gold Plus
LEED	- Botannia Condominium	Gold
	- Asia Square Tower 1	Platinum



Eco-Friendly Technology Development

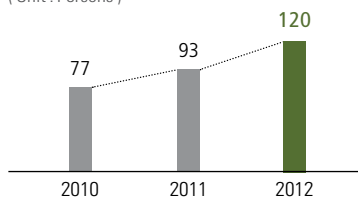
We have established an R&D division created from the existing R&D center with a vision of 'obtaining technology for leaping forward to becoming an engineering-based construction company initiated in April of 2011'. With the development of this new center, we hope to obtain technology based on eco-friendly business practices to facilitate future growth and maximize competitive improvement and profitability for the existing business. Hyundai E&C plans to become a leading eco-friendly technology-based, and exemplary industrial leader by obtaining these objectives.

Employee and budget expansions

Hyundai E&C employs researchers in its quest for the development of eco-friendly technology and the expending of investment for its research facility. Our R&D budget increased by about 85% in 2011. We employed 77 people in the R&D center in 2009, and increased that number by about 24% to employ 93 people in 2011. We plan to expand our employment of experts to 120 people in 2012.

Expansion of investments for the Research facility | Hyundai E&C continuously executes investments for its new research facility and has continued to do so since 2010. In an effort to continuously improve our test facility distribution and field support capability for our previous technology development, we invested by about 78% in 2011. We plan to invest in 2012 for the research facility. With the expansion of our research facility, Hyundai E&C plans to lead the industry in the development of cutting-edge eco-friendly technological advancements.

Researchers at the R&D Division
(Unit : Persons)



* 2012 is expected value

Expansion of government support | Hyundai E&C is widely known for its eco-friendly technology development and its ability to continuously execute national projects. We recently started a project of technology development to explore an active control type of tidal power generation in 2011 and are currently executing 16 national projects in 2012. Subsidies for R&D supported by the government equaled approximately 1.8 billion won in 2009, approximately 3.4 billion won in 2010, and approximately 5.4 billion won in 2011. We plan to continue to expand our government support in an effort to provide eco-friendly technology development.

CASE STUDY_

Recovery Activity Report for Soil Pollution

Summary of project

- Name of construction site : [Other working field for roadbed facility Gyeongbu Express Train No. 6-3 section of works] Daejeon station block
- Area : 56,000 m²
- Purifying amount of polluted soil : 24,621 m³
- Working period : 2010. 07. 29. ~ 2010. 12. 20. (with reference to the purifying process)

Hyundai E&C found unexpectedly high density of oil pollution in a working field for the newly established roadbed for the Gyeongbu Express Train. For preventing secondary pollution to neighboring sites, we acknowledged the need to remove the original polluting source. We quickly processed it while minimizing the delay of work by utilizing the sites according to the purification of each section. During this process, Hyundai E&C applied its original eco-friendly, economical purifying technology for polluted soils, i.e. all clearing of water-reuse and a no-wasted water-emission system. Moreover, we minimized working costs by reusing cleared soil in the field.



Technology for recovering soil pollution | Hyundai E&C has eco-friendly technology for the minimization of and directly solving environmental problems, which can happen in the construction site. The technology for clearing polluted soil, which Hyundai E&C uses is one that is the first environmental new technology in Korea developed by an engineering and construction company through its own R&D and field application. This technology does not use an emissions system to remove pollutants from water used for clearing polluted soil again to reuse all of the water, claiming to be an economically excellent eco-friendly technology. Hyundai E&C plans to continuously improve its technology development for eco-friendly methods.

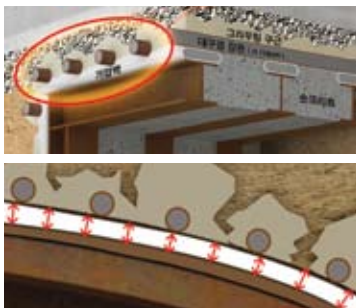
Eco-friendly technology development

Hyundai E&C has contributed to the reduction of technology development costs as well as an increase of environmental property through co-R&D expansion that is related to an eco-friendly technology and eco-friendly technology and development with companies in the Group.

Slag reutilizing expansion technology | Hyundai E&C has partnered with Hyundai Steel Ltd. to develop construction materials utilizing ironing slags due to the increased need for high value materials for expanding the use of slag. This co-research has been invested in with research costs of about 0.32 billion won, which will solve the problems for environmental issues that arose due to the saturation of open-air yard for slags of Hyundai Steel. The result will afford the production of slags of 5 million tons upon completion of construction of the No. 3 furnace. Through this research, Hyundai E&C will develop a low-cost, non-cement-combining agent and high anti-flame · high anti-heat slag concrete by using steel slag to increase energy efficiency.

Current Projects Promoted by Co-research

Companies in the Group	R&D project
Hyundai Motor	Developing an intelligent road system
	Applying a hydrogen-fuel cell for cars to architecture
Hyundai Steel	Developing a process for combining complex natural gas by using steel gases
	Developing a technology for reusing steel wasted water
	Research for expanding the utilization of furnace slag
	Developing a new steel for the construction site and estimating produced steels
Hyundai Amco	Co-research for concrete related to slag utilization for skyscrapers
Hyundai Autoever systems	Developing the Building Energy Management System (BEMS)
	Co-participating in the national project for active tidal power generation



| Detailed drawing of the pressurizing support tunnel method



| Construction site using the pressurizing support tunnel method

Expansion of the reuses of steel wasted water | Hyundai E&C will partner with Hyundai Steel Ltd. to execute co-research to develop the water reuse markets of membrane technology and reduce water costs for industrial water usage. Hyundai E&C will be responsible for managing, designing and operating the project in general, while Hyundai Steel Ltd. will be responsible for collaterally operating the RO pilot and analysis of water quality. Hyundai E&C will build a water reuse facility O&M (Operation and management) technology utilizing the RO (Reverse Osmosis) system, UF (Ultra Filtration) · RO membrane design and EPC (Engineering, Procurement and Construction) ability.

Developing a Pressurizing Support Tunneling Method (PSTM) | There are many instances where newly made roads or rails must pass below existing roads or rails. Hyundai E&C has developed a new pressurizing support tunneling method through its research of the past 4 years, and this new method can overcome the problems of existing technology, which causes excess displacement and working delays that occur in the existing tunnel establishing method. (i.e. a method of pressurizing-embodiment $\phi 800 \sim 2,000$ mm large sized steel tubes to supplement them with steel concrete and excavate tunnels) This method increases work safety, shortens the working period with slim structures, drastically reduces the use of steel in the construction of new tunnels, and has the effect of reducing more than 35% of the working period and 76% of steel usage when compared to the existing method. Hence, the method is one that is eco-friendly and capable of drastically reducing greenhouse gases which contributes to competitiveness in receiving orders in domestic and international markets, in addition to reducing costs.

Major R&D Achievements of 2011

	Technology	Summary	Eco-friendly Aspects
Green Cities	CO ₂ Reducing and Low-heat Concrete	- Concrete which reduces CO ₂ emissions and cement water heat by substituting given portions of cement of concrete materials with a furnace slag or industrial by-products	- Reducing the CO ₂ emitted by cement production
	Building Energy Consuming Amount Analyzing Technology	- Technology which analyzes-predicts amount of energy consumption (air conditioning, lighting, ventilating, and water boiling) in the building by utilizing simulation programs	- Energy reduction through the prediction of CO ₂ emissions in buildings
	HERV (Hyundai Energy Recovery Ventilation) System	- Wasted heat withdrawing ventilation system, which can cool with external air and mount optimum ventilation control technology, which is a technology automatically operated by a composite sensor and ventilation control program to keep indoor environments comfortable and reduce energy (Green technology authentication: Ministry of Land, Transport, and Marine affairs No. GT-11-166)	- Reducing house energy consumption-Reducing 77% for ventilation, 22% for cooling, 16% for heating - Reducing greenhouse gases yearly-Reducing 0.47 tons of greenhouse gases - Managing indoor environment-Managing required level for indoor CO ₂ and TVOC (adjustable)
	TEEM (Total Energy & Environment Management) System for households	- Integrated management system for mounting energy reducing-automatic control and indoor environmental management technology for energy facility/apparatus for households	- Reducing house energy consumption-Reducing 15% for heating (Excluding reduction of HERV) - Reducing greenhouse gases yearly-Reducing 0.24kg of greenhouse gases - Managing indoor environment-Monitoring and managing indoor air quality-indoor heat environment
Green Energy	Hybrid earth-heat cooling and heating system technology	- Technology for establishing an optimal cooling and heating system associated with drying floor heating panel, earth heat and solar heat	- Minimizing carbon emissions through the reduction of cooling and heating energy
	Visibility using BIPV system	- Technology for solving visibility problems due to expansion of the renewable energy solar installation area and existing solar visual shield and for reduced cooling loads due to utilization as lighting and shield for infrared in window	- Reducing CO ₂ emissions according to the production of clean electric energy and reduction of cooling load
	Organic waste bio gas system	- Technology for purifying organic wastes and at the same time producing bio gases, hence improving process efficiency by combining membranes	- Increasing the production of bio gases by more than 15% - Renewable energy production and minimizing bad odors and sludge
	Organic sludge heat-water dissolving · anaerobic digest integrating process technology	- Technology for treating sludge, which is economical and innovative because it makes organic dehydrated sludge, having about 80% of water content into a liquid state through the high temperature, high pressure method of a thermal hydrolysis reaction to separate it into solid and liquid and reduce its weight, to produce bio gas through a high efficient and anaerobic fire extinction reaction for remaining liquid products	- Reducing weight of organic sludge Producing fuel (bio gas) using wasted sludge - Reducing more than 50% of energy against existing sludge treatment method(dry)
	Developing marine wind power support structures and based technology	- A sophisticated alternative energy technology for utilizing natural source wind, spaces, marine	- Reducing dramatically fossil fuels such as coal and oil through utilizing wind energy
Green Efficiency	Eco-freindly and high efficient dredge technology	- Environmental construction technology for minimizing environmental effects of constructing section and construction efficiency analyzing and optimizing technology using the ubiquitous monitoring system	- Minimizing floating matters on construction in water
	High performance concrete mixing and pumping technology for high-rise building	- Press-sending technology, making it possible to supply concrete at once to mixing design and driven places for high performance concrete applied in skyscrapers, and technology for predicting actual concrete press-sending capabilities with the estimation of simple press-sending capability	- Minimizing environmental pollution by minimizing concrete material loss
	Pressurizing Support Tunneling Method (PSTM)	- Technology that, with regard to the establishment of underground traffic facility, which penetrates a lower part of the existing structure, avoided insertion of large-sized steel tube (Φ800-2,000mm) but instead used a slim pressing support system to obtain safety and penetrate quickly and economically without affecting aboveground.	- Increasing the safety of aboveground (making it possible to recover displacement) - Shortening the working period (shortening by 35%) - Reducing steel usage (Reducing 76%) → Reducing CO ₂ emissions - Improving constructing property (increasing worker's safety)

Economics for technology	Type	Developing method	Current State				Case
- Cost reduction (material cost) - Shortening the construction period (hydrated heat reduction)	Design optimization	Self development	Plan	Develop	Test	Commer- cialized	- UAE Nuclear power generation
- Minimizing the building's maintenance cost (energy consumption)	Product innovation	Cooperating development	Plan	Develop	Test	Commer- cialized	
- Reducing 310,000 won of energy costs annually compared to the continuous operation of the existing system (based on an average household with 30 pyeong area)	Product innovation	Cooperating development	Plan	Develop	Test	Commer- cialized	- Sejong Hillstate site
- Reducing 130,000 won of energy costs annually compared to the existing heating system (based on an average household with 30 pyeong)	Product innovation	Cooperating development	Plan	Develop	Test	Commer- cialized	- Planning to be implemented at Hillstate site
- Reducing 20~30% of the cooling and heating energy of buildings	Process optimization	Self development	Plan	Develop	Test	Commer- cialized	
- Improving renewable energy/ construction efficiency - Utilizing existing window systems - Reducing initial investment cost	Process optimization	Self and cooperative development	Plan	Develop	Test	Commer- cialized	- KCC laboratory complex
- Increasing bio gas emissions against existing technology and reducing process by-products	Design improvement Method innovation	Self development	Plan	Develop	Test	Commer- cialized	- Considering applicability for the renewable energy composite complex building project at city of Jeju
- Reducing O&M costs through more than 50% energy reduction against the existing sludge treatment method (dry)	New method development	Cooperating development	Plan	Develop	Test	Commer- cialized	
- Reducing marine wind power-based construction costs	Product innovation	Cooperating development	Plan	Develop	Test	Commer- cialized	
- High concentration and optimal transference - Adjusting the percentage of water content in construction	Process optimization	Self development	Plan	Develop	Test	Commer- cialized	- Dongyang steel and chemical's wasted lime treatment site - Tae'an's business-city construction site - Nakdong river revitalization project, No. 22 section
- Reducing construction costs by preventing problem occurrence through estimation and monitoring of sending capability	Design improvement Method innovation	Cooperating development	Plan	Develop	Test	Commer- cialized	- Incheon Tower - Pusan international finance center - Federation of Korean Industries building
- Reducing non-excavation tunnel method costs (steel usage) - Shortening the constructing period (method development)	New method development	Self development	Plan	Develop	Test	Commer- cialized	- Gwanggyo land development 2 section Ramp –B (section of crossing with Yeongdong highway)

Eco-Friendly Design

Hyundai E&C strives to adjust its business endeavors to introducing eco-friendly design within the construction industry. We are designing our projects taking account of energy reduction, used-water reduction, ecological issues and comfortable housing environments.

Energy reduction design

Hyundai E&C is trying to reduce energy use during construction by applying design techniques to maximize the reduction of the emission of greenhouse gases and reduce the impact of environment-polluting materials. Moreover, we are trying to reduce the use of the environment-polluting materials emitted during construction.

Visibility through the BIPV (Building Integrated Photovoltaic) system | Hyundai E&C designed the BIPV system to maximize the visibility of reducing CO₂ emissions by utilizing clean electric energy production and cooling load reduction. This is one solution for resolving visibility problems that are due to the solar light visual shield by utilizing specialized lighting and reducing cooling loads that result from the shield of infrared properties in windows. Such technology has the effect of reducing about 12% of electric energy in its application to a 45 Acreage apartment. Moreover, Hyundai E&C has resulted in the filing of 3 patents for wiring technology for dual sliding windows for common housing.



Effect of energy reduction design

Annual greenhouse gas reduction by using the HERV system

0.47 tCO₂

HERV (Hyundai Energy Recovery Ventilation) system | Hyundai E&C uses a wasted heat withdrawing ventilation system which makes it possible to cool with exterior air, with optimal ventilation control technology mounted on the Sejong Hillstate site. This technology automatically operates through a composite sensor and ventilation control program to maintain a comfortable internal environment and reduce energy. Hyundai E&C thereby reduced 77% for ventilation, 22% for cooling, 16% for heating with regard to the reduction of housing energy. Moreover, we have accomplished an annual reduction of 0.47 tCO₂. Hyundai E&C continues to provide customers with reductions in energy usage and comfort in housing environments.

Energy managing system | Hyundai E&C is expanding the application of its energy management system, HEMS and MEMS, starting at the Incheon Geomdan Hillstate site. This system allows customers to monitor used amounts and costs of water, gas and electricity in real-time via wall pads and smart phones. Use of this system is expected to contribute to reducing all kinds of energy and water.



Considerations for energy reducing design

Efficiency

Insulating method, high insulating materials, high performance window, wasted heat withdrawal ventilation and high efficient construction technology

Renewable

Solar light, solar heat, tidal power generation, marine wind power, earth heat, bio gas, hydrogen

Water reduction design

Hyundai E&C designs water reducing equipment that not only reduces water consumption but increases energy efficiency after its construction is complete. For Baekryeon Mountain First Hillstate (Eungam No. 7 section), we made it our goal to reduce annual water usage to 14,378 tons and are planning the introduction of both a sink water-saving valve (11,060ton/year) and an excellent processing system (3,318ton/year).



Considerations for water reducing design

Water saving

Water saving toilet bowl, water supplying meter, treated water supply, excellent usage system, reducing valve

Reuse

High pressure filter apparatus, ammonia stripping, high density composite liquid fertilizer withdrawal

Comfortable housing environment design

Hyundai E&C is applying a ventilation design for the improvement of internal air quality, geography and wind direction as well as design for minimizing noise.

Verification for the final material's eco-friendly property | We are applying a design for verifying the final material's eco-friendly properties to increase customer satisfaction by improving internal air quality and making inside housing environments comfortable. This technology for verifying whether or not final materials meet internal management standards through quantitative, qualitative analysis for pollutants that are emitted from the final materials applies to new construction. Major cases that have applied these technologies include the southern Seoul Hillstate site and Banpo, Incheon Yeongjong Hillstate sites.

Technology for reducing floor shock noise | To resolve the inconvenience among customers due to noise between floors, we are developing technology that will reduce floor shock sound. This technology will reduce all kinds of floor shock sounds that include walking in the upper floors in common housing developments through modification of floor structure technology. At present, this technology is in the developmental stage.

Considerations for comfortable housing environment design



Internal air quality

Eco-friendly material, composite sensor and ventilation control program

Vent

Nature-friendly complex arrangement, consideration upon geography, wind enduring structure estimation

Insulation

Composite insulation, external insulation system, tunnel lining insulation

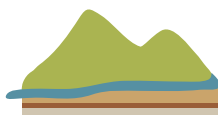
Noise

Acknowledge floor structure development, noise control, window, noise shield capability, predicting technology

Ecological environment design

Hyundai E&C is attempting to predict the environmental effects occurring in geography or water quality, animal and plants during construction through analyses and then trying to minimize them during the design stage of projects.

Eco-friendly construction and soil dredging processing technology | Hyundai E&C is developing dredging technology to minimize the environmental effects of pollution and water emissions during construction. Moreover, we are analyzing and optimizing construction efficiency by utilizing a ubiquitous monitoring system. Thereby, we expect to increase the construction efficiency of domestic construction to a level from 10~15% to 30~40%. Consequently, Hyundai E&C is exerting its leadership role in the eco-friendly design field as a leading company in the construction industry.



Considerations for ecological respect design

Geography

Water blocking wall installation, water purification, organic wasted water purification

Water quality

Water blocking wall installation, water purification, organic wasted water purification

Animal/Plant

Damaged wood reuse, exit road, ecological placements, artificial plant island

Eco-Friendly Materials

Hyundai E&C has estimated the value of environmental properties for purchased materials and selection since 1997. We thoroughly manage the materials regarding transporting, storing and using them, and we encourage suppliers to develop eco-friendly materials. Moreover, with regard to purchasing and collecting eco-friendly materials, we prohibit the use of harmful materials and frequently update our eco-friendly materials list to minimize environmental effects based on collected objective data. Hyundai E&C continuously develops and uses eco-friendly materials to provide leadership that embodies the characteristics of an eco-friendly society.

Green Purchasing Process Improvement

Hyundai E&C is improving green purchasing processes and managing purchasing results in order to encourage eco-friendly material purchasing and collecting and to create a green management culture.

Green Purchasing Process | Products to be targeted for green purchases are managed, being classified into 8 codes (HEGS 1~8) according to their type, since their codes must be entered when we request or order materials. Each site classifies these data codes. By executing this type of monitoring, Hyundai E&C is distributing green management with regard to the purchase and collection of eco-friendly material as well as the same for its suppliers.

Estimating Material's Eco-Friendly Property | Hyundai E&C has 3 standards: 1) harmfulness (toxicity, non-biodegradability, ecological threats ; 2) law violation (harmful chemical material managing acts, waste managing acts, fire services acts); and 3) usage (average use from all sites). We are establishing eco-friendly networks by performing educational training about reduction of environmental harmfulness for suppliers whose materials have been estimated to encompass high environmental harmfulness as well as urging to develop substitute materials for the harmful materials.

Green Purchasing Process



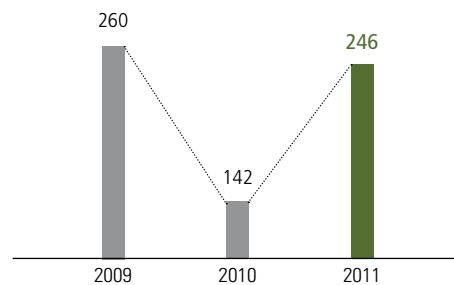
HEGS : Hyundai Environmental Goods Standard

Type	Content	Type	Content
HEGS-1	Environmental mark-certified goods	HEGS-5	Foreign environment mark-certified goods
HEGS-2	GR(Good Recycled) mark-certified goods	HEGS-6	Waste-reduced goods
HEGS-3	1-rated energy efficiency goods	HEGS-7	Hazard material-reduced goods
HEGS-4	Energy savings mark-certified goods	HEGS-8	Recycled goods

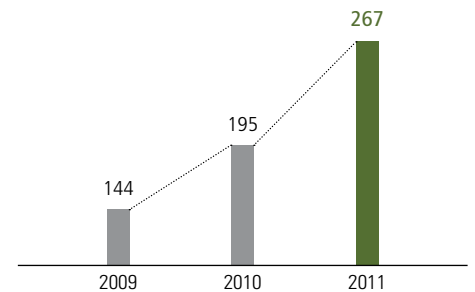
Expanding the Green Purchasing Rate | In 2011, Hyundai E&C purchased raw materials in the amount of 5,242 billion won, with 24.6 billion won being allocated to green purchasing. This corresponds to 0.5% of the total of the purchasing amount being a green purchase, and a value expansion of 73% compared to the total of green purchasing in 2010.

Improving Usages of Raw Materials by the Unit of Won | Hyundai E&C used major raw materials in the amount of 14,042,294 tons in 2011, resulting in selling the amount of 5,024.0 billion won. The ratio of the unit of won to usages of the major raw materials based on the selling amount is 267, which increased by 36.9% compared to 195 of the reference ratio of unit of won in 2010. Managing the major raw material usage in accordance with the selling amount is Hyundai E&C's green management effort for spreading green purchases.

Changing Transition of Green Purchasing Amount (Unit : 0.1 billion won)



Transition of the Unit of Won for Raw Material Usage



| Commercializing low-heating concrete, which shortens the construction period by reducing material costs and heat of hydration

Improving the Ratio of Reused Concrete | In 2011, Hyundai E&C's 63 construction sites' ratio of using reused concrete occupied 14.5%. Among aggregates of about 9.8 billion won in all of the 10 construction sites, about 0.64 billion won was used for purchasing recycling aggregates, which means that 14.5% of the total quantity was used with the recycling aggregates when calculating and quantifying that with an average unit. Hyundai E&C's ratio of using reused concrete will continue to increase and be managed for the future. Our goal is to reuse concrete in all sites.

Developing Eco-Friendly Concrete | Hyundai E&C's goal is to develop an eco-friendly concrete material. We are on track for developing and commercially using a CO₂ reducing and low-heat concrete which can be substituted for a given portion of cement in concrete materials with a furnace slag, an industrial byproduct to reduce CO₂ emissions and hydration of cement heat, hence reducing the cost for material and hydration heat to make it possible to shorten work times. Moreover, we are now testing a 200Mpa class of high-intensity, concrete-mixing design technology, hence reducing concrete usage to maximally reduce energy usage and environmental effect.

Eco-Friendly Transportation

Hyundai E&C is practicing eco-friendly transportation to make it possible to reduce greenhouse gas emissions. Through the eco-friendly transportation campaign among employees and the distribution of the eco-friendly transportation guideline for vehicles to be used in working sites, we are promoting Hyundai E&C's eco-friendly transportation plans.

Eco-friendly transportation policy

Hyundai E&C is improving its eco-friendly transportation by actively corresponding to climate change. In 2010, the company spent 0.70tCO₂-e/0.1billion won on transportation and in 2011, with the expansion of its eco-friendly transportation policy, we reduced the amount to 0.56tCO₂-e/0.1billion won. Likewise, the eco-friendly transportation will continue to expand in order to reduce the emitted greenhouse gas amount.

Eco-friendly transportation activity

Hyundai E&C's eco-friendly transportation activity is largely classified into 2 activities; the execution of eco-friendly transportation in policy and practice of eco-friendly transportation through the employee green campaign. Hyundai E&C drastically reduced greenhouse gas emissions in 2011 because our company changed its work vehicles from gasoline vehicles to hybrid vehicles, which have high energy efficiency ratings, resulting in a drastic reduction of gas usage. Moreover, we have continued executing various activities for reducing the use of vehicle for work through the practice of our employee green campaign, regular vehicle check, prohibiting abrupt accelerating · stopping · ticking-over and carpooling, hence being capable of reducing the greenhouse emissions. Hyundai E&C will expand its campaign and activity step by step to obtain 100% compliance to our eco-friendly transportation policies.

Intensifying vehicles' operating reference | Hyundai E&C established a policy for operating vehicles for work and is operating the policy by enforcing them in our company's own vehicles, leased vehicles, suppliers' vehicles and vehicle drivers. This policy embraces the "eco-drive guideline" for environmental protection and gas mileage reduction as well as its contents for vehicle managers and aggressively recommends adherence to the policy to reduce greenhouse gases. Hyundai E&C will intensify referential standards for vehicle operation and expand the eco-driving campaign.

Executing an eco-friendly transportation campaign | Hyundai E&C advocates eco-friendly transportation and is spreading its eco-friendly culture through various green campaigns. Hyundai E&C will diversify and continue its green campaign which will allow all employees to participate in order to steadfastly execute the green management.

Hyundai E&C Driving Guideline

Class	Practicing Item	Economical driving guideline	Class	Practicing Item	Economical driving guideline
Traffic Info	Making traffic information a way of life	Finding all optimum paths	Driving Habits	Minimizing a ticking-over	Stopping engine upon parking for more than 5 seconds, Transiting to Neutral mode (N) while waiting for the signals
	Minimizing engine pre-heating	10 seconds is appropriate for engine pre-heating, not exceeding a maximum of 30 seconds		Luggage diet	Emptying car trunk of unnecessary luggage, Driving with your vehicle's fuel half filled
	Smoothly starting your vehicle	Starting with 20km (1500rpm) in 5 seconds after starting vehicles		Tire air-pressure check	Regularly checking your tires' air pressure every month
Driving Habits	Utilizing inertia driving	Using an engine brake on downhill, Inertia driving by accelerating ahead upon entering uphill, Stopping with inertia by anticipating crossroad signs	Car management	Being reluctant to use the air conditioner	Reluctant use of air-conditioner, When using air-conditioner, operating it from high mode to low mode
	Keeping a constant driving speed	Not abruptly accelerating/decelerating but constantly driving, Maintain a safe distance from the car ahead		Managing car fluids and maintenance of car systems	Checking car fluids every month and supplying shortage according to each vehicle's specifications, Checking/repairing car parts and systems on a regular basis
	Observing economical speeds	Observing 60~80km/hour on general roads, Observing 90~100km/hour on highways			

Eco-Friendly Construction

Hyundai E&C is working on projects aimed at minimizing the environmental effect throughout all new construction projects. We are investigating construction processes and paying attention to how construction sites are effectively using available energy and materials and how such process are affecting the working sites and the local environment, as well as exploring ways to decrease any adverse environmental effects we discover.

Resource management

Hyundai E&C is reducing resource use by more effectively using and systematically managing resources used during construction.

Managing energy in construction sites | Hyundai E&C is using its monthly H-PMS report to collect and manage the use of energy in working sites during construction projects. Moreover, we are initiating a companywide green campaign to develop ways to further reduce any negative environmental impact that construction has on sites. We obtained the energy management system international standard ISO 50001 Authentication for the first time among construction companies in the world companies by working out this initiative.



Major resource management plan

Material	Water	Energy
- BIM* (Building Information Modeling)	- Rain storing facility - Underground water de-watering facility - Spring cooler	- Writing energy reduction plan - Checking · approving energy performance indicator - Energy high efficiency facility and infrastructure

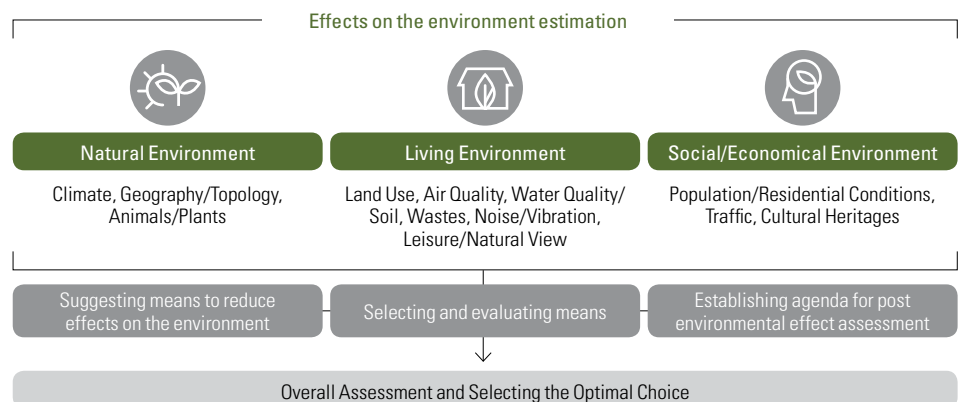
* BMI (Building Information Modeling) : An interfacing system that stores all the architecture-related information into its database, it generates the exact quantity and production cost of materials needed for construction so as to save the unnecessary use of materials.

The construction site's environment management

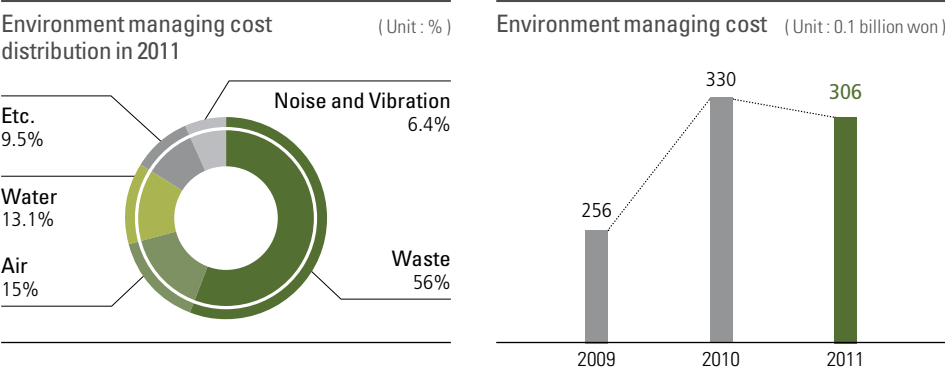
Hyundai E&C regards site workers and local residents as most important. We are thoroughly managing the environment at the construction sites to minimize environmental effects on them.

Performing an estimation of the environmental effect | Hyundai E&C is compulsorily performing an estimation of the environmental effect for the construction and development industries such as city development and road construction before their onset. For a project not being subject to compulsory estimation according to the Acts, we estimate upon environmental aspects at the initial phase of the project based on contents specified in the 'safety/health and environment management guideline'. In August of 2011, we estimated the environmental effects for each working step deployed in the construction site of Gangseo Hillstate to the effect of deriving noise, vibrating and dusts as main items to manage, hence managing primarily the corresponding items.

Effects on the environment estimation process



External organization environment audits | Hyundai E&C performs external independent audits for other organizations and internal experts’ audits for all construction sites, both domestically and overseas. Our external independent audits is performed using a third-party special authenticating organization. In 2011, we performed external audits for 12 head office departments and 15 construction sites. In addition, we performed internal audits, 532 times for 19 head office departments and 198 construction sites.



Observations | Hyundai E&C received 6 improvement orders and 16 fines in 2011 in violation of the environmental Acts and remedied all violations.

Managing construction sites | Hyundai E&C manages air quality, water quality, soils, noise and vibration and leads environmental protection activities.

Major resource management plan

Air

- Establishing standards for the emissions of air polluting materials and installing restraining facilities
- Installing anti-dust walls and automatic spraying apparatus
- Tele-monitoring system
- Publishing air quality states through electric bulletin boards at the sites

Soil

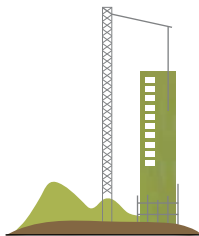
- Prohibiting certain types of work for maintaining facilities and exchanging oils in sites
- Developing technology for clearing contaminated soils (New Environmental Technology Authentication No. 92)
- 6 Patents and 2 Utility models related to the recovery of contaminated soils

Water

- Providing facilities for treating contaminated - wasted water.
- Managing the marine environment
- Installing temporary draining paths and sand-precipitating sections, Thoroughly managing oil facilities.

Noise/Vibration

- Installing local anti-sound - anti-dust facilities, Using low-noise equipment
- Operating at low speeds in construction sites, Installing anti-sound barriers around sites



Managing wasted water | Daily life-contaminated water that occurs at site operations is emitted based on the policy of water treatment in the corresponding regions. We install contaminated water treatment facilities with a capacity of less than 50m³/day and thoroughly manage them through a daily check and check water quality twice annually for the power supply and verify that the apparatus are running properly.

Ecosystem

Hyundai E&C is highly dedicated to monitoring its various activities put in place to minimize damages on neighboring construction site ecosystems to protect those areas from negative environmental construction impacts.

Strategy for biological diversity | Hyundai E&C managed the ecosystems of neighboring construction sites by following stringent standards. Before construction, we survey and estimate the effects of a particular design and construction method on the subject ecosystem and determine how to maximize the preservation of that ecosystem and minimize geological changes and plant damages. When we judge that the particular process will negatively impact the ecosystem, we minimize the effect through transplants, preparation of substitute habitats, and design changes. Even after beginning construction, we continuously manage and monitor the situation and cooperate and check with the interested parties concerning the preservation of the neighboring local ecosystem.

Ecosystem protection activity | Hyundai E&C performs biological diversity protection activities at the sites based on the Nagoya Protocol (a protocol regarding access and profit sharing of life genetic resources). We minimize damages to ecosystems by establishing aggressive managing measures for construction sites for the protection of both domestic and overseas regions to assure that no waters and living organisms are negatively affected from wasted water emissions. Hyundai E&C performs activities to prepare substitute habitats by creating biological wetlands, installing artificial plant islands, developing natural rivers and green belts, utilizing tree transplants and sand-precipitating areas for the protection of biological diversity at the sites. Moreover, we perform activities of installing protective apparatus and passage ways, such as installing exit paths for small animals and guiding fence, taunt nets to block paths, passages using street trees and structures, and substituting design or construction site changes to reduce noise or vibrations.

Managing legally protected species | We thoroughly execute measures for the protection of the ecosystem for sites known to be the habitats of legally protected species within regions covered by our construction projects in 2011.

Projects Near Places Under National Protection

Site name	Environment managing region's name
Sihwa MTV 1, 5 working section	Sea area under special watch
Nackdong River revitalization, 15 working section	Ecologically protected region, Wetland protected region
Nackdong River revitalization, 22 working section	

Current legally protected species within domestic project regions

Incheon Sinhan Construction

Haematopus ostralegus, Larus saundersi, Numenius madagascariensis, Falco tinnunculus, Platalea minor



Han River Revitalization-Section 6

Polygonatum stenophyllum Maxim, Aster altaicus, Eremias argus

Gyeongjeon-line Hanan-Jinju Construction

Falco tinnunculus



Changwon-Busan Road Construction

Leopard cat, Milvus migrans, Buteo buteo, Circus cyaneus, Chinemys reevesii



Jeju Naval Base-Section 2

Sesarma intermedium, Psilotum nudum

CASE STUDY_

Protecting an endangered species, "Plicate"



| Plicate

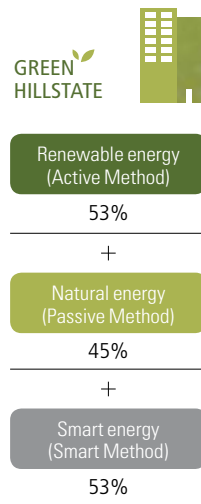
Hyundai E&C discovered a rare fresh clam, classified as the first class endangered species and named "plicate" in the Nakdong River revitalization project No. 22 worksite. We fully cooperated to limit the environmental effect of the construction on this rare clam using our estimation technology, executed a sample survey within the project section, and held meetings concerning ways to protect the plicate. Moreover, we made great efforts in preserving the plicate by conducting surveys with experts and patrolling the area daily.

As a result of our survey, the plicate was moved to the waterside that exposed some dead ones. It was determined that these deaths occurred due to not only its innate tendency of static mobility but also the lowered water level, which all led to their natural deaths. Those discovered in the mainstream section and other sections of the Nakdong river that live hidden under rocks on cliff slides were easily and temporary transplanted. They are expected to fully recover once the water level rises. Hyundai E&C is currently leaving them as they are, executing treatments of the water, discharging them into water when exposed. After the refilling of the reservoirs, we continue to monitor their habitations. Hyundai E&C is also trying its best to protect other living species that live around construction sites.

Eco-Friendly Building Operation

Hyundai E&C performs eco-friendly activities to optimize the use of energy and resources and to develop new eco-friendly ways for the operation of completed buildings as well as buildings in the process of completion.

Diagram for
Applying Green
Item Hillstate

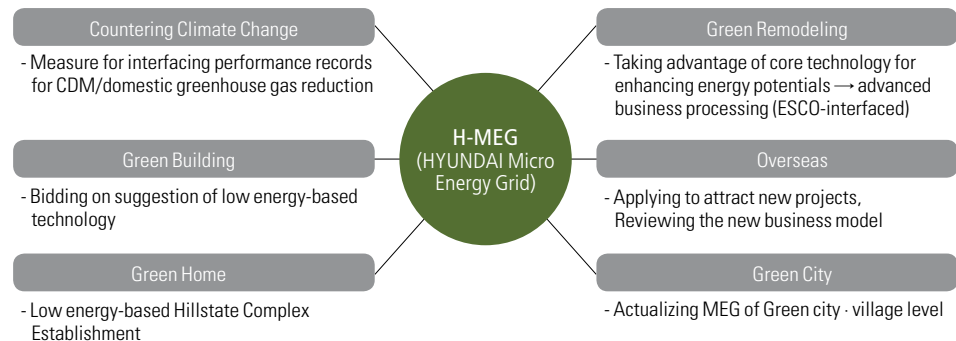


Green home system

Hyundai E&C introduced a green home system that targets energy saving ways to create eco-friendly houses. Since December 2009, we have reformed and operated a green home TFT, and promoted the Green Hillstate project as an example of those efforts. As a result, we achieved saving 30% of BAU reference energy in 2011. Furthermore, Hyundai E&C continues to perform activities to develop H-MEG (Hyundai Micro Energy Grid) and the application of green item projects for reducing continuous energy consumption and carbon emitting. Our goal is to have a 'zero energy house' by 2020.

Developing a H-MEG (Hyundai Micro Energy Grid) | Hyundai E&C is developing H-MEG in order to establish a unique total solution exclusive of Hyundai E&C for energy supply distribution and efficient operation in both the Macro Grid and the Micro Grid. Through H-MEG, we expect to establish a basis for an integrated-operating technology for buildings, which can introduce steps to acquire efficiency in production and distribution and use of building energy to maximize energy saving and accommodate various technologies.

H-MEG's Expecting Effect



Applying a green item project | Hyundai E&C is executing a green project application in order to correspond to governmental and local policy changes and promotions and to effectively achieve an internal goal. We are promoting our green project by applying eco-friendly authentication and green items to representative projects such as Gympo Hyangsan Hillstate and will produce a complete roadmap for applying the green items through 2020. We will selectively apply the green items to future projects by considering the profitability of doing so as it applies to each project.

Water resource recycling

Hyundai E&C is applying and installing a middle-sized water-supplying facility which can recycle water for daily usage for various architectural needs to promote daily water recycling. Through the middle-sized water-supplying facility, we can reduce the water usage and water amount by preserving water quality through retreatment of water used once and then re-using it for purposes like bathroom, garden-landscaping and firefighting.

Current authentication

In 2011, Hyundai E&C obtained an eco-friendly architecture authentication for completed buildings built from 32 domestic projects [comprised of pre-authentications] and an architecture's energy efficiency rating authentication.



tication for 16 projects. For overseas projects, we obtained 7 Green Mark or LEED authentications and are proceeding with authentication processes for 4 more projects. Moreover, we have received the best rating, Platinum rating, for 3 sites in 7 overseas sites.

LEED (Leadership in Energy and Environmental Design) | The Green Building Rating System is a standard benchmark in regards to the materials and resources, design, structure and functionality of highly functional eco-friendly buildings.

Case for applying green items

Hyundai E&C is introducing several green items to its repertoire, such as solar heat, water heat, solar light power generation, land heat cooling and heating, wind power generation, irradiated cooling and heating and fuel cells for all building projects.

CASE STUDY 1_ Isu Hillstate

Isu Hilstate, to be completed on February of 2013, will be a high-end eco-friendly apartment facility with its application of Hyundai E&C's high technological ability and use of various green items, such as solar energy, land heat system and eco-friendly lighting system. Energy produced by solar power generation will be used for household power supply and public power supply, and we plan to make our mark as the model to emulate in building solar apartment complexes. Moreover, we plan to reduce a maximum of 60% of energy by substituting underground parking lot lighting with eco-friendly LED lighting in combination with UPIS, an intelligent CCTV video analyzing control system that will efficiently control lighting.

CASE STUDY 2_ 2012 Yeosu Expo

Hyundai E&C participated in the construction of major exhibition pavilions comprised of the Korea pavilion and the Theme pavilion, the design and building of which was based on its various project executing experiences and excellent technological abilities we have accumulated in domestic and overseas sites by implementing the "global technological ability" used for facilities in Yeosu Expo. The applied systems are as follows:



| Korea Pavilion



| Theme Pavilion



| Hyundai Motor group Pavilion

Hydrogen cell system | We introduced a hydrogen cell system, which is an eco-friendly energy without emitting carbon to reduce the very amount of carbon dioxide emissions when making round trips between Seoul and Pusan 2,400 times with a car (2,000cc class).

Developing a method for the temporary construction of a marine structure | We developed a method for the temporary construction of a marine structure, "Heavy-Lifting", to apply to the corresponding method of assembling in sections, for which large marine equipment cannot be used. Such an effect thus possibly allows for precise construction so as to have the effect of shortening a construction period as brief as 4 months compared to the existing method for the temporary construction of a marine structure.

Shaping exposed concrete with amorphous cured surfaces | We used a new method for making a large curved mold by introducing technology that allows for amorphous curved panels to be molded.

Minor climate adjusting and natural ventilating system | We applied a system for the adjustment of temperature and ventilation within the exhibitions by utilizing natural energy.

Energy zero house | We designed an eco-friendly architecture which made it possible to obtain zero energy and zero carbon emissions for power and cooling/heating loads; attached to the building itself, it highlights exhibitions by applying natural lighting and the use of a heat-insulating and highly efficient electricity/facility system.

Kinetic Façade, supported by a [moving stand face] | We made use of a Kinetic Façade by organically operating and controlling 98 stand face panels using a system made by GFRP (Glass Fiber Reinforcement Plastic). At the same time, we made use of a Media Façade with the installation of Spot LED and Line LED.

Eco-Friendly Removal

Hyundai E&C systematically operates waste treatment and recycling management systems and has prepared related guidelines to lead the green management campaign, thereby performing standardized eco-friendly removing of wastes from construction sites.

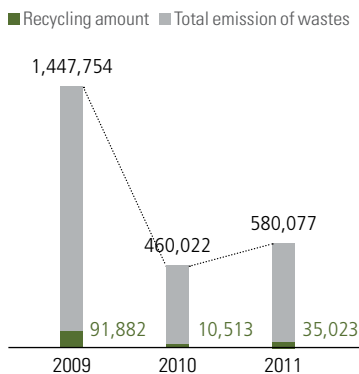
Managing wastes to be removed

Hyundai E&C collects data and monitors various costs for construction wastes that occur in all sites every year and is proceeding with an integrated management prototype for working steps, types and for cooperating with other companies.

Integrated management system for environmental wastes | Hyundai E&C tries to maintain the transparency and reliability of data as it relates to wastes through an integral environment waste managing system and an interlocking H-PMS system and utilize them as reference materials for future bids and budget organization based on a systematic managing system.

Project management system | Hyundai E&C is in the process of collecting and managing environmental data which includes energy usages and greenhouse gas emissions in all domestic sites through the project management system H-PMS. We relay this data to employees through an internal Internet system.

Emissions and recycling amount for wastes (Unit : ton)



Waste management plan | When treating wastes, Hyundai E&C follows treatment methods so as to minimize the environmental effects of particular wastes. Moreover, we have established goals for waste emission and material recycling and have developed a plan for accomplishing those goals. We have begun applying and operating activities that include the establishing of waste collecting spots and managing and analyzing waste emissions for each working unit to minimize waste emission in sites, which produce a lot of wastes that need to be managed.

Moreover, we primarily purchase and use recycled materials and circled aggregates whenever possible and also increase our ratio of utilizing materials by selling some wastes which can be recycled from emitted wastes to waste collection companies. For asbestos and wasted oils, we manage them by consigning their management to special organizations and assigned waste treating companies. In 2011, we outsourced about 94% (545,054ton) of our total waste treatment and recycled 6% (35,023ton).

Removal guideline

Hyundai E&C prepares various guidelines related to the removal and execution of a systematic, eco-friendly removal system.

Standard safety working guidelines for dismantling construction | Hyundai E&C has proposed standard safety working guidelines for dismantling construction to minimize environmental effects and disasters that have often occurred during the dismantling and removal of buildings. These guidelines were written based on the industrial safety standard to be applied to all construction sites where dismantling and removal works are done.

Harmful material restricting guideline | Hyundai E&C performs activities for preventing the direct exposure of workers to dangers by exploring whether facilities or buildings contain harmful materials such as asbestos and whether companies are blocking exposure to these substances according to related guidelines. Hyundai E&C captures a contained amount of any asbestos found and analyzes it. When the amount exceeds 1%, we consign the removal of the asbestos to companies that specialize in the removal and disposal of asbestos.

Eco-Friendly Supply Chain

ECO SCM (Supply Chain Management) Configuration figure



| Meeting with suppliers and the rally of green management practices

Hyundai E&C is establishing an eco-friendly supply chain to expand its area over suppliers that are in cooperation and partnership with us to become a leader in eco-friendly management.

Establishing an eco-friendly supply chain

Because cooperation with suppliers is important for environmental issues, Hyundai E&C is establishing an eco-friendly supply network through the propagation of green management for suppliers.

Necessity for an eco-friendly supply chain | As the importance of environmental precautions emerges globally, companies need to develop a supply chain of green products and services among suppliers. Hyundai E&C cannot improve the environment by itself. However, by establishing a green managing system and coordinating green efforts with the suppliers, we can make a difference. We will make an effort to systemize supporting systems through use of technology, finance and training for suppliers, assist with updating existing procedures, and help with further development of environmentally safe methods in the construction industry.

Making Suppliers green

Hyundai E&C is reaching out to the green management of suppliers by hosting green technology conventions and is selecting green-excellent companies from the suppliers in order to develop a green supply chain .

Holding green-technology conventions | Hyundai E&C is holding a green technology convention to prepare opportunities to develop a growth-together network through the technological cooperation of companies and academies. Moreover, we are holding conferences to enable the sharing of green technology. Through these activities, hence, we hope to promote the establishment of an eco-friendly supply chain.

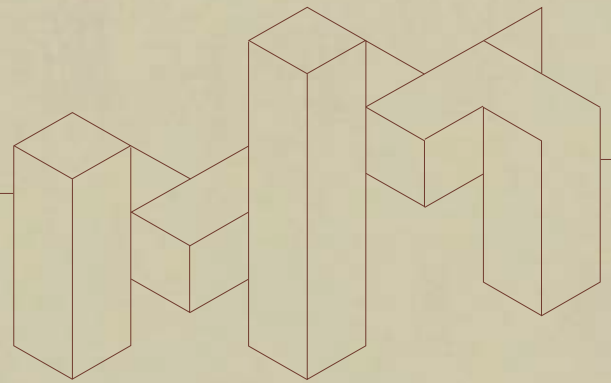
Selecting green-excellent companies | Hyundai E&C performs an unbiased search for the suppliers and field inspection to determine their green capabilities. We give companies that are determined to display excellent green capability such as companies with ISO 14001 authentication opportunities and incentives to be registered as our suppliers. It promotes the development of a network consisting of eco-friendly green capability suppliers.

Green management training for Suppliers | Hyundai E&C holds a "rally to practice green management and energy reduction among the suppliers" in an effort to promote green managements by suppliers. Moreover, we are sharing our green management promotional plan and propagating goals with other like-minded companies whose management is in favor of anticipating climate change, greenhouse gas-energy and trends of global green advanced companies and companies that may be looking to suppliers with us in pursuing our goals.

Estimating sustainability | Hyundai E&C is selecting and managing all types of primary cooperative companies to join them in their economical, environmental and social endeavors. From an economical perspective, we evaluate a company's general conditions in terms of sites, quality, ability and credit ratings; from an environmental perspective, we evaluate their observance of environmental regulations, managing levels for pollutants, and whether they have obtained ISO14001 authentication. From a social perspective, we evaluate their safety health managing levels, whether they obtained OSHAS-KOSHA 18001 authentication and whether they pay the salaries of their employees. Based on these criterion, Hyundai E&C wants to enable companies to sustainably manage and grow across the green management under our leadership.

To Build Green Value
To Build Social Value
To Build Economic Value





Hyundai E&C places customers first and spares no investment in employees based on a corporate culture of trust between labor and management. With strong partnerships with our suppliers and social contribution activities in communities, Hyundai E&C creates a progressive future designed for the interest of all parties.

	Creating Employee Value	Corporate Culture	Safety Management	Win-Win Cooperation	Customer Satisfaction Management	Social Contribution
Shareholders and Investors	M	L	M	M	M	L
Customers	M	L	M	L	H	L
Gov. Media, Association	H	L	H	H	M	H
Employees	H	H	H	H	M	L
Community	L	M	L	L	L	H
Suppliers	M	H	H	H	L	L

* Materiality by stakeholders H : High-M : Medium-L : Low

Principle & Policy | Hyundai E&C has striven to create a corporate culture that can be trusted by all interested parties to leap forward in becoming a global top-tier construction company. Hyundai E&C is working diligently to extend its leadership beyond the domestic construction industry. Hyundai E&C secures its competitiveness by maximizing the value of all employees through Hyundai E&C's unique human resources fostering programs and various welfare benefits. Hyundai E&C will not allow any discrimination in the process of recruiting employees and evaluating their performance. Furthermore, with the establishment of safety management systems, thorough safety inspections and systems improvement, Hyundai E&C guarantees the safety of employees and suppliers, fairly evaluates all suppliers, and spares no efforts to offer various support including financial and educational support, actualizing their win-win cooperative value. To place customers first and satisfy them, Hyundai E&C operates systematic quality management systems from the design stage to purchase and construction. Hyundai E&C continues to maintain communication and form long-term trust relationships through various types of communication channels. In addition, Hyundai E&C pushes forward social contribution activities for communities and fulfills its responsibility as a global top-tier construction company by actively initiating social contribution activities in overseas markets as it expands the concept of communities beyond Korea.

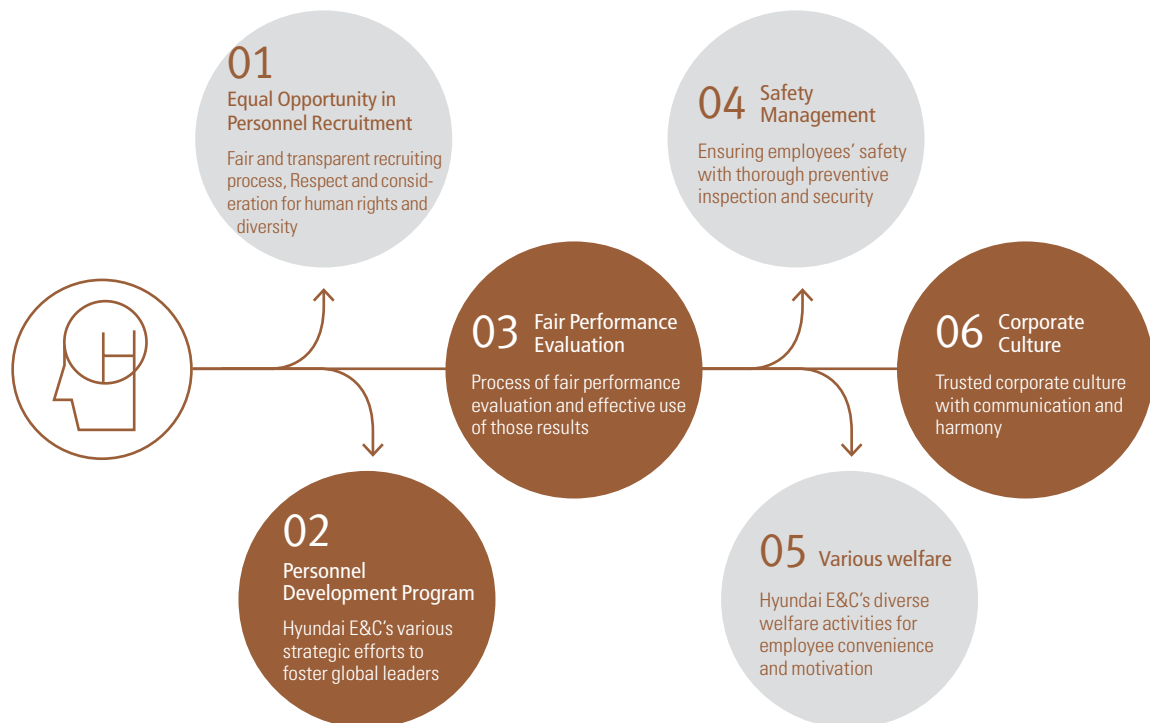
Key Performance Data

Type	Detailed Items	2009	2010	2011
Employees	Current No. of Employees (Persons)	4,738	4,707	5,184
Safety	Accident rate (%)	0.24	0.17	0.14
Social Contribution	Employee participation (Hr)	5,860	45,157	60,275
	Total No. of participants (Persons)	2,254	8,172	16,756
Customers	Customer satisfaction survey (score, ranking)	73	80	1 st

* The current no. of employees represent those of both contracted and permanent positions excluding those directly hired from sites / The customer satisfaction survey was conducted by 'NCSI' of Korea Productivity Center until 2010 and then through 'The Proud' by Korea Management Association. / Accident rate is represented by the exchanged rate with more weight on the number of deaths.

Creating Employee Value

Hyundai E&C continually invests in training for global talent to lead innovations in Hyundai E&C and contribute to value creation. Hyundai E&C fosters and manages employees through a uniform recruiting program to become a global leader and also makes diverse efforts to maximize the value of Hyundai E&C's employees.



Hyundai E&C's Vision of Employees

Hyundai E&C seeks to cultivate all employees to grow as core manpower equipped for global competitiveness. Hyundai E&C aspires to foster employees who maximize their and the company's capabilities while contributing to the nation and society.

Equal Opportunity in Employee Recruitment

To recruit employees who suit the ideal employee of Hyundai E&C, it offers a variety of opportunities to all participants through fair and transparent processes.

Securing Talent | In 2011, Hyundai E&C recruited a total of 478 employees, including 101 with experience, 263 new university graduate employees, and 114 interns. Hyundai E&C preemptively secures excellent talent with great potential through our intern system and recruits top-notch talent with great capabilities throughout the year. This contributes to the development of individuals and to the organization. The wages of new employees are averaged at 159% of the minimum legal wage; an average basic annual salary of male employees at Hyundai E&C is KRW 76.22 mil, while that of female's is KRW 67.44 mil., which shows there is no discrimination by sex although there is a difference in salaries depending on positions and working conditions.

Human Rights and Diversity | Hyundai E&C defines females, foreign workers, men of national merit, and the disabled as minorities and is gradually expanding the ratio of employment from the minority group every year as it executes various benefits and policies to increase diversity. As a global construction company, Hyundai E&C has its own strict standards on social issues such as human rights and labor problems. The company abides by the UN Universal Declaration of Human Rights, ILO Three-Party Treaty and officially supports the Multinational Company Guidelines, the International Sullivan Principle, the UN Framework and the Guiding Principles on Business and Human Rights. At the same time, Hyundai E&C strictly executes the prevention of child labor and forced work as the company stipulates in the working contract based on the Labor Standards Act. Backed by such efforts, there were no restrictions or accusations regarding this matter in 2011. In addition, Hyundai E&C makes it a rule to provide swift notifications on major business changes such as reorganization of the company based on Article 10, the 'Notice Responsibility, Collective Act'.



| Corporate culture education

Fostering Global Leaders

Hyundai E&C operates its educational programs for employees to enhance global competitiveness and specialized work capabilities and to develop careers in accordance with individual working propensity and vision.

Global Education | Hyundai E&C improves employees' overseas business operating capabilities by supporting various educational programs such as languages, unique cultures and negotiations and fostering global competitiveness by enhancing dispatch and training activities. Meanwhile, Hyundai E&C pursues such values to grow as global leaders through its leadership program. Notably, since 2012, it began offering educational programs to teach 2nd languages, laying a foundation for advancing into new markets and businesses.

Specialty Capabilities Enhancement | Hyundai E&C operates various systematic programs including education by rank · work group · position based on working educational systems and EP · CM · PM education. Also, Hyundai E&C helps foster employees to become specialists by establishing sophisticated personnel fostering systems through e-HRD (Human Resource Development).

Creating Synergy | Hyundai E&C expands the execution of integrated education in all educational sectors to create synergy with the integration of Hyundai Motor Group. In addition, the Company expands opportunities to participate in PMP (Project Management Professional) fostering training, overseas societies and seminars. It also periodically surveys demands in various ways to offer tailored education to suit the requirements of employees. Hyundai E&C educated 40,733 employees for a total of 731,684 hours in terms of personnel development and fostering in 2011. The annual average education hours per person were 174.9 hours and the average cost per person was KRW 1,190,000.

Corporate Culture Education Program

Education Program Name	Detailed Contents
PMI* 1st Stage	Major Contents : Sharing group management status and vision; sharing the group management spirit system and core values; visiting group companies Education results : The participation of 4,965 employees of Hyundai E&C in small groups
PMI 2nd Stage	Major contents : Establish a new paradigm about change; establish the roles of an individual in changing situations Education results : The participation of 5,778 employees of Hyundai E&C in small groups (staff~ assistant managers: 2,680; managers~ general managers: 3,098)
PMI 3rd Stage	Major contents : Activation of organization to create integrated synergy, Establish plans for group synergy and leading positioning strategies of convergence products.

*PMI : Post-Merger Integration

Fair Performance Evaluation

Hyundai E&C operates a performance evaluation program to accurately understand information about employees' working capabilities and results and to promote the improvement of individual and organizational performance based on those results. Regardless of the employment relationship and rank, Hyundai E&C's employees are evaluated based on work evaluation and capability diagnosis through a pre-defined performance evaluation program. With the introduction of a new personnel system, Hyundai E&C has enhanced the overall evaluation process. This includes goal establishment, interim check-ups, year-end evaluation interviews and resulting openings to establish a result-oriented organizational culture through an MBO evaluation system for all employees slated for 2012. All employees of Hyundai E&C are evaluated annually for performance and their performance is managed individually and by division. Bonuses are distributed based on the results through performance evaluations.

Welfare & Fringe Benefits System

Hyundai E&C offers various welfare & fringe benefits to motivate employees and provide better working conditions.

Retirement Pension Fund | Hyundai E&C introduced a retirement pension fund for retiring employees. The retirement pension system is divided into defined payout types and defined contribution types, which can be received in lump sums or as pensions. Hyundai E&C plans to enhance the reception rights of employees by continuously increasing retirement funding in the future.

Various Fringe Benefits | Hyundai E&C provides a variety of fringe benefits that respect individual life and secure a better quality of life. Through communication, Hyundai E&C understands the needs and requirements of employees and makes various efforts, including improvements and the expansion of benefit systems. In 2012, Hyundai E&C improved benefits as it placed major improvement items including the introduction of sleeping rooms, offering tickets for saunas, and providing supplies in small preparation rooms.

Status of Welfare & Fringe Benefits System

Type of Benefits	Description
Supporting Leisure Life	Bonus for summer vacation, discounts for using sports centers, and rent condominium
Support for child birth/ maternity protection	Birth promotion system, Child-raising subsidies, Birth holidays for male employees (3 days)
Support housing/life stability	Low interest loan, Single Dormitory
Medical/ Health Support	Regular medical inspection, Metabolic syndrom, Mental Health, No-Smoking program
Education Support	0 ~ middle school: KRW 100,000 per child / High school: KRW 450,000 per child / University: KRW 4 mil. Per semester
Legal fringe benefits	Presents for parents' birthdays, Presents on traditional holidays, Provide presents to children for entering a school
Selective fringe benefits	Offers welfare cards (Differentiated by position.)
Others	Support subsidies for family movement overseas

Supporting employees and families' health screenings of 2011

Persons	1,880
Supporting amount of money (million won)	5,671

Ratios related to child-raising holidays

Type of Benefits		2009	2010	2011
Use ratio of child-raising holidays	M	0.00%	0.03%	0.00%
	W	2.09%	2.63%	4.89%
Ratio of returning to work	M	-	100%	-
	W	20.00%	83.33%	38.46%
Retention ratio (Ratio of working over 12 months after returning)	M	-	100%	-
	W	100%	100%	-

* The reason why the return-to-work ratio is low in 2011 is that the return-to-work period has not ended. All employees (100%) who were supposed to return by the end of maternity leave in 2011 have returned to work.

Corporate Culture

Hyundai E&C strives to form corporate culture centering on communication and trust. In addition, the company will be like a warm family, by creating a work-life balanced corporate culture for employees and their loved ones.

Communicating the Corporate Culture

Hyundai E&C strives to form a communicating corporate culture that emphasizes understanding with employees for the smooth flow of management and enhancement of employee satisfaction.

Labor Union | Hyundai E&C stipulates that employees of Hyundai E&C can freely sign in or drop out of the labor union at their discretion except for those belonging to the employer in accordance with Article 3 and 5 of the Collective Agreement Labor Union Act. The company cannot hinder or force registration into the union. As of Dec. 2011, employees subject to signing into the labor union were 2,425, among whom were 548 employees, accounting for 22.6% of the labor union. The labor union discussed various matters regarding the improvement of systems, productivity improvement, and improvement in fringe benefits and working environment through the labor-employer committee. It concluded producing various results, such as the payment of subsidies for unused annual holidays and use of annual holidays in groups.

Junior Board Activities | The Junior Board, comprised of 'Young directors' of assistant managers and managers of Hyundai E&C, is in charge of management improvement activities and provides a communication window between employees and employer. By holding periodic discussions with the CEO and labor union meetings, the junior board is leading change and innovation as it activates communication between management and employees and performs a variety of management improvement activities. Notably, Hyundai E&C is preparing a plan for improving its business performance capabilities by offering the board opportunities to visit advanced companies overseas (global research), beginning with the 21st Junior Board.



| Global Research Activities



| Empowerment education of the Junior Board

Resolving Difficulties of Employees | Hyundai E&C actively listens to the complaints and suggestions of employees and provides improvements by operating the 'Difficulty-Resolving Committee' to elevate the morale of the members and improve productivity. Hyundai E&C makes efforts to fairly and accurately deal with the difficulties of the employees without discrimination based on the "Independent Person or Department Principle", which objectively measures and improves the employees' level of satisfaction as it manages internal complaints.

Sharing Intranet | Hyundai E&C shares knowledge and cases on the Intranet that help employees regarding their work and education. Through 'Idea Silo' or the 'CUG (Closed User Group) corner, in which employees can freely upload ideas and evaluate them, Hyundai E&C operates inter-knowledge sharing platforms related to work, providing employees convenient access to work-related knowledge. In addition, Hyundai E&C annually analyzes management and develops corrections and cases to share with all employees.

Trusted Corporate Culture

Hyundai E&C makes campaigns to establish itself as a trusted company by forming a transparent and sound culture.

'Spending Sound Traditional Holidays' Campaign | In order to make up a sound and pleasant company atmosphere in celebrating traditional holidays based on transparent ethical management, Hyundai E&C operates a gift report center so that bribing gifts/entertainment to other companies or superiors are discouraged.

Change by Forming a Corporate Culture

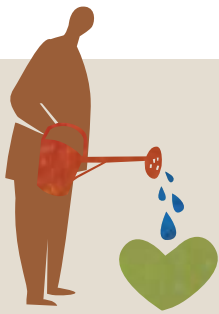
To form a corporate culture of communication and trust, Hyundai E&C continues its improvement and development activities. Through such processes, Hyundai E&C executes activities such as improving the treatment of on-site workers and guarantees of employees' safety. New changes have been made in various sectors including new growth engines and new market development.

Family-oriented Corporate Culture

Hyundai E&C has been engaged in various activities to implant the spirit of 'One Family' and enhance the morale of employees and their sense of belonging.

Harmonizing Event | Hyundai E&C engages in hours of harmonizing together by holding various activities at each business group such as athletic competitions, environmental protection activities, social contribution activities, tracking, and cultural events.

Children's Camps and Experience Learning | Hyundai E&C offers the children of employees summer camps and various types of learning experience activities. Hyundai E&C has striven to provide better programs by continuously improving and complementing these programs through active reflection of opinions received from questionnaires rather than offering one-time events.



- 1,2. Planning Division-R&D Division
Harmonizing Event
- 3,4. Children's experience learning-Visiting
Aerospace museum
- 5. Procurement Division Harmonizing Event



Safety Management

For the safety and healthy environment of employees, Hyundai E&C sets strategic goals of 1) Establishing Total Safety by cultivating HSE (Health, Safety and the Environment) spirits of all employees; 2) Enhancing Proactive Program by each Business Division; 3) Creating ZERO number of severe accident and environmental accidents; and 4) Pre-Work Authorization throughout entire process (PTW) in order to achieve the goal.

Enhancing Safety Management

In 2011, Hyundai E&C operated the HSE team in the business division to promote the formation of a safe business environment for increased competitiveness by preventing severe accidents and internalizing safety management systems. With this, the business divisions began to have stronger interest and responsibility in safety management than any other times, showing positive results such as a reduction in accident rates. In the future, Hyundai E&C will make its utmost effort to eliminate severe accidents and thoroughly guarantee the safety of the employees through close cooperation with the industrial safety and health committee, separately operated at each site and the HSE team, which governs all of them.

Selection of Major Accidents by Season (Month)



Efforts for Safety Management

Hyundai E&C established an internal safety information IT network (H-PMS) system, which classifies safety-related information at work sites by each process and records actual risk evaluations, systematically managing safety. Hyundai E&C substantially increases the effect and efficiency of the safety management by improving various existing programs and introducing new programs and systems based on total safety management through stringent record management within the system.

Enhancement of On-Site Safety Management by the Executive Managements | Hyundai E&C sets the 4th of every month as the 'Day of Safety Inspection'. Executive Managements regularly inspect on safety themselves on this specific date, inspiring the safety-spirit of the employees.

Thorough One Point Safety Management by Season with Frequent Accidents | Hyundai E&C selects periods for major management targeting repetitive accidents with high frequency of occurrence. Through company-wide campaigns and training, Hyundai E&C prevents safety-related accidents.

Expansion of Accident Rate Results and Enhancing Punishment | Hyundai E&C shares accident-related information by officially sending quarterly accident rate results. Going forward, Hyundai E&C will make it a responsibility to register the quarterly accident rate results, which are currently shared through an official document form by using the internal groupware of Hyundai E&C. In addition, Hyundai E&C has enhanced punishment to site management such as a site head, regarding whether his/her responsibility was performed properly at sites where serious accidents occurred. In future, in the event of serious accidents, Hyundai E&C will upgrade the level of punishment and expand subjects to be considered for the punishment by including all employees in a target range rather than persons in charge, which will substantially elevate safety management effects.

Thorough Operation of Onsite Inspection Systems | Hyundai E&C has made efforts for safety management through strict onsite inspections during the process of construction, including 432 support inspections, 126 evaluation inspections and 105 special inspections. Going forward, Hyundai E&C will make sure that the onsite inspection evaluation period can be flexibly adjusted to consider the size and characteristics of each construction case. The plan includes improvements in the impartiality of the evaluation inspections and substantial effects by increasing the proportional frequency of commencing the evaluations and inspections without prior notification.



| Active participation of management for safety management



Result of Safety Health Environment Training of 2011

Total participation of HSE training

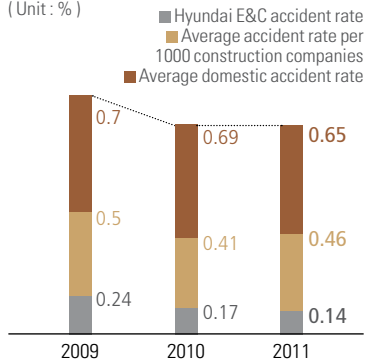
3,208 Persons

Satisfaction of HSE training participants

85.76%

Accident Rate for the Past 3 Years

(Unit : %)



Expansion of the Reward System for Sites Achieving Zero Accidents | Hyundai E&C pays rewards to those sites achieving a zero accident rate based on standards that encourage more active accident-prevention activities to site workers. Hyundai E&C provides strong incentives to employees for accident-prevention activities by sharing excellent safety management cases along with paying rewards for their achievements.

Enhance Safety Health Environment Training | Hyundai E&C offers work-related HSE training to all work sites in accordance with HSE Training Regulations that require Subcontractors to provide HSE training to site workers through the Project HSE Plan. The HSE training course is composed of all 9 courses, specialized for the positions and tasks of employees. In 2011, HSE training courses had a total participation of 3,208 people. In 2011, HSE training courses were offered as newly formatted open-discussion programs rather than lecture-type programs. Quantitative goals of the training are set at 80% of trainees' satisfaction throughout the training courses. Results of questionnaire surveys showed that 85.76% of all trainees were satisfied with the training content.

Certification of the Health & Safety Management System

Through the certifications of the Health and Safety Management System (OHSAS 18001, KOSHA 18001), Hyundai E&C is highly recognized for maintaining its onsite safety and health in excellent conditions. In 2011, a total of 237 domestic sites were reviewed and awarded certifications of OHSAS18001 and KOSHA 18001. Hyundai E&C will continue to respond to annual reviews and decisions upon recertification of the company that are held every three years.

Safety Accident Occurrences and Response

The industrial accident rate of Hyundai E&C was 0.14% in 2011, far below the average industrial accident rates in the same industry. It is also well below an average of domestic industrial accident rates. Furthermore, as Hyundai E&C has made ceaseless efforts to prevent industrial accidents and provide safe working environments for employees, Hyundai E&C has been able to continue to reduce accident rates for the past 3 years. As for recurring accidents, Hyundai E&C responds to them by preparing comprehensive countermeasures by clearly determining a cause of the accidents by construction type, accident type and accident cause. It also offers site workers training, site risk assessment, and safety inspections by each site.

CASE STUDY_ Inspiring Safety Recognition and Preventing Accidents through System Improvement

Hyundai E&C has been leading the way in creating safe working environments by continuously reviewing, revising and applying internal regulations and systems related to the HSE.

Major Improvement of Systems in 2011

Type	Permit To Work	Out System for Safety Rule Violators												
Overview	Advanced pre-accident prevention system for 'Permit to Work' that establishes safety rule-planning for expected risk factors before works begin, including frequent accidents and highly potential risks	To inspire the safety-spirit from all employees including workers, the company-wide punishment standards have been clearly stipulated for violators of onsite safety rules in accordance with the violation level of safety rules.												
Applicable Subject	<p>If working without acquiring the pre-permit to work or not implementing risk reduction measures written on the work permit, the work can be stopped.</p> <p>High-risk works with frequent accidents (9 types)</p> <ol style="list-style-type: none"> Working at height Scaffold work Forms work Excavation work Equipment work High working platforms Hot work Confined space work Ladder work 	<table> <thead> <tr> <th>Type</th><th>Disciplinary Action</th><th>Application Standards</th></tr> </thead> <tbody> <tr> <td>1OUT</td><td>Dismissal</td><td>- Not wearing a safety belt in case of working at height - Not wearing a safety helmet - Equipment operation with no license</td></tr> <tr> <td>2OUT</td><td>1st: Warning 2nd: Dismissal</td><td>- Not wearing PPEs (safety helmet/belt, etc.) - Dismantling safety facilities without authorization and not restoring them</td></tr> <tr> <td>3OUT</td><td>1st: Warning 2nd: Special Training 3rd: Dismissal</td><td>- Not abiding by safety/environment basic rules (company-wide/onsite standards)</td></tr> </tbody> </table>	Type	Disciplinary Action	Application Standards	1OUT	Dismissal	- Not wearing a safety belt in case of working at height - Not wearing a safety helmet - Equipment operation with no license	2OUT	1 st : Warning 2 nd : Dismissal	- Not wearing PPEs (safety helmet/belt, etc.) - Dismantling safety facilities without authorization and not restoring them	3OUT	1 st : Warning 2 nd : Special Training 3 rd : Dismissal	- Not abiding by safety/environment basic rules (company-wide/onsite standards)
Type	Disciplinary Action	Application Standards												
1OUT	Dismissal	- Not wearing a safety belt in case of working at height - Not wearing a safety helmet - Equipment operation with no license												
2OUT	1 st : Warning 2 nd : Dismissal	- Not wearing PPEs (safety helmet/belt, etc.) - Dismantling safety facilities without authorization and not restoring them												
3OUT	1 st : Warning 2 nd : Special Training 3 rd : Dismissal	- Not abiding by safety/environment basic rules (company-wide/onsite standards)												
Results	A monthly average number of accident cases has reduced from 6.6 to 3.7	Application results: warned 5,485, trained 6,416, out 830												

Win-Win Cooperation

Hyundai E&C seeks for continuous win-win cooperation with suppliers. We will contribute to the nation and society with mutual growth through various support and cooperation.

Efforts for Win-Win Cooperation

Based on the management philosophy, 'suppliers are our Companions for Growth Rather than Subordinating Relationships', Hyundai E&C seeks to accomplish the following: continuous growth with suppliers; smooth partnerships; and expansion that attracts cooperative efforts for greater synergy including overseas advancements in harmony.

Recovery through Financial Assistance

Mutual-Growth Fund | Hyundai E&C has created a Mutual-Growth Fund worth KRW 38 billion to help suppliers cope with financial hardships. At the same time, to offer more substantial help to suppliers, Hyundai E&C has shortened payment due dates and increased the cash payment ratio. In addition, Hyundai E&C is also reviewing a plan in which a fund of KRW 22 billion is to be loaned out interest-free to superior suppliers that are experiencing short-term financial hardships twice a year. Hyundai E&C plans to expand such financial assistance programs through continuous PR efforts.

Balance through Systematic Training Support

Transparent · Ethical Management Training | Hyundai E&C offers training on transparent, ethical management to employees of suppliers to practice transparent and sound cooperation with suppliers and practice transactional work ethics among companies. In addition, Hyundai E&C also provides employees transparency training, training on improvement of the bidding system, and training on overseas electronic bidding systems. This balances training within and outside the company.



| Overseas Advancement Support Training

Overseas Advancement Support Training | Hyundai E&C offers training to employees at suppliers that wish to advance to overseas markets. This training includes contents that substantially assist suppliers in their advancement to overseas markets. The training includes a concept of macro-understanding that encompasses international relations in the Middle East and global business negotiations. It also includes details such as matters relating to local manpower and purchasing as well as improving the capabilities of employees by supporting their advancement to overseas. Through this training plan, Hyundai E&C lays down a foundation for co-advancement with suppliers to overseas markets.



| Win-Win Cooperation Technology Exposition

Development through Technology Support

Win-Win Cooperative Technology Exposition | Hyundai E&C helps suppliers' technological development by actively supporting their movement and sharing and developing technologies in favor of the suppliers. In addition, Hyundai E&C has continuously supported technologies for advancement to overseas since 2008. Hyundai E&C gives incentives to award-winning suppliers, which grants additional scores at the time of suppliers evaluation. Among award-winning technologies are site-applicable ones that are granted onsite construction rights by Hyundai E&C.

Selecting Suppliers

Hyundai E&C operates its registration and procedure transparently for the fair selection of suppliers and gives equal opportunities to all applicant companies. When selecting suppliers, Hyundai designates an adherence to environment · health · safety standards as a requirement and operates a low-price deliberation system to prevent excessively low-price bidding, thereby securing stable management and appropriate profits for suppliers.

Communication with Suppliers

Suppliers Association and Seminars | Hyundai E&C has a systematic communication system for enacting smooth understanding with suppliers and swift mutual reactions. The suppliers association is composed of 8 divisions with a total of 295 suppliers as members. It records the difficulties and suggestions of the suppliers and maintains close cooperative relationships with each member company. Currently, a number of the member companies comprise 6.2% of all major suppliers of Hyundai E&C. Hyundai E&C also holds co-growth seminars to invite suppliers of outsourced construction bids to explain how to operate supply businesses, enhancing their competitiveness.



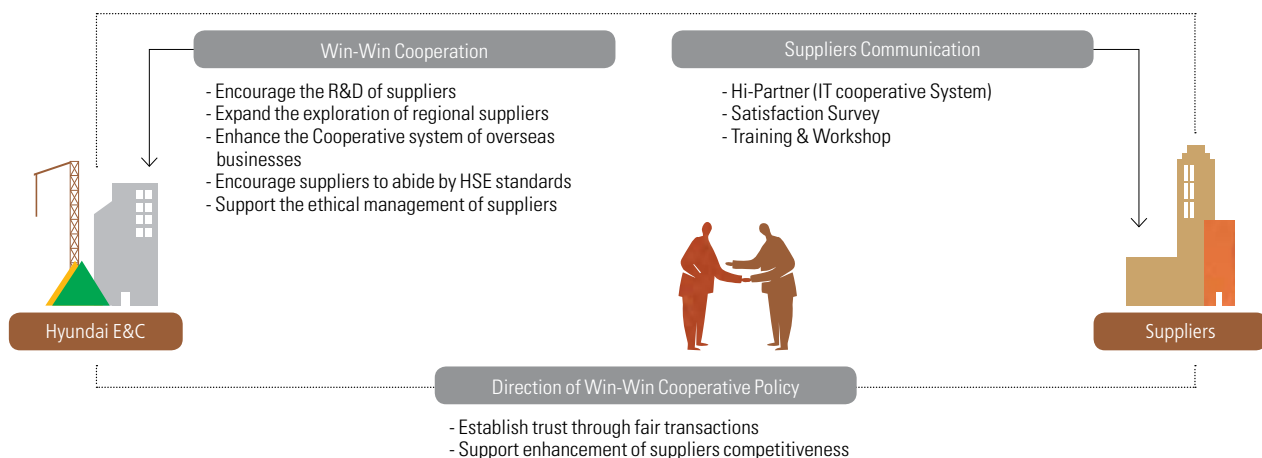
| Mutual-growth seminar with suppliers

Hi-Partner System | Hyundai E&C operates entire work process with suppliers including bidding · contracts, etc. through the Hi-Partner IT system. The company enhanced work efficiency by computerizing all contract-related works online.

Management and Operation of suppliers

Hyundai E&C established a management scheme of suppliers through regulation towards purchase suppliers. By setting these standards with newly established partnering groups and re-establishing evaluation standards, the company uniformly re-evaluates existing suppliers and newly discovered excellent suppliers. In addition, by segmenting information management items and making suppliers renew suppliers information, Hyundai E&C created a real-time management system. By reorganizing item classification standards, the company focuses on managing core products and automatically generates purchase execution plans on the system, elevating work efficiency.

Win-Win Cooperative Policies



Customer Satisfaction Management

Based on our corporate culture of placing customers first, Hyundai E&C sets a vision of 'Global No.1 HDEC Quality' and strives to improve the level of quality. Hyundai E&C also does its best to maximize customer value by focusing on communication with customers and providing various services that value them.

Quality Innovation Efforts and Results

The quality organization of Hyundai E&C's division is composed of one group and 4 teams. The manpower is dispatched in accordance with onsite quality personnel input standards, and Hyundai E&C makes active investments in enhancing the quality management capabilities of employees.

Quality Management Planning Team | The Quality Management Planning Team ensures the integrated and systematic management of quality by establishing an advanced quality management system. In 2011, a foundation for quality innovation was laid down by modulating all works in certain types of process, especially an IT-based standardized company-wide work processes. The advanced quality management system is operated through e-QMS to be used as an inter-communication tool for resolving problems between head office and sites. Going forward, Hyundai E&C seeks to measure the quality management performance based on quality cost management and improve it, seeking to adopt 6-Sigma quality innovation management.

Engineering Quality Management Team | The Engineering Quality Management Team makes efforts to improve the design quality of head office and sites by auditing design quality. Hyundai E&C proactively responds to plausible problems by understanding them through design quality prevention activities. In 2011, Hyundai E&C understood the status of design quality for each business division, site, affiliate (Hyundai Engineering Co., Hyundai Architects & Engineers Assoc.) and design outsourcing company. It established response measures depending on the results. In 2012, Hyundai E&C made its utmost effort to establish optimum design quality as it developed design work standard guidelines and processes by holding quarterly quality design committee meetings. In addition, as part of design quality prevention activities, Hyundai E&C supports design value engineering and makes efforts to secure optimum quality from a design stage through design-related feedbacks.

Procurement Quality Management Team | The Procurement Quality Management Team manages the quality of equipment and materials at sites, from placement of the order to materials delivery on sites. This is achieved through PO pre-review, vendor document review/approval, setting and visiting inspection sites. While performing preventive quality activities through the training of suppliers and audits as well as inspections, Hyundai E&C established a system for securing procurement quality (Project Space, Topics). Through this system, achieving cooperation among all internal organizations related to quality purchasing as well as with suppliers has been enabled. In addition, Hyundai E&C created exemplary/failure cases in DB, which are used as Lessons Learned when ordering new products. In 2012, We plan to develop and operate a quality chain for the win-win development with TPA and vendors. Therefore, plans for training, participation and support have been prepared. Furthermore, for customized support for the increasing number of overseas projects, dedicated manpower is dispatched by project, and Hyundai E&C has been making efforts to equip for close communications and proper timing support systems.



| Quality Evaluation Using the Skeleton Quality Evaluation System

CASE STUDY_ Execution of the Procurement Quality Management Team

Hyundai E&C introduced and executed 'the Skeleton Quality Evaluation System' on all apartment complex sites to improve the quality of frameworks in apartment construction since 2006. The Procurement Quality Management Team improves the quality level by checking and evaluating the status of form installation and rebar arrangement before placing concrete. It checks such areas with non-destructive test equipment to check the status of finishing and obedience of thickness of cover concrete. Hyundai E&C enables measurement of the skeleton framework level of apartment complex sites by scoring and standardizing the skeleton framework quality level, which could not have been quantified using the existing construction supervision system. Furthermore, with the execution of the skeleton framework quality evaluation, Hyundai E&C was able to not only improve the quality level but also cut cost, since rework has been reduced through systematic quality management.

Customer Communication Channel Status

Type	Channel
Online	Homepage Customer Center (1:1 Online consultation)
	Hillstate website
	Customer Center (Call Center)
Offline	Telephone and mail registration
	7 local offices
	Residence Support Center



| Hillstate Customer Center Homepage

Construction Quality Management Team | The Construction Quality Management Team operates the quality evaluation and audit system to improve site quality, through which the team presents directions for improving quality of the site on its own. Hyundai E&C also manages supplier history to maintain the quality level of subcontractors and send feedback to Subcontract Group. Real-time site support system is established with operation of pre-check-ups prior to completion and site patrol. In 2011, quality was evaluated at 53 sites with construction ratings of 40~80%, and the results were shared through e-QMS. In 2012, quality evaluations will be made at 68 sites. Other than site quality evaluations, quality audits are made for major departments at head office, site preparation teams and sites as required by Owners. For the early-stage sites, training is offered with visits to the site to inspire quality recognition for all site workers. Hyundai E&C makes efforts to establish online quality systems and share information/technology through the establishment of a HQCM.

Enhancing Customer Communication through Various Channels

Hyundai E&C operates various on and offline communication channels with customers to quickly and efficiently deal with their opinions.

Online Channel | Hyundai E&C opened its customer center page on the Hyundai E&C website, (www.hdec.co.kr) and presents FAQs regarding the most frequently asked questions by customers. The site is equipped with a swift response system created to provide answers to any curious questions or difficulties and provides a 1:1 online consultant for customers' convenience.

Offline Channel | Hyundai E&C actively responds to customer opinions made through telephone, mail and visits to its head office. It provides quick communication through 7 local offices of customer contact points and residing support centers. In addition, Hyundai E&C also listens to opinions and requirements of residents through the 'Resident Representative Committee' and 'Women's Society' which represent the voice of the residents.

Hillstate Website | Hyundai E&C operates a dedicated website of Hillstate (www.hillstate.co.kr), its leading brand. On this site, Hyundai E&C provides information regarding re-development, A/S and lot-outs and also offers a consultation service, elevating the efficiency of responses to customers. In addition, Hyundai E&C operates a customer center (call center) to create a system where customers can raise complaints and problems over the phone at any time.

Status of Customer Satisfaction Activities

Hyundai E&C provides total customer satisfaction services through its 'brand strategy team' and CS center to enhance the brand value of HILLSTATE, the apartment brand launched in Sep. 2006, and to provide customer convenience and efficient management.

Enhance Customer-Responding Education | Hyundai E&C respectfully takes preparatory steps for the increase in customer involvement by reinforcing the capabilities of the customer center. In 2011, Hyundai E&C provided education on consultation skill over 13 sessions, targeting those who are in frequent contact with actual customers. These included communication skills, how to deal with claims, etc. Furthermore, Hyundai E&C offered CS experience education to staff and assistant manager-level employees working at head office over 8 sessions. In 2012, more education opportunities are underway for employees of either manager or general manager level, and the education is expanding to cover lot-out office heads, on-site employees and management of major suppliers.

Information Accessibility Enhancement | Based on the operation of the Hillstate homepage, Hyundai E&C has made efforts for customers to quickly and conveniently access lot-out and cultural events related to Hillstate by creating a mobile Hillstate site in 2011. In addition, Hyundai E&C runs the Hillstate café to induce friendship among members through the free exchange of thoughts and uses it as a window for delivering information on Hillstate-related events and other matters.



Activities of the 4th Hillstate Styler of 2011

Hillstate Styler advisory activities **14** time

Reflections of Hillstate Styler's suggestions **43** case

Customer-participating Service Improvement Activities | Hillstate Styler is a panel of sensible customers leading the style and housing culture of Hillstate. Hyundai E&C thinks of the Hillstate Styler system as an important window for collecting and reflecting customer needs through direct customer VOC listening activities. In 2011, a total of 8 members came together at the 4th panel of Hillstate Styler, presenting improvement plans for products and consulting on products and services. There have been a total of 14 activities, among which 43 out of 278 suggestions were reflected upon issues regarding improvement of products and services.

After Service and Feed Back | Regarding requirements of apartment residing customers, Hyundai E&C continues to manage satisfaction of customers through A/S center and notify their receipt of A/S through SMS.

Providing Art & Culture Program | Hyundai E&C makes efforts to improve customer satisfaction by providing diverse and differentiated performance and cultural events to the residents of Hillstate. In 2011, the company offered 6 concert-style cultural events, 2 family-inviting performances and 1 exhibition.



| Korea The Proud Index 1st

Customer Satisfaction Survey

In 2011, Hyundai E&C was well received for excellence in its customer value through 'THE PROUD', an award that comprehensively evaluates quality excellence, reliability, intent to recommend to others, and continuously use by Korea Management Association. The results of 'THE PROUD' evaluation on Hillstate, Hyundai E&C's representative product, showed that it acquired the highest scores among 9 products, including the products of other construction companies, ranking 1st in the 'Korea The Proud Index' two year in a row and broadly displaying its standing in the market.

Abiding by Marketing Communication Regulations

Hyundai E&C abides by laws and regulations regarding marketing communications that are related to advertising and sales promotion to earn customers' faith through delivering accurate and correct information to the customers. Hyundai E&C voluntarily prevents the breach of trust with customers through inappropriate marketing methods. In 2011, Hyundai E&C violated none of these laws and regulations.



| Hillstate Styler Model House Evaluation and Suggestions



| Hillstate Family-inviting performance

CASE STUDY_ Formation of the Individual Information Protection Committee

To protect and manage customer information in more systematic ways, Hyundai E&C formed the Individual Information Protection Committee. A Chief Privacy Officer (CPO) was appointed to operate the committee, and as such, Hyundai E&C makes ceaseless efforts to be re-born as an organization leading the practice of individual information protection beyond a passive response to the Act of Individual Information Protection. The Individual Information Protection Committee has a CPO and an assistant administrator to manage 3 sectors, namely customers, employees and supports. Each sector appoints a person in charge of management and actual affairs, enabling substantial protection of individual information. Going forward, the protection activities of customer information will be further enhanced based on the individual information protection committee, and through such activities, Hyundai E&C will establish stronger customer trust relationships with the company.

Roles and Functions of the Individual Information Protection Committee

- Establish an annual business plan regarding individual information protection
- Pre and post work discussion of the committee
- Adjust and make resolutions regarding agendas related to policies
- Check individual information protection and education activities
- Supports other necessary matters related to other customer information

Individual Information Protection Organization

Chief Protection Officer (CPO)

Assistant Administrators

- Customer_ Section in Charge
- Employee_ Section in Charge
- Support_ Section in Charge

Social Contribution

Hyundai E&C actualizes the win-win value with communities by providing social contribution activities in its 3 major activities; Love Sharing, Hope Sharing and Culture Sharing. In 2011, backed by active support, Hyundai E&C was able to expand its scope of social contribution overseas as well as Korea.

Establishing a Foundation for Socially Responsible Management

The time beginning the year 2010 and continuing along the year 2011 at Hyundai E&C has been a period of establishing foundations for social responsibility management to perform social contribution activities in earnest. In 2012, Hyundai E&C will do its utmost to earnestly expand and establish a culture of sharing based on our systematically prepared social responsibility management foundation.



Logo of Hyundai E&C social contribution group



Slogan of Hyundai E&C social contribution group

Forming a Social Contribution Organization and Establishing the System | Hyundai E&C launched a social contribution group, forming a driving force for social contribution activities. Since then, Hyundai E&C has been engaged in various social contribution activities focused on volunteer groups every year. Furthermore, in 2011, Hyundai E&C made efforts to establish the framework of social contribution as it induced voluntary participation of employees by improving the social contribution mileage system that can quantify their social contribution activities. Based on such a foundation, Hyundai E&C leaps forward to become a company shaping hopeful futures for everyone by communicating with interested parties and supporting classes in need and the socially neglected to fit into the mantra expressed in the corporate slogan, 'We Build Tomorrow'.

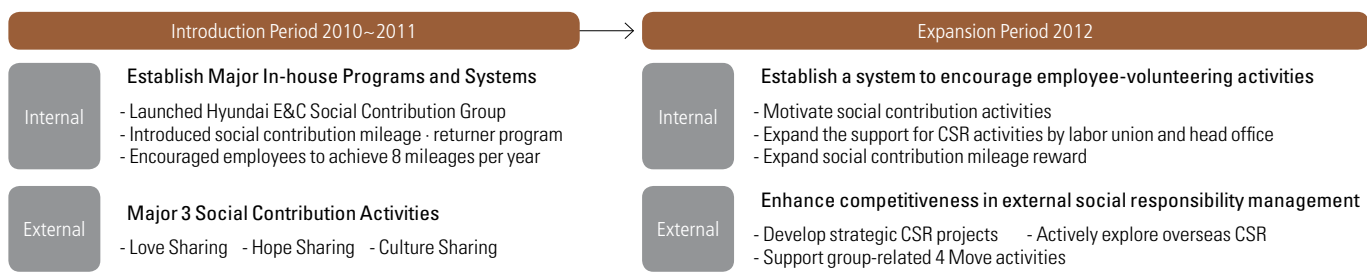
Promote Employees' Voluntary Participation in Volunteering Activities

Hyundai E&C strives to help local communities by preparing a system that can encourage and support the voluntary participation of Hyundai E&C employees in social contributions. To elaborate in a more detailed fashion, Hyundai E&C, using the social contribution mileage program, selects 5 excellent social contribution participants annually and offers awards and money as stipulated, offering them special opportunities to be dispatched to overseas social contribution activities next year. As such, Hyundai E&C induces participation of its employees in social contribution activities. Going forward, Hyundai E&C will do its utmost to establish and improve systems so that labor union and division units can actively promote the social contribution activities as well as encourage employees' voluntary participation in such activities.

New Social Contribution Activities

With social contribution activities, Hyundai E&C strengthens a cooperative system with companies in the Group and enhances support for them. In addition, Hyundai E&C also strives to establish socially responsibly management systems on a global scale by pursuing social contribution activities as it expands the concept of local communities to overseas from Korea. In overseas regions, a local community center has been under construction in Sanishidro region, Philippines, since Sept. 2011, using donations of cents of employees' salaries. This community center is expected to house a vocational education center for daily workers, a medical center for the treatment of local residents, a care center for the education of children, etc.

Hyundai E&C Social Contribution Strategies



Active Pursuits of 3 Major Social Contribution Activities

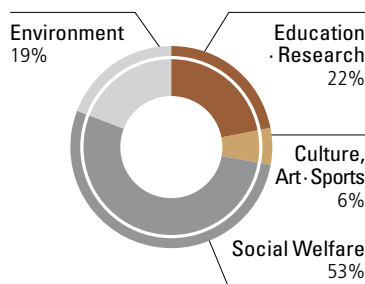
Three major social contribution activities are divided into 'Love Sharing', a social welfare support project, 'Hope Sharing', an educational support project, and 'Culture Sharing', a culture & art support project, depending on the subjects and activity content. Each project has been pushed forward as social contribution activities that reflect the unique characteristics of the construction industry.

Love Sharing | One of the major causes of the Love Sharing social contribution activities is housing improvement activities for socially underprivileged people. In detail, the housing environment was improved and damaged households were repaired for socially underprivileged people such as the disabled and self-dependant elderly in 2011. Regarding housing improvement, in 2011, a total of 367 volunteers participated in the activities by inputting KRW 824,800,000 as their support for the improvement of the housing environment for the elderly in Sosa-dong, renovating welfare residential facilities for the disabled in Geoje, and redesigning the residential environment of damaged regions near the Seomjin river region. In addition, Hyundai E&C has expanded its related activities overseas to support the establishment of a local community center in the Sanishidro region, Philippines.

Hope Sharing | In the Hope Sharing sector, Hyundai E&C operated 'Green Tree Hope Wing', a program which supports children whose parents died from construction disasters or accidents. This program is the first case in Korea that supports children together with the Children's Foundation, as 300 households are in dire need as stated by the Children's Foundation. These children were left behind after their fathers' deaths caused by construction accidents nationwide. In 2011, Hyundai E&C supports KRW 100,000 ~ 180,000 on the 15th every month to selected children. Employees also assist with their studies and offer mentoring services, bringing dreams and hope to the children.

Culture Sharing | Culture Sharing social contribution activities support cultural heritage restoration construction. Hyundai E&C has been actively engaged in the related projects since making an agreement '1 Keeper for 1 Cultural Heritage' with the Cultural Heritage Administration in July 2005. In 2011, Hyundai E&C supported the restoration of Geumcheon Bridge in Changdeok Palace, a World Cultural Heritage, and completed it in April 2012.

Areas of Donation Granted



| 2011 Delivering Rice of Love Event

Social Contribution Activities

In 2011, a total donation made by the head office of Hyundai E&C was approximately KRW 1.6 billion. Through 3 major social contribution activities, Hyundai E&C forms and executes donations while performing the sharing activities. Hyundai E&C encourages employees' participation in social contribution activities, from chipping in donations for social contribution to participating in local volunteering activities. In 2011, a total of 16,756 employees participated in 4,758 social contribution programs, spending a total of 60,275 hours in social contribution activities.

Hyundai Motor Group 4 Move Activities



CASE STUDY_

Companies in the Group Participating in Social Contribution Activities

Hyundai E&C also leads the sharing activities by actively participating in social contribution activities initiated by the Group companies while independently providing substantial help and differentiated activities in social contribution.

Plans to enhance cooperation in social contribution related with the Group in 2012

- Participate in the Group's '2020 Social Responsibility Mid-to-long-term Strategies' : Enhance practicing 27 goals with 9 tasks in 3 sectors
- Support the group's major social contribution projects : Support 4 Move activities: dispatch global youth volunteering group
- Donate money for the poor at year-end and national holidays : Donate money on New Year's, Thanksgiving day and emergency disasters.
- Support the group's culture and art social contribution projects : Support employee's cultural performances (Brunch Concert)

Special

Representative Social Contribution Activities of Hyundai E&C

Love Sharing

Hyundai E&C held its “2011 Officers and Employees Charity Auction” event from October 19 to November 4, 2011. This charity auction event was conducted through a separate internal website, where officers and employees were allowed to bid for registered possessions or donations through an auction. As a result of the fervent response of officers and employees, 581 items were auctioned off and all proceeds received from the auction were donated to the ‘monthly payment’s cents raising organization’ at Hyundai E&C.



- 1, 2. Book sharing market
3. Convection of employees's donation
4. Flower and pollen sharing market
5. Sharing auction market
- 6, 7. Hope sharing activities
8. Launch of volunteer group of "Lunch Box of Hope"
- 9, 10. Activities of protection Changdeokgung

				8
1	2	3	6	9
4		5	7	10



Hope Sharing

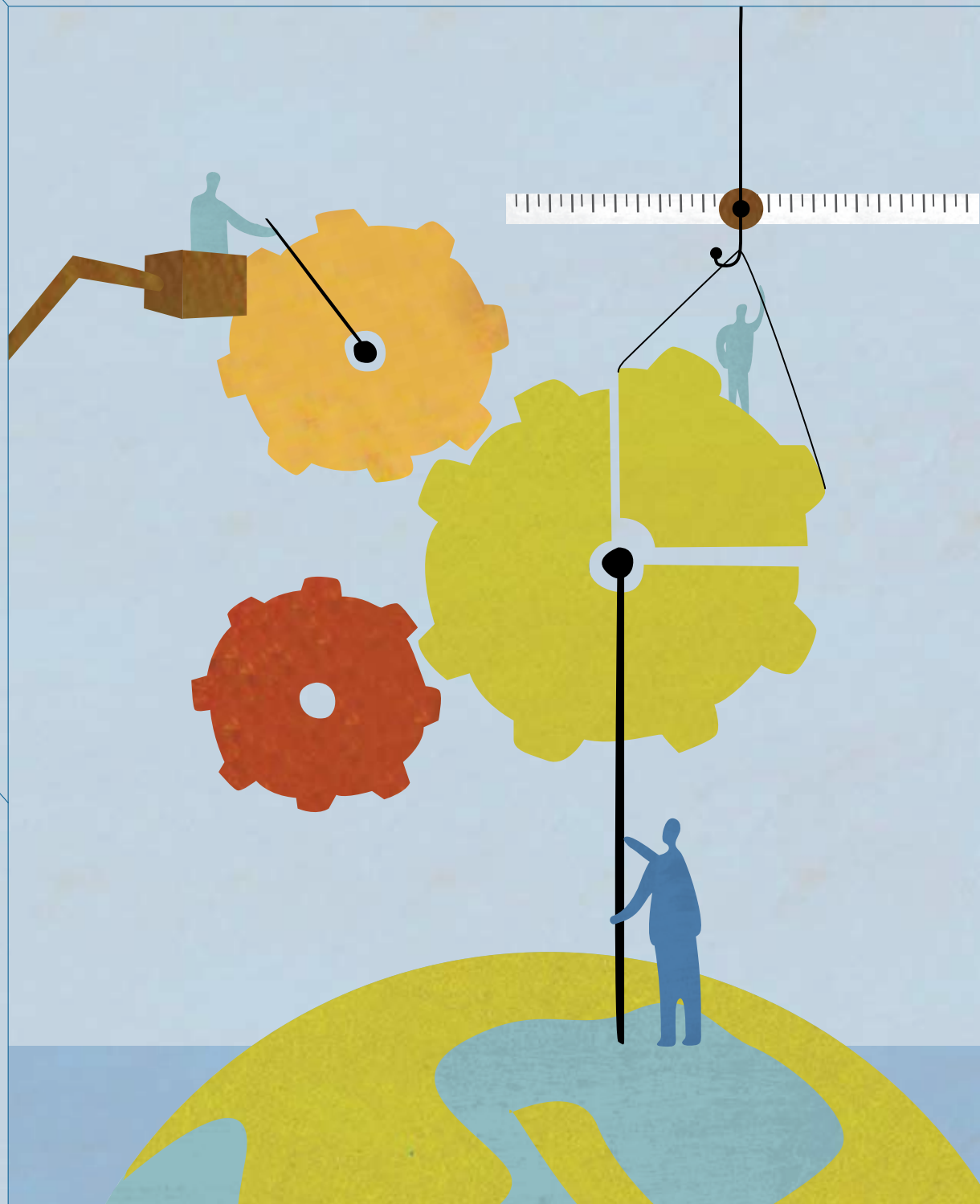
The “Lunch Box of Hope” activity of Hyundai E&C is a representative social Contribution activity that the company participated in. The purpose of the activity was to hand-deliver a lunch box to vacationing families. Lunch boxes were delivered to 43 children (elementary, middle and high schools) from 21 houses in Jongro-gu and Jung-gu, Seoul alongside the Children Foundation. In 2011, 90 volunteers from Hyundai E&C head office joined this event and each group of 2-3 persons played an important role in this “Hope Sharing” company event. In addition to the delivery of lunch boxes, employee volunteers distributed educational books and engaged in emotion-centric mentoring by participating in 1 on 1 relationships with participants.

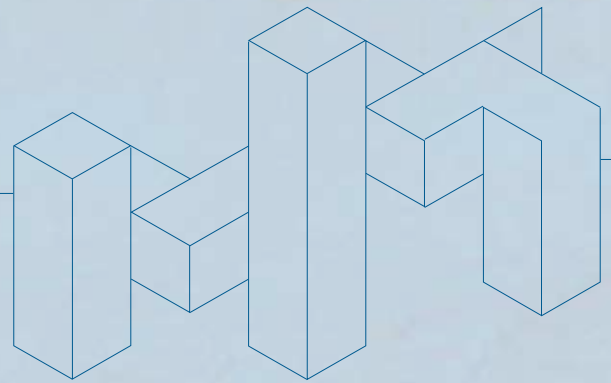


Culture Sharing

Geumcheon of Geumcheongyo Bridge, National Treasure No. 1762 of Korea, was revived by Hyundai E&C's support at "Geumcheon Shrine", which was an event held in Changdeok Palace in April 2012. Geumcheon is named after a brook that runs through the palace of the Choseon Era. Changdeokgung Geumcheon is the brook where the water originates from a small mountain that runs down to the palace, goes through Cheonggye river and runs to the side of Donhwamun to the end of Gwolnaegaksa. To revive Geumcheon, Hyundai E&C developed the surface water area of the broken upper Geumcheon and completed the 350m waterway construction between the upper Geumcheon river and Donhwamun in 2011.

To Build Green Value
To Build Social Value
To Build **Economic Value**





Hyundai E&C continues its development by creating a balance between its external goals such as the objective to increase sales and its internal goals such as the objective to promote an intensification of a morale management system. Hyundai E&C strives to become an enterprise worthy of being respected by all stakeholders through its investment in local communities, job creation and production increase.

	Public Benefit	Stability	Economic Feasibility
Shareholders and Investors	L	H	H
Customers	M	H	H
Gov. Media, Association	M	M	H
Employees	L	H	H
Community	H	M	H
Suppliers	L	H	H

* Materiality by stakeholders H : High-M : Medium-L : Low

Principle & Policy | Hyundai E&C has fostered a trust in the Board by employees by creating a Board management style that is transparent so as to secure internal stability. Hyundai E&C also strives to improve its non-financial stability by establishing a concept of morale management and providing education programs to employees and suppliers as well as financial stability in forms of improvement in the company's debt-equity ratio and capital adequacy ratio. Hyundai E&C has contributed to the company's founding of seamless job creation and production through the investment and supply of its core infrastructure, which has become a base for the company's national development.

Also, as a global top-tier construction enterprise, Hyundai E&C has endeavored to develop new markets by strengthening its entry into developing countries in Central and South America, Africa and CIS. Hyundai E&C is growing to become an even more competitive enterprise through its active exchange and collaboration system with the companies in the Group.

Key Performance Data

Description	Item	2009	2010	2011
Stability	Debt ratio (%)	167.4	152.4	147.4
	Capital adequacy ratio (%)	37.4	39.6	40.4
	Credit rating (Corporate bond)	AA-	AA-	AA-
Public Benefit	Community investment (KRW)	7 Bil.	6 Bil.	6.8 Bil.
Economic Feasibility	Sales (KRW)	9.3 Tril.	10 Tril.	10.1 Tril.
	Net income ratio (%)	4.9	4.3	5.0

Stability

Hyundai E&C has been leading its successful business activity by making its Board transparent, participating in responsible activities and developing stable management practices. Hyundai E&C believes that it could internally upgrade the awareness of officers and employees regarding corporate ethics through internalizing ethical management and also could externally build a stronger business base through a comprehensive risk management plan to change its market environment and improve financial stability.

Stock Issuing Status and Ownership Structure

As of march 2012, the total number of outstanding stock of Hyundai E&C is 111, 454, 621 shares, including preferred stocks. As of March 31, 2012, the largest shareholder, Hyundai Motor, holds 20.93% of the company's total shares, and Hyundai Mobis, KIA Motors and Hyundai Motor Group hold the remaining 8.72%, 5.23% and 34.9%, respectively.

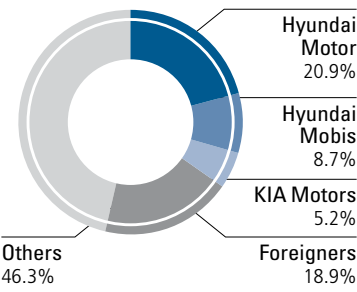
Formation of the Board

Hyundai E&C's Board is organized with a total of 7 directors which includes 1 inside director, 4 outside directors and 2 other directors. More than 50% of the total directors on the Board are outside directors. Outside directors are responsible for objectively monitoring the management activity of the company and have performed the role of facilitator of the company's management. Also, outside directors are appointed experts who have the expertise and working experience in particular fields such as a legal field, an accounting field and an architecture field. The President of Hyundai E&C is the chairman of the Board of Hyundai E&C, and independent outside directors have been appointed to strengthen the Board's independence. By engaging outside-independent directors to monitor the CEO's management activity, the company has been able to set up mediation between the inside director and the outside directors. Consequently, at the convocation of regular meetings held by the outside directors, opinions gathered from outside directors were voiced and suggestions were made, leading to gaining independence of the Board by Hyundai E&C.

2011 Board Roles and Major Performance

Hyundai E&C has done its best to maximize corporate value and build the trust of stakeholders based on its corporate governance of valuing stakeholder's profit under supervision of an independent and transparent Board. In 2011, 12 board meetings were held to discuss a total of 35 agendas. Directors should attend the Board meetings with at least a 70% attendance rate as provided in the Regulations. All Board meetings held in 2011 met the minimum attendance rate of 70%.

Hyundai E&C Shareholders Status
(As of march 2012)



Board of Directors Composition

(As of the end of March 2012)

Type	Name	Position	Title
Full time	Jung Soo-Hyun	Executive director	CEO and President of Hyundai E&C
	Chung Mong-Koo	Other director	CEO and Chairman of Hyundai Motor, Chairman of KIA Motors
	Kim Yong-Hwan	Other director	Vice-president of Hyundai Motor
Part time	Shin Hyun-Yoon	Outside director	Professor of Law, Yonsei University
	Lee Seung-Jae	Outside director	Chairman of Tax Firm Samsong
	Seo Chi-Ho	Outside director	Architecture engineering professor, Konkuk University
	Park Sang-Ok	Outside director	Leading lawyer of Law Firm Do Yeon

Committees under the Board

Hyundai E&C has established and operates the Audit Committee, the Outside Director Nominating Committee and the Social Contribution Committee, all under the Board's supervision, for the purpose of strengthening the Board's transparency, which improves efficiency in decision-making and promotes sustainability management activities.

Audit Committee | The Audit Committee should consist of 3 or more outside directors in principle. The Audit Committee of Hyundai E&C currently has four outside directors. The Audit Committee's key roles are to: 1) audit the lawfulness of directors and management's job performance; 2) review the soundness and adequacy of the corporate financial activity; 3) review and control the company's internal audit; and 4) review the accuracy of the financial reporting. The Audit Committee can request the convocation of an extraordinary general meeting by submitting a written request stating the purpose of the meeting and a reason for the convocation of the meeting to the Board in addition to the regularly-scheduled meeting. Also, when deemed necessary for performing of its duties, the Audit Committee can request a subsidiary of Hyundai E&C to report sales, and in this case where the subsidiary does not report its sales immediately or when the contents of the report need to be verified, the Audit Committee can investigate the affiliate business and its financial condition.

Outside Director Nominating Committee | The Outside Director Nominating Committee consists of 1 chairman and 4 members. With the Outside Director Nominating Committee of Hyundai E&C containing 1 inside director and 4 outside directors, Hyundai E&C has met the requirement that the majority of committee members should be outside directors. The Outside Director Nominating Committee recommends that outside director candidates be appointed at the general meeting of shareholders. In the process of recommending outside director candidates, the Outside Director Nominating Committee checks the background of director appointees, nominators and their most recent transaction with the company in the last 3 years. Hyundai E&C displayed transparency and objectivity in the choosing of candidates by allowing the committee to ask for advice from outside experts while considering recommendations of the outside director candidates at the general meeting of shareholders.

Social Contribution Committee | The Social Contribution Committee consists of 1 chairman and 4 members, with its key role being to determine the vision for sustainability and strategic tasks, review of an annual social Contribution activity plan, and evaluate activity performances. Hyundai E&C's sustainability management ensures that the company has a well-organized approach and offers practical & efficient responses to all sustainability management issues through the establishment and operation of the Social Contribution Committee.

Board Evaluation and Remuneration

Hyundai E&C's Board is subject to a self-performance evaluation and a third-party performance evaluation, with the performance evaluation results delivered to shareholders. Also, the director's remuneration is to be paid at a rate not greater than the limit of director's remuneration that was approved by the general meeting of shareholders. Hyundai E&C has disclosed the Board of Directors' total remuneration in accordance with Korean laws. Hyundai E&C has disclosed directors' remuneration in detail by classifying it into inside directors, registered directors, who belong to non-standing directors, and outside directors as of the classification standards for directors of the Korean Commercial Act. The disclosed details in the business report are posted in the DART System of the Financial Supervisory Service.



Status of Committees under the Board

Committee	Formation	Roles
Audit Committee	Chairman Shin Hyun-Yoon and 3 outside directors	Accounting and task audit
Outside Director Nominating Committee	Chairman Jung Soo-Hyun and 4 outside directors	Outside director candidate nominations
Social Contribution Committee	Chairman Jung Soo-Hyun and 4 outside directors	Sustainable vision and strategic task selection, Yearly social Contribution activity plan review and performance evaluation

Establishment of the HDEC Green CSR Declaration

Hyundai E&C declares the HDEC Green CSR Declaration and collects pledges from its employees who shall pertain to Ethical Management Charter and Ethical Codes. Also, Hyundai E&C has an independent communication channel and established a standard of actions against any infringement case to facilitate a thorough internal control.



Employee's HDEC Green CSR Declaration

Compliance with the HDEC Green CSR Declaration | Hyundai E&C has clearly presented the standards for compliance of moral management by classifying them into three areas in the HDEC Green CSR Declaration : 1) Responsibility for continuous business; 2) Responsibility for the environment; and 3) Responsibility for stakeholders. Also, Hyundai E&C has strived to become an enterprise respected by stakeholders through moral management, which shall be done by revising the relevant provisions of the HDEC Green CSR Declaration and improving its level each year by taking into account the quickly-changing industry trends, stakeholders' diverse needs and environmental problems around the globe.

Extension of the HDEC Green CSR Declaration Application Range | The HDEC Green CSR Declaration of Hyundai E&C applies to all employees including its domestic and overseas offices. It is a policy that shall bind not just Hyundai E&C's suppliers and companies in the Group, but also investors and Partners to whom Hyundai E&C has invested either directly or indirectly to follow all regulations with equal responsibilities. When Hyundai E&C promotes a business jointly with an external agency or another company, Hyundai E&C strongly recommends their compliance with all provisions of the Moral Management Chart. In case any socially-sensitive issue arises, Hyundai E&C requires them to comply with the relevant provisions.

Intensification of Preventive Measures to Moral Management Infringement | Hyundai E&C has enabled employees to report any non-compliance with HDEC Green CSR Declaration through diverse channels. Hyundai E&C enables a person to report the infringement by using a phone call and a letter and also provides a way to report the infringement through the cyber audit team, allowing the person to know whether the issue is being handled promptly. Hyundai E&C plans to prevent moral management infringement by managing the cyber audit team through a separate website.

CASE STUDY_

Cyber Audit Team's Website

Hyundai E&C plans to build an "exclusive website for the cyber audit team" by separating and expanding the cyber audit page in the Hyundai E&C website in 2012. Currently, the content of the cyber audit website is planned to have the following tabs: 1) Ethics management; 2) Ethics regulation; 3) Cyber audit team; and 4) Transparent management plaza. Hyundai E&C maintains the reporting and handling of any infringement cases of the HDEC Green CSR Declaration, which is the present cyber audit team's responsibility, and has settled the concept of moral management and shared the ethics regulation. In other words, Hyundai E&C plans to ensure the integrated management of the moral management. Also, Hyundai E&C will try to raise awareness of the moral management internally by sending moral management news to all employees and sharing real audit cases and customer's comments.

Cyber Audit Team's Website Planning

Moral Management	Ethics Regulation	Cyber Audit Team	Transparent Management Plaza
<ul style="list-style-type: none"> Definition of Moral Management Necessity of Moral Management Moral Management cyber education Progress status 	<ul style="list-style-type: none"> Code of Ethics Code of Ethics Implementation Code of Conduct Procurement division's practical code 	<ul style="list-style-type: none"> Instructions and whistle-blower protection Reporting Handling result check 	<ul style="list-style-type: none"> Moral management news Audit case, Customer's voices Survey

Efforts for the Internalization of the Moral Management Concept

Hyundai E&C has raised employees' moral consciousness by providing regular moral management education to practice the Code of Behavior as stated in the HDEC Green CSR Declaration and to internalize the concept of moral management.



Moral Management Training for Headquarter Employees

Intensification of Moral Management Education | Hyundai E&C has reinforced online and offline moral education to raise employee's moral consciousness and to make a moral management-based corporate culture voluntarily and initiatively. In April 2011, Hyundai E&C provided moral management education as offline education to 5,311 employees from Hyundai E&C and companies in the Group, with the topic "Practice of Trust Management through Business Ethics". A total of 8,209 people participated in the moral management and anti-corruption education provided in 2011, and educational opportunities will increase each year. In online education, 4,863 people completed some 5.5 hours of education with the topic "21st Century's Global Competitiveness Integrity Management" from October 2011 to January 2012. Also, Hyundai E&C provided cyber education for the prevention of sexual harassment in December 2011. Hyundai E&C has not only expanded its moral management-relevant education hours and number of trainees but also provided a diversity of education. For the sexual harassment prevention education, a group of 6,450 participated.

Compliance Program

Hyundai E&C has done its best to build up and maintain a fair and transparent relationship with stakeholders, and has operated its Compliance Program (CP) to maintain the fair trade order. In particular, since being transferred to Hyundai Motor Group, Hyundai E&C has stressed the importance of fair trade more than ever and has strived to settle fair and transparent transactions with stakeholders.

Meaning and Purpose of the Program | The Compliance Program (CP) is an internal compliance system which Hyundai E&C itself established and operates. CP presents clear behavior standards for compliance with the Fair Trade Act and prevents employees from violating the Fair Trade Act borne out of unawareness. CP classifies suppliers, competitors and affiliates as key stakeholders and presents clear standards to establish fair and transparent transactions with stakeholders.

7 Core elements of CP



Efforts for Consciousness-Raising about Fair Trade | Hyundai E&C has chosen and performed the core 7 elements of CP necessary to comply with the Fair Trade Act and to make employees raise their consciousness about fair trade. Above all, our president expressed his desire for the compliance with the Fair Trade Act through Hyundai E&C Groupware and alerted employees to the compliance by receiving oaths from all employees for the compliance. Hyundai E&C has established an operating system by establishing the Compliance Committee and by appointing the Compliance Officer, being able to extend employees' understanding of the compliance by publishing the Compliance Manual and distributing it to relevant teams.

Self Monitoring and Control | Hyundai E&C has enacted regulations to monitor and restrict compliance for its actual effect on the CP. The Compliance Officer is obliged to monitor all activities for compliance with fair trade-relevant regulations and laws no later than one month after the end of each half-year and to report and discuss the results with the president and the Board to establish and execute any improvement measures. In case an employee is suspected of violation of the fair trade-relevant laws or regulations, the Compliance Officer investigates it immediately. When any violation is discovered, the Compliance Officer can give the necessary punishments such as isolation from the job position, a warning, job change, suspension of job, salary reduction and dismissal depending upon the case after fully discussing the situation with the president and relevant department manager. Also, in order to prevent such a problem beforehand, Hyundai E&C has provided Compliance-relevant education by inviting experts from the Fair Trade Commission and plans to reinforce Compliance continuously.



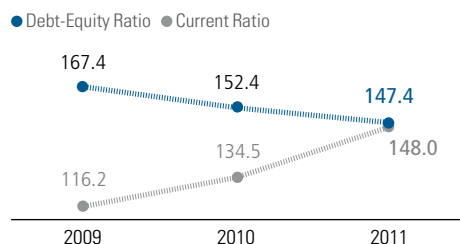
Financial Stability

Hyundai E&C has managed its business aggressively to expand new business areas such as overseas markets and new market entry and to gain business profitability. Hyundai E&C has made a more stable business base by maintaining healthy financial conditions with seamless efforts in regards to financial structure improvement. The current ratio which shows that the organization's stability, debt-equity ratio and capital adequacy ratio of Hyundai E&C have been turning around for the last three years. Hyundai E&C has gained a firm and stable profit structure and continues to realize profits and reduced borrowings as a visible outcome.

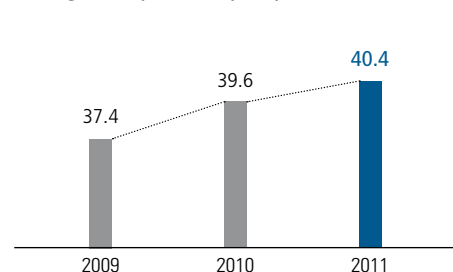
Excellent Credit Rating

Hyundai E&C was rated AA⁻ by Korea's three credit rating agencies NICE, Korea Ratings, and KIS in 2011. Since the credit rating was upgraded to AA⁻ from A⁺ last 2009, Hyundai E&C has maintained a solid credit rating. The high evaluations are a result of Hyundai E&C construction's performance and technology, stable business base and its quick response to changing business by changing its business portfolio.

Change in Current Ratio and Debt Ratio (Unit: %)



Change in capital adequacy ratio (Unit: %)



Definition of Risk and Risk Responses

Hyundai E&C has classified and managed risks into: 1) Country Risk; 2) Enterprise and Market Risk; and 3) Project Risk.

Country Risk | Country Risk is defined as the risks caused by domestic and foreign environmental changes. Because this Country Risk includes political risk, social & cultural risk, climate change and relevant environmental risk, the latest concerned risks have been managed enterprise-wide.

Enterprise and Market Risk | Enterprise and Market Risk is defined as the risks to be generally managed by the enterprise, such as market risk, business risk and financial risk. Hyundai E&C has regarded stable overseas capital management as important as overseas projects continue to increase. In order to response to such a situation and to manage a currency effectively, the currency can be checked in real-time through the Intranet.

Project Risk | In terms of project risks, Hyundai E&C has analyzed and managed construction industry-linked risks synthetically. Hyundai E&C has analyzed and managed business risks such as economic depression & overheating and material procurement by regularly analyzing construction market situations. Also, Hyundai E&C recognizes demands forecast, clients' capability of performing construction and investors' financial conditions as risks for all projects and has analyzed and managed those risks. In particular, Hyundai E&C has posted major dispute risk cases and solutions and has made employees ask internal experts for risks that may arise through operating "Hyundai E&C Dispute Management System" to professionally respond to any legal risks that arise during a project.

Risk Reporting System

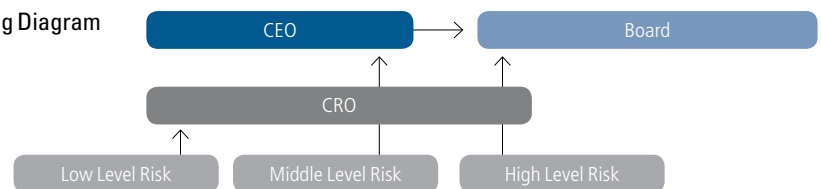
Hyundai E&C classifies risks by quantifying them through analyzing the seriousness, possibility and impact of the risks. Since the risk reporting system is classified according to different phases, Hyundai E&C has the system to report and manage the risks quickly and effectively.

Low Level Risk | Risks classified as low level risk are reported up to the CRO.

Middle Level Risk | Risks classified as middle level risks are directly reported to the CEO by the CRO. Also, in case it is deemed that the urgency and impact of the risk considerably affects the operation of a project, this risk is reported to the CEO and the Board at the same time in order for them to make a quick decision.

High Level Risk | Risks classified as high level risks are reported to the Board by the CRO, and starts identifying and investigating risk-relevant personnel affairs and handles these risks quickly by establishing risk-reducing measures and a regular monitoring system and takes measures against the emergency.

Risk Reporting Diagram



Risk Analysis Process

Hyundai E&C analyzes and manages risks in three phases: 1) Definition; 2) Analysis; and 3) Response and Application.

Definition | Risks are classified into three types: Country Risk; Enterprise and Market Risk; and Project Risk, according to risk classification standards. 15 risk factors are derived and managed according to these types.

Analysis | Risks are analyzed through quantitative and qualitative analyses on each risk's effectiveness and influence and then analyzed by response measures and handling priority.

Response and Application | High priority risks are quickly reported in accordance with the reporting system, and management measures are initiated and applied to them by establishing them in terms of risk characteristics.

INTERVIEW_

Steven Smith, HSE Manager, UAE GASCO
(Abu Dhabi Gas Industries Ltd.)



Sustainability management that considers not only the economic, but also the environmental and social perspectives, is not a choice but a necessity around the world. In that respect, I give a high assessment to Hyundai E&C's sustainability management activities that lead other companies, including not only its pursuit of economic benefit, but also environmental management at construction sites and ensuring employees' health and safety. Hyundai E&C conducted a comprehensive feasibility study from the pre-construction phase in order to minimize its environmental impact, and conducted long-term safety education and comprehensive safety inspections in order to prevent accidents at construction sites, which I found to be impressive. Even in the future, I expect Hyundai Engineering & Construction to be a company that has a positive impact on its stakeholders through its advanced sustainability management activities and can grow together with them.

Public Benefit

Hyundai E&C has maintained a symbiotic relationship with stakeholders by fairly distributing economic values created from its business activities to stakeholders. Hyundai E&C has also contributed to public benefits by creating new jobs and attracting production through diverse infrastructure investment.

Distribution of Created Economic Value to Stakeholders

Hyundai E&C has actualized a win-win value by distributing economic values created from business activity to stakeholders, shareholders, suppliers, employees, government and local communities.

Suppliers | Hyundai E&C has procured products and services from suppliers and strived to reinforce fairness and transparency in its relationship with suppliers. In 2011, Hyundai E&C procured a total of 7,372.9 billion won in products and services from suppliers.

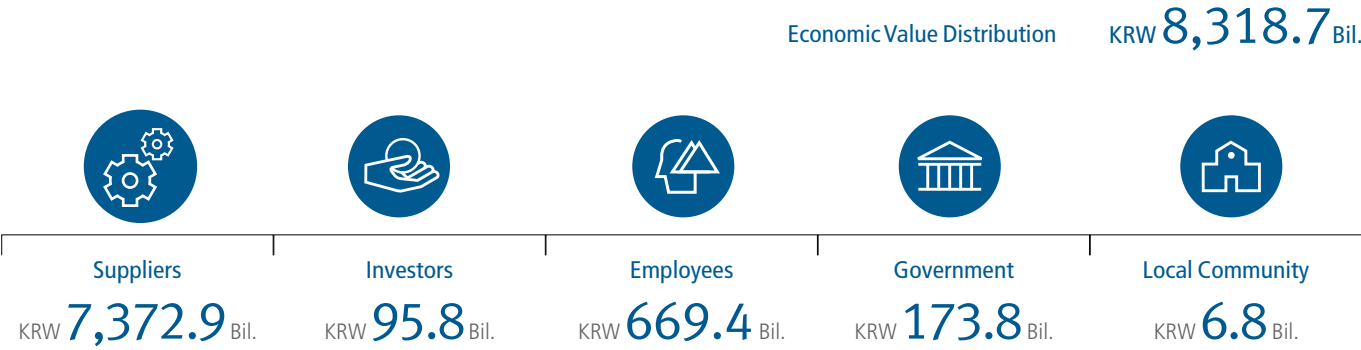
Investors | Hyundai E&C has tried to maximize investor values continuously and returned the company's benefits through dividends and interest payments. Shareholders' dividends for 2011 amounted to a total of 55.7 billion won and interest paid amounted to a total of 40.1 billion won.

Employees | Hyundai E&C has distributed its economic values to employees through salaries, retirement allowances, employee benefits, etc., and concentrated on forming a proper environment to improve employee's satisfaction. In 2011, a total amount of 669.4 billion won was paid to its employees.

Government | Hyundai E&C distributes its economic values through tax payments such as income taxes, value added taxes, real estate taxes and corporate taxes. Hyundai E&C has supported government activities through various types of tax to be imposed. Hyundai E&C takes its obligations and responsibilities as a member of society seriously. In 2011, Hyundai E&C paid a total of 173.8 billion won in taxes.

Local Community | Hyundai E&C distributes its economic values to the local communities through direct donations, infrastructure investments and volunteer activities based on three social Contribution activities; "Love Sharing", "Hope Sharing" and "Culture Sharing". In 2011, economic values distributed to local communities amounted to a total of 6.8 billion won.

Diagram of Economic Value Distribution



Infrastructure Investment

Hyundai E&C has carried out its responsibility as a leading construction enterprise by focusing on infrastructure expansion and reinforcement of local society public interests as well as by engaging in economic activity and creating profits.

Infrastructure Investment Status | Hyundai E&C has stimulated local communities and has provided a foundation for national economic development by continuing to supply the infrastructure that has become a base for the local community development like building public facilities and expressways. In 2011, infrastructure investment by a division of Hyundai E&C contributed to the Sosa-Wonsi double lane subway construction and the Cheongri office supply facility construction project. Accordingly, Hyundai E&C has not only stimulated a local community supplying the infrastructure but also contributed to job creation after the projects' completion.



| Construction site for the Philippines Love Community Center

Disaster Zone and Neglected People Help | Hyundai E&C has vigorously participated in recovering disaster zones and helping the neglected through its infrastructure investment programs and volunteers. In 2011, Hyundai E&C advocated for a local community infrastructure buildup and maintenance improvements in many dwelling areas and environment improvement for the elderly of single family, repair of rehabilitation centers for the disabled, dwelling environment maintenance in flooded areas and broken road-areas recovery activities. Also, Hyundai E&C installed a community center and education & welfare center in the Philippines and Kazakhstan, respectively, by expanding the concept of a local community overseas. Through these opportunities, Hyundai E&C is able to expand its range of support to other destitute foreign areas. Hyundai E&C plans to increase its support in disaster-swept regions and assist neglected people through infrastructure supply and repair programs based on the construction industry.

INTERVIEW_

Hyung-goo Ahn, Good neighbors(NGO),
Head of Philippine Office



The San Isidro region in the Philippines, where Hyundai Engineering & Construction is building a community center, is an area of new immigrants and currently lacks various facilities for local residents. With the construction of the community center in San Isidro, Hyundai Engineering & Construction is trying to assume active communication with the local community and residents and I give my heartfelt thanks for the company's advanced social contribution activities.

The community center will give practical help to local residents, including the provision of solid educational programs to support preschool children and free medical services, and its plan is to operate in a way that improves the overall quality of life. On the basis of the construction of the San Isidro community center, we expect more active communication between Hyundai Engineering & Construction and social contribution activities in the future as well.

CASE STUDY_ Geogum Bridge



| Geogum Bridge

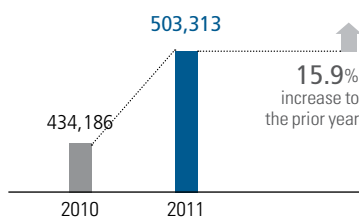
Hyundai E&C has contributed to national economic development here by creating indirect economic values. Hyundai E&C has created many jobs and led production through a continuous infrastructure construction and supply since its establishment. In December 2011, Hyundai E&C completed the Geogum Bridge, which connects Geogumdo and Sorokdo (islet) to Goheung-gun Jeonnam. Geogum Bridge is the landmark of the Goheung district. Geogum Bridge was designed in a way that its upper part can be utilized as a vehicle road and a lower part utilized as a bicycle and pedestrian road. It is the first sea-crossing bridge in the district, which made the Geogum Bridge popular among its users.

Economic Feasibility

The year 2011 was a very successful year for Hyundai E&C, as Hyundai E&C achieved external growth and strengthened its internal stability through a "Selection and Concentration" strategy. Aiming further than being known as the first construction company in Korea, Hyundai E&C has developed into "a global top-tier construction company" which explores and leads new markets.

Changes in Net income

(Unit : Million Won)



10 Trillion won of sales attained for 2 consecutive years

As the world economy became uncertain and the economic volatility increased, owing largely to the financial crisis in Europe in 2011, Hyundai E&C had many difficulties with its overseas sectors even as it has constantly strengthened its investment. Due to the uneasy political situation in Libya, contracting for new construction projects was delayed and nuclear power plant projects were decreasing as a result of the Fukushima accident, which was caused by an earthquake in Japan. Also, projects in the Middle East were reduced due to the Arab Spring democracy movement. Consequently, many events slowed down the world economy and mitigated construction demands in 2011. Therefore, Hyundai E&C recorded overseas construction contracts amounting to 4.7 billion dollars in 2011 with clients' trusts accumulated by the company's project-contracting ability and many onsite experiences. These are based on its strong business foundation, often not yielding to the difficult external environment. Additionally in 2011, Hyundai E&C reached 10,104.6 billion won of sales, and its risk management capability countering a change of external environments was verified. In particular, Hyundai E&C recorded more than 10 trillion won worth of sales for 2 consecutive years and continued its constant growth. Accordingly, 2011 was very meaningful for Hyundai E&C. Hyundai E&C recorded a 503.3 billion won of Net income and improved its profitability, increasing 15.9%.



Construction capability evaluation

Ranked No.1 for 4 consecutive years **1st**

Ranked No.1 for the construction capability evaluation for 4 consecutive years

Hyundai E&C was ranked top out of 10,540 construction companies in the construction industry according to the construction capability evaluations by the Construction Association of Korea for 4 consecutive years. The construction capability evaluation synthetically evaluates four sectors of each construction company, construction performance, financial position, technological capability and credibility. Hyundai E&C was ranked No. 1 for 4 years in the overall evaluation and received the highest praise for capability as well as actual business management capability. Hyundai E&C has set its place as the leading construction enterprise in Korea.

Establishment of a collaboration system with the companies in the Group

Hyundai E&C has not only maintained and developed its existing businesses, but also strives to gain new competitiveness by securing new revenue sources. Hyundai E&C has been able to gain a more stable management foundation After becoming a part of Hyundai Motor Group in 2011. In addition, Hyundai E&C has been working hard to gain new project contracts, consolidating its collaboration system with the companies in the Group.

Intention of Entry into Developing Country Markets

As the leading construction enterprise in the Korean construction industry, Hyundai E&C has actively expanded its business area to overseas markets as well as domestic markets. Hyundai E&C is aggressively seeking entry into new markets in Africa, Middle & South America and CIS (The Commonwealth of Independent States) to obtain a new growth engine in addition to the stable business operation already in place in Asia and the Middle East. Throughout the year 2011~2012, Hyundai E&C has established a South Africa office and reinforced its branch capabilities in Tripoli, Algeria, Bogota and Almaty. Also, Hyundai E&C diversified its route of information acquiring by utilizing the Group's global network.



Entry to Developing Country Markets

Active Entry into the Africa Region | Hyundai E&C has increased its opportunities to enter the African construction market by contracting with the Azito Plant Expansion Project in Africa. The contracting amount for this

project was about 250 million dollars. Hyundai E&C took charge of the construction project which will extend the current gas turbine plant placed in the southwestern part of Abidjan, the center of administration and economy of Cote d'Ivoire, into a combined cycle power plant. Recognition of Hyundai E&C by domestic and overseas construction companies is a meaningful step for further expansion into other markets, establishing a bridgehead for the entry into construction markets in sub-Saharan Africa. Hyundai E&C plans to take advantage of its new position here to solidify potential contracts for similar projects in Cote d'Ivoire and other African countries.

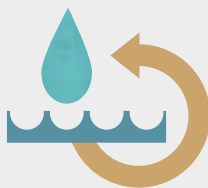
Establishment of the Venezuela Branch and Successful Project Contracting | With respect to the entry into Middle and South America markets, Hyundai E&C established a new Columbia branch in 2010 and opened its Venezuela branch in March 2012. Venezuela is another market where domestic and foreign competitors are not actively seeking their entries. Consequently, Hyundai E&C has dominated the Venezuela market and obtained a quality opportunity for obtaining other construction there. With the establishment of the Venezuela branch in 2012, Hyundai E&C contracted for the construction of the Puerto La Cruz oil refinery plant expansion and facility enhancement construction that were ordered by PDVSA of Venezuela, amounting to 2,995 million dollars (about KRW 3,505.7 billion), in a form of consortium with Hyundai Engineering and China's Wison Engineering. Hyundai E&C plans to use this project into the Central and South American markets.

Intention of Entry into Eco-Friendly market

Hyundai E&C puts a great importance on its future growth with its intensified efforts to enter into the eco-friendly marketplace. Hyundai E&C has already entered the Green Smart Building marketplace through Hill State, an apartment complex that applies high-end technology in relation to the Eco-Friendly market. This inroad has led to further entry of Hyundai E&C into the water treatment market, the environmental plant market and the offshore wind power market. Hyundai E&C analyzed its potential marketability and probability of entrance into the eco market through organization of an exclusive Task Force Team to quickly prepare for its entry into the eco-friendly market business operation.

CASE STUDY_

Columbia BELLO Sewage Treatment Plant



After establishing its Columbia branch office in 2010, Hyundai E&C successfully contracted projects in the regions of South and Central America by aggressively developing the new market there. In 2012, Hyundai E&C successfully contracted for the Bello Sewage Treatment Plant project with 350 million dollars through combined contributions by Hyundai Engineering and Acciona Agua, Spain. The Columbia Bello Sewage Treatment Plant signifies Hyundai E&C's entry into a new business field, entry into a new market, and introduction of its new business model. Above all, Hyundai E&C has gained an advantageous position in the market and offers us opportunities to show dominance in the water environment market which spotlights profitability among the eco markets. Also, since Hyundai E&C's construction project in Central and South America only included the Porto Velho Combined Cycle Power Plant, Hyundai E&C has now succeeded in its goal of re-entering the region of Central and South America through the contract for this project. Hyundai E&C plans to improve the project's profitability by using its new profit business model of project management form in the existing construction-centric project operation. Based on this experience, Hyundai E&C plans to accelerate its entry into other eco markets and new regions.

Meaning of the Columbia BELLO Sewage Treatment Plant

NEW FIELD	NEW MARKET	NEW MODEL
World water market and new & renewable energy business	Bridgehead for entry into the Central and South American construction markets	Project management high profit business model from the construction



| Bird's-eye view of Columbia sewage Treatment Plant



| Aeration tanks



| Central control center







| Sludge digestion tanks

Appendix

70	Major Performance for 2011
72	Organizational Chart · Financial Data
73	Environmental Data
74	Social Data · Membership & Awards
75	DJSI World Super Sector Leader & CRRA
76	Third Party Verification Statement
77	Greenhouse Gas Verification Statement
78	GRI Index
82	GRI Check Statement



Major Performance for 2011

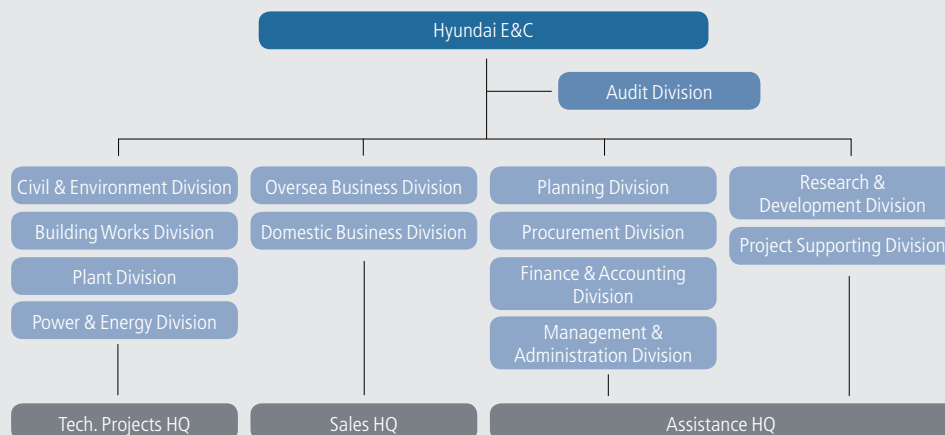
Classification	Growth and Profit Creation 	Management Stability 	Eco-Friendly Technology Development 	Performance of Eco-Friendly Business 
Approach	<ul style="list-style-type: none"> - Continuous overseas advance - Collaboration with the companies in the Group for the new growth engine - Entry into developing country markets, Entry into the Eco-Friendly market 	<ul style="list-style-type: none"> - Improvement of business transparency and fairness through the internalization of employee and suppliers ethics consciousness - Response to highly-changing external environments through advanced risk management techniques 	<ul style="list-style-type: none"> - Eco technology development through collaboration with companies in the Group - Increase in research people and facility investment 	<ul style="list-style-type: none"> - Greening of all construction processes construction - Eco supply chain buildup
Impacts on Hyundai E&C	<ul style="list-style-type: none"> - Increase of corporate value and maximization of investor value - Intensification of risk management capability through change of profit sources, Effect of preoccupation in new markets 	<ul style="list-style-type: none"> - Increase of external trust through fairness and transparency - Minimization of impacts caused by external problems through systematic risk management 	<ul style="list-style-type: none"> - Eco technology development - Eco new growth engine business development - Profit creation through new market entry 	<ul style="list-style-type: none"> - Effective response to domestic and foreign environmental regulations - Leadership in climate change, Improvement of image as an Eco-friendly construction company - Suppliers' sustainable growth through the "Green System"
Stakeholders' Expectations	<ul style="list-style-type: none"> - Consistently high return-on-investment rate - Preventing accidents caused by the strengthened ethical campaign - Borrowing upon opinions made by associates of the Committee - Overcoming outside unfavorable factors with risk management - Transparently distributing and re-investing of the newly-created economical values 		<ul style="list-style-type: none"> - Energy saving at the user phase - New eco business's entry 	<ul style="list-style-type: none"> - Minimization of environmental impacts in all processes of construction activity - Green management and technology
2011 Goals	<ul style="list-style-type: none"> - Sales : KRW11.5 Tril. - Contracting Amount : KRW20.4 Tril. - Multi-change of overseas market 	<ul style="list-style-type: none"> - Intensification of response to climate change risk - Facilitation of social contribution committee - Communication-typed ethics management education 	<ul style="list-style-type: none"> - Expansion of Green business - Increasing investment in eco technology R&D 	<ul style="list-style-type: none"> - System enhancement stabilization - Detailed environmental index management and improvement
2011 Activity and Performance	<ul style="list-style-type: none"> - More than KRW 10 trillion in sales for 2 consecutive years - No. 1 for the construction capability evaluation for 4 consecutive years - Successful entry into Africa and South & ethics 	<ul style="list-style-type: none"> - Increasing people's participation in the ethic management education and strong education contents 	<ul style="list-style-type: none"> - 78% research facility investment costs increased - Joint R&D and commercialization 	<ul style="list-style-type: none"> - CTS(Carbon Trust Standard) Certification - Green Management System Certification - Energy Management System (ISO 50001) Certification
Evaluation	○	●	●	●
Future Goals	<ul style="list-style-type: none"> - Market pre-capture by continuous entry into the developing country's market - Intensification of collaboration system with the companies in the Group 	<ul style="list-style-type: none"> - Systematic and integrated anti-corruption management by cyber audit website buildup 	<ul style="list-style-type: none"> - Eco new business creation - Research organization segmentation and expansion of research investment - Enterprise-wide technology management system buildup - Diversification of research collaboration companies and joint research items 	<ul style="list-style-type: none"> - Green management performance management system development - International standard certification - Intensification of environmental index management standards

 Employee Capability Development	 Win-Win Cooperation	 Industrial Safety and Responsibility	 Strategic Social Contribution
<ul style="list-style-type: none"> - Global leader cultivation and experts training through professional capability development program - Core value delivery through the Group's integrated education 	<ul style="list-style-type: none"> - Win-win with the local community through shared growth with suppliers - Arrangement of base for the shared growth through suppliers support activity 	<ul style="list-style-type: none"> - Intensification of safe management through creation of an HSE Team in the division, improving the current system and introducing the new system - Thorough role allotment for quality level betterment and manpower professionalism effort 	<ul style="list-style-type: none"> - Intensification of the top 3 social contribution activities through the social contribution organization - Intensification of social contribution activity overseas
<ul style="list-style-type: none"> - Future competitiveness and global competitiveness strengthening through global leader training - Employee satisfaction improvement and motivation & productivity increase - Group integration synergy effect 	<ul style="list-style-type: none"> - Intensification of balance and communication with suppliers - Quality betterment through increase in suppliers' competitiveness 	<ul style="list-style-type: none"> - Improvement of external trust through significant accident prevention - Safety management upgrade into a new competitiveness through effective system introduction and execution - Improvement of customer satisfaction through betterment of product quality 	<ul style="list-style-type: none"> - Contribution to the local society's stable and balanced development - Maximization of social contribution activity effect through intensification of the construction industry-linked social contribution activities
<ul style="list-style-type: none"> - Fair performance evaluation - Diverse welfare system establishment - Diverse communication channels 	<ul style="list-style-type: none"> - Creation of equal business suppliers relationships - Settlement of fair and transparent trading culture - Competitiveness increase through education and exchanges with Hyundai E&C 	<ul style="list-style-type: none"> - Reduction of accident rates through systematic safety management system and operation - Quality level maintenance and improvement through new technology and new material utilization 	<ul style="list-style-type: none"> - Actual communication with local communities through voluntary social contribution activities - Intensive social contribution for disaster regions and neglected areas
<ul style="list-style-type: none"> - Increase of education for support after retirement 	<ul style="list-style-type: none"> - Establishment of a fair trade culture - Expansion of suppliers support - Revision of the lowest price competitive bidding 	<ul style="list-style-type: none"> - Intensification of safety management PR and training - Customer satisfaction service links through quality betterment 	<ul style="list-style-type: none"> - Global social contribution activity planning - Construction industry-linked social contribution activity development
<ul style="list-style-type: none"> - Settlement of a performance-centric corporate culture - Common group capability Intensification through integrated training - Expansion of systematic support for employees 	<ul style="list-style-type: none"> - Transparent suppliers management system buildup through the suppliers management system - Suppliers training, technology, fund expansion and system improvement 	<ul style="list-style-type: none"> - Decreasing the accident rate - Active operation of Permit To Work (PTW), Safety Rule Violator Exit Policy - Development and introduction of the field problems prevention system - Introduction of the framework quality assessment system 	<ul style="list-style-type: none"> - Opening of an overseas community center based on the construction industry - Improvement and intensification of the social contribution activity mileage system
			
<ul style="list-style-type: none"> - Expansion of education and program for retired employee support 	<ul style="list-style-type: none"> - Improvement of task transparency - Suppliers management and competitiveness strengthening - Re-establishment of the procurement process 	<ul style="list-style-type: none"> - Zero accidents through organic link with the HSE Team and division - Thorough quality suppliers audit - New system of introduction for quality level improvement 	<ul style="list-style-type: none"> - Increase of social contribution activity support by labor union and division - Intensification of social contribution activity linked with companies in the Group

Organizational Chart · Financial Data

Organizational Chart

(As of June 2012)



(Condensed) Separate Statements of Income

(Unit : KRW Million)

Description	2009	2010	2011
Sales	9,278,579	10,044,756	10,104,552
Cost of sales	8,553,721	8,994,302	9,242,199
Gross profit	724,859	1,050,453	862,353
Operating income	418,861	517,530	516,685
Income before income tax expense	587,487	589,648	611,573
Net income	456,633	434,186	503,313
Cost of sales ratio	92.2%	89.5%	91.5%
Operating income ratio	4.5%	5.2%	5.1%
Net income before income tax expense ratio	6.3%	5.9%	6.1%
Net income ratio	4.9%	4.3%	5.0%

* 2009 condensed income statement was based on K-GAAP, and 2010 condensed income statement was based on K-IFRS.

(Condensed) Separate Statements of Financial Position

(Unit : KRW Million)

Description	2009	2010	2011
Current assets	5,010,105	6,614,101	6,952,511
Non current assets	3,081,176	3,667,342	3,731,156
Total assets	8,091,281	10,281,443	10,683,667
Current liabilities	4,311,170	4,919,173	4,697,796
Non current liabilities	754,411	1,288,580	1,668,114
Total liabilities	5,065,581	6,207,753	6,365,910
Capital Stock	557,273	557,273	557,273
Other Contributed capital	828,181	828,181	828,181
Components of other capital	152,245	310,220	149,114
Retained earnings	1,488,001	2,378,016	2,783,189
Total equity	3,025,700	4,073,690	4,317,757

* 2009 condensed balance sheet was based on K-GAAP, and 2010 condensed balance sheet was based on K-IFRS.

Environmental Data

Material usage amount

Description	Unit	2009	2010	2011
Rebar	Ton	328,787	398,853	299,726
Steel	Ton	-	-	4,831
Remicon	M³	3,748,400	3,918,068	3,529,397
Cement	Ton	81,116	47,368	120,679
Sand	M³	410,974	1,168,223	750,056
Aggregates	M³	402,540	1,726,864	1,118,235
Asphalt Concrete	Ton	505,180	612,364	757,131
L02	L	180,000	506,146	1,842,634
Coal in medium-size lumps	Kg	1,531,698	1,521,167	5,619,606
Wood	M³	38,728	27,663	-

Water usage amount

(Unit : 10,000 ton)

Description	2010	2011
Tap water	82.5	62.9
Surface water	21.0	40.0
Underground water	46.9	26.0
Rainwater	2.4	0.5
Total	152.8	129.5

Energy usage amount

(Unit : TJ)

Description	2009	2010	2011
Diesel	281.68	449.15	270.92
Gasoline	36.44	26.27	25.65
Kerosene	55.83	39.87	41.12
Oil Total	373.96	515.29	337.69
LNG	29.05	64.01	36.39
LPG	8.30	11.35	5.25
Gas Total	37.35	75.36	41.64
Lump coal (Brown coal)	14.04	30.92	13.95
Hot water (District heating)	0.23	0.24	0.21
Electric power	744.02	851.78	903.43
Others Total	758.30	882.95	917.58
All Total	1,169.60	1,473.59	1,296.91

Waste Discharge and Recycled Volume

Description	Unit	2009	2010	2011
Wastes discharged	Ton	1,447,754	460,022	580,077
Recycled volume	Ton	91,882	10,513	35,023
Recycling rate	%	6.3	2.3	6.0

Wastewater Discharge

(Unit : Ton)

Description	2009	2010	2011
Wastewater discharged	724,115	1,236,606	2,556,654

* Material usage amount: Data collection through establishing and utilizing database from 2011

* Water usage amount: Developing a domestic sites-oriented system and changing report domains to domestic ground at the time of establishing a system regarding water usage amount of 2012 (HPMS)

* Energy usage amount: Changing the estimated energy usage amount standard (unit: won) to the integrated business headquarter of 2012 (changed from 6 to 4)

* Recycling amount: Reporting on recycling amount regarding overall wastes (construction, designated, industrial wastes) since 2011

* Greenhouse gas emission amount: Greenhouse gas emission amount changed due to the change in energy usage amount. Estimating the amount through the unit of Won and sales amount of each industrial headquarter and scope based on the certified data

Greenhouse Gas Emissions

(Unit : tCO₂-e)

Description	2009	2010	2011
Direct & indirect greenhouse gases	58,409	81,047	74,952
Other indirect greenhouse gases	393,236	358,704	363,698

Social Data · Membership & Awards

Social Data

Description	Unit	2009	2010	2011
Total employees		4,738	4,707	5,184
Permanent employees	Person	3,927	3,840	4,363
Contracted employees		811	867	821
Change of job rate	%	5.47	4.50	5.36
Number of potential subjects of labor union	Person	2,206	2,157	2,425
Infant care leave		2.09	2.63	4.89
Return to work rate	%	20.00	83.33	38.46
Accidents rate		0.24	0.17	0.14
Labor union registration rate		17.5	28.0	22.60

List of Association Memberships

Name of Association	Name of Association
International Tunnelling and Underground Space Association	The Korea Railway Association
Construction Association of Korea	Korea Ports & Harbours Association
Korea Electric Association	International Contractors Association of Korea
Building Smart Association	Korea Construction IT Association
Korea Plant Industries Association	Korea BIM Association
Korea Road and Traffic Association	The Korean Housing Association
Korea Remodeling Association	Korea Institute of Plant Engineering & Construction

Primary Awards and Prizes received

Award Name	Award Part	Host/Provider
BCA Construction Excellence Award	Construction	BCA (Building and Construction Authority)
SHARP (Safety & Health Award Recognition for Project) Award	Project	Singapore Ministry of Manpower, WSH (Workplace Safety & Health) Council
Designpreis Deutschland	Product Design	German Design Council
iF Product Design Award	Public Design	International Forum Design
IDEA (International Design Excellence Awards)	Commercial & Industrial Products	IDEA
reddot Award	Design Concept	reddot GmbH & Co. KG

DJSI World Super Sector Leader & CRRA

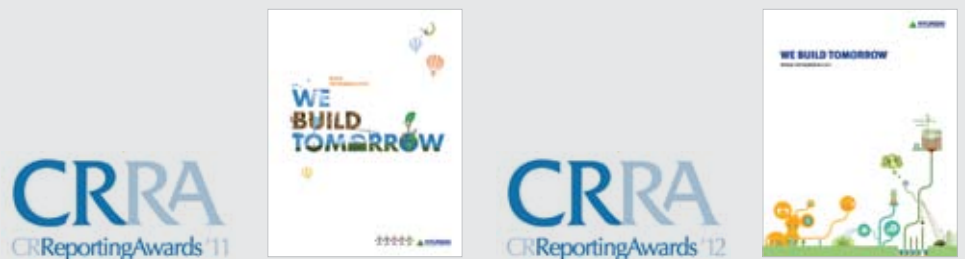
Selected as DJSI World Super Sector Leader

Hyundai E&C stays firm on its grip on diagnosing the strength of its sustainability at both domestic and overseas grounds by participating in the estimation of Dow Jones Sustainability Index (DJSI) and also endeavors to improve its internal action plans. Following its footsteps of entering DJSI Korea in 2009 and being selected DJSI World Leader in 2010, Hyundai E&C has continued in proceeding with consistent improvement on regulations and sustainability actions. This has resulted in making the company a DJSI World Sector Leader through the 2011/12 DJSI test. A testing measure that evaluates a corporate sustainability which was first developed by Dow Jones Index of the U.S., SAM of Switzerland, DJSI together with the Korea Productivity Center (KPC) is a prototypical global evaluation tool that comprehensively evaluates a company's values based on not just financial data but also accomplishments and real meanings under social and environmental roofs.



Awarded for CRRA Integrated Reporting

In improving the company's standing in terms of economy, environment and society, three criteria that determine scores on any company's sustainability management, Hyundai E&C has been annually publishing its own sustainability report. Hyundai E&C has also reaffirmed its position as a major global construction company by winning CRRA(Corporate Register Reporting Awards) bestowed by England's CR(Corporate Register) for 2 years in a row for the first time in Korea. An internationally-renowned award that exclusively evaluates on the 'sustainability management reports', selection of a winner of CRRA is determined by online-polling that involves some 37,000 around the globe.



| 2011 Named as the 2ND Runner-up for the CRRA
Best First time reporting

| 2012 Awarded the Intergrated reporting section

Third Party Verification Statement

Introduction

Det Norske Veritas Certification Ltd. (hereinafter referred to as 'DNV') has been commissioned to carry out assurance engagement on Hyundai Engineering & Construction Co., Ltd. (hereinafter referred to as 'HDEC') 2012 Sustainability Report (hereinafter referred to as 'the Report'). This engagement focused on the information provided in the Report and the underlying management and reporting processes. This Assurance Statement is intended for the readers of the Report. HDEC is responsible for the collection, analysis, aggregation and presentation of all information within the Report. DNV's responsibility regarding this Assurance engagement is to the management of HDEC only, in accordance with terms of reference and scope of work agreed. DNV disclaims any liability or responsibility to a third-party for any decisions, whether investment or otherwise, based upon this Assurance Statement.

Scope of Assurance

This Assurance Engagement covered data from calendar year 2011. The scope of DNV's Assurance Engagement, as agreed with HDEC included the verification of:

- Sustainability policy, goals, initiatives, practices and performance for calendar year 2011, as described in the Report. These were verified at company level.
- Health & Safety, Social and Environmental data management systems, and associated processes and tools for collecting, analysing, aggregating and reporting quantitative and qualitative information provided in the Report.
- Processes for defining the boundaries, focus and content of the Report.
- Review of the extent to which the principles and requirements of the Global Reporting Initiative (GRI) Guidelines for Sustainability Reporting (GRI G3.1) and Construction and Real Estate Sector Supplement (CRESS) are reflected in the Report.
- The extent to which the principles of Materiality, Inclusivity and Responsiveness are adopted, in line with the requirements of the AccountAbility 1000 Assurance Standard (2008) (AA1000 AS (2008) for a Type 1, Moderate level of assurance engagement. The reliability of the information within the Report was verified to a moderate level assurance.

HDEC's reporting boundaries include all operations in Korea over which HDEC's management exercises significant control. (Financial data includes the performance from international operations as well.)

Limitations

The engagement excluded the sustainability management, performance and reporting practices of HDEC' suppliers, contractors and any third-parties mentioned in the Report. DNV did not interview external stakeholders as part of this Assurance Engagement. Economic performances including financial data were cross-checked at head-office with internal documents and the audited financial statements.

Statement of Competence and Independence

DNV provides sustainability risk management services through specialists worldwide. This engagement was undertaken by a multi-disciplinary team of suitably qualified and experienced sustainability professionals. DNV was not involved in the preparation of any information presented in the Report. DNV did not provide any services to HDEC during 2011-2012 that could compromise the independence or impartiality of our work.

Verification Methodology

This Assurance Engagement was carried out in July 2012, and in accordance with the DNV Verification Protocol for Sustainability Reporting (V.4.1) and AA1000 AS (2008). In reaching our conclusion, we have undertaken the following work;

- Interviewed HDEC executives;
- Visited HDEC Head office and 1 project site in Seoul, Republic of Korea;
- Examined relevant documents, data and other information requested by DNV and made available by HDEC;
- Reviewed the mechanisms implemented by HDEC to promote and oversee its sustainability-related policies as described in the Report;
- Reviewed a selection of internal communication and external media reports relating to HDEC' sustainability management approach, performance and adherence to its policies;
- Analysed sustainability data management systems, assessing specific data and information reported in accordance with the requirements of AA1000 AS (2008).
- Verified against the content principles and quality principles of GRI G3.1

Conclusions

In DNV's opinion, and based on the scope of this Assurance Engagement, the Report provides a reliable and fair representation of HDEC' sustainability strategy, policy, practices and performance in 2011. Based on the work undertaken as part of this Assurance Engagement, DNV believes that the Report generally meets the principles, content and quality requirements of GRI G3.1 and AA1000 AS (2008) for a Type 1 Moderate level of assurance. Further conclusions and observations on the adoption of reporting principles and specific performance information are made below; Regarding the level of adherence to reporting principles, we conclude the following:

AA1000 Principles |

- **Inclusivity** : HDEC has engaged with a wide range of stakeholders regarding sustainability issues via survey and interview. Stakeholder engagement process and survey result are disclosed in detail in the Report. 6 Stakeholder groups which are Government/mass media/industry association, Employees, Customer, Business partners, Local community and Shareholders/Investors are identified with the reason of being selected and the communication processes for respective groups in the Report. HDEC needs to expand the engagement in overseas stakeholders and identify their expectations which should be integrated into the sustainable management strategy as the number of international projects increases.

- **Responsiveness** : Stakeholders' views, interests and expectations sought from the survey are considered in the preparation of the Report and in the formulation of HDEC' sustainability management approach. HDEC needs to establish more effective system responding to respective material issues with objectives and monitoring and measuring of performance.

- **Materiality** : HDEC has continued to map out and prioritise sustainability issues most significant. The Report generally provides an account of performance on the issues that are most significant to HDEC's activities and which are most relevant to its stakeholders. The material issues were identified and prioritised based upon the stakeholders' opinion sought by survey. However, it is recommended to further consider safety management and sustainability in supply chain which are one of the critical issues in construction industries.

Additional principles |

- **Reliability**: Data and information presented in the report are generally reliable. However, internal assessment of data management and data checks need to be implemented. The Report is referred to GRI G3.1 and Construction and Real Estate Sector Supplement for preparation. Information in the Report is presented so as to allow comparison of year-on-year performance.

- **Completeness** : The scope and boundary of the Report cover the issues and activities that are of most significance to HDEC and relevance to its stakeholders. No material omissions were identified in data or information verified. More efforts to improve reporting on the performance from international business operations need to be made.

- **Neutrality**: The information in the Report is generally presented in balanced manner. However more proactive actions need to be taken against stakeholders' negative views on its performance and disclosure of factual information needs to be provided.

Opportunities for Improvement

The following is an excerpt from the observations and opportunities reported to HDEC's management. However, these do not affect our conclusions on the Report and are provided to encourage continual improvement.

- HDEC should establish mid- and long-term sustainability goals which are qualified to enhance future measurement and reporting of performance.
- HDEC should apply sustainable management practices to international projects and enhance the collection of performance data from international projects as international business grows.
- We recommend HDEC expand its sustainability management to supply chain so that the performance in whole value chain is improved.

Seoul, Korea 30th July 2012



Seung Hyun Kwak
Lead Verifier

In Kyoan Ahn
Country Manager

Antonio Astone
Assurance Engagement Reviewer
Global Responsible for Sustainability Services

Greenhouse Gas Verification Statement



Introduction | DNV Certification, Ltd. ("DNV") was commissioned by HYUNDAI Engineering & Construction Co., Ltd. ("HYUNDAI Engineering & Construction") to verify the HYUNDAI Engineering & Construction's Greenhouse Gas Inventory Report for the calendar year 2011 ("the report") based upon a limited level of assurance. HYUNDAI Engineering & Construction is responsible for the preparation of the GHG emissions data on the basis set out within the WRI/WBCSD GHG protocol: 2004 and the principles set out in ISO 14064-1:2006. Our responsibility in performing this work is to the management of HYUNDAI Engineering & Construction only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Scope of Assurance | The emissions data covered by our examination comprise Direct emissions (Scope 1 emissions), Energy indirect emissions (Scope 2 emissions) and Other indirect emissions (Scope 3 emissions) :

- Reporting period under verification : Calendar Year 2011
- Organizational boundary for reporting : HYUNDAI Engineering & Construction Co., Ltd.

Organizational Boundaries	Address / Remark	Verification activity
Buildings	Headquarter (Address: Hyundai Bldg. 140-2, Kye-dong, Jongno-gu, Seoul, Korea) and 1 building	Desk Review, Site visit, Process & data verification
Domestic construction sites	204 sites in Dept. of Plant, Power Plant, Civil, Building	

Verification Approach | The verification has been conducted by DNV from 15th May through 29th May 2012 and performed in accordance with the verification principles and tasks outlined in ISO 14064-3:2006. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a limited verification opinion concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process:

- We have reviewed and verified the HYUNDAI Engineering & Construction's Greenhouse gas Management System
- We have reviewed the GHG inventory Report dated on 15th May 2012.
- We have reviewed and verified the process to generate, aggregate and report the emissions data

Conclusions | As a result of the work described above, in our opinion nothing has come to our attention that would cause us to believe that the GHG emissions data set out in HYUNDAI Engineering & Construction's report are not fairly stated. The GHG Emissions of HYUNDAI Engineering & Construction for the year 2011 were confirmed as below;

Greenhouse Gas Emissions of HYUNDAI Engineering & Construction Co., Ltd. from Yr 2011

(Unit : tCO₂-e)

Organizational Boundary	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Other indirect emissions (Scope 3)	Total emissions
HYUNDAI Engineering & Construction Co., Ltd.	25,630	43,590	332,735	401,955

* In order to report the GHG emissions as an integer, the rounded number on the statement might be different from the number on the system with ± 1 tCO₂.

** Total emissions = Scope 1 + Scope 2 + Scope 3

29th May 2012

Tae-Ho Kim
Lead Verifier

In-Kyoon Ahn
Country Manager
DNV Certification, Ltd.

* This Assurance Statement is valid as of the date of the issuance (29th May 2012). Please note that this Assurance statement would be revised if any material discrepancy which may impact on the Greenhouse Gas Emissions of HYUNDAI Engineering & Construction Co., Ltd., is subsequently brought to our attention. In the event of ambiguity or contradiction in this statement between English version and Korean version, Korean shall be given precedent.

GRI Index

● Completely Reported ● Partially Reported ○ Not Reported

GRI Index	Indicators	ISO26000	Page	Reporting Status	Comments
Strategy and Analysis					
1.1	Message from CEO	6.2	2	●	
1.2	Description of opportunities and challenges	6.2	2	●	
Organizational Profile					
2.1	Name of organization		4	●	
2.2	Primary brands, products, and/or services		4	●	
2.3	Operational structure	6.2	72	●	
2.4	Location of organizational head office		4	●	
2.5	List of countries where major offices are located		4	●	
2.6	Nature of ownership and legal form of organization		58	●	
2.7	Markets served		4	●	
2.8	Scale of reporting organization		4	●	
2.9	Significant changes during the reporting period, regarding a size, structure or ownership		58	●	
2.10	Awards and prizes received during the reporting period		74	●	
Reporting Parameters					
3.1	Reporting period		83	●	
3.2	The most recent reporting date		83	●	
3.3	Reporting cycle		83	●	
3.4	Contact number for report-relevant inquiries		83	●	
3.5	Content reporting decision process		8	●	
3.6	Reporting boundary		83	●	
3.7	Restriction of reporting range and boundary		83	●	
3.8	Reporting boundary which can make a significant impact on information comparability		83	●	
3.9	Data measuring technique and calculation basis		83	●	
3.10	Readjustment of information provided in previous report		73	●	
3.11	Significant changes in the reporting range, boundary or measuring method		83	●	
3.12	GRI Content Index		78	●	
3.13	Policies and recent practices for third party verification	7.5.3	76	●	
Governance, Commitments and Engagement					
4.1	Governance of organization		58	●	
4.2	Concurrent offices of Board Chairman and CEO		58	●	
4.3	Formation of Board		58	●	
4.4	Mechanism by which shareholders and employees can present their opinions to the Board		59	●	
4.5	Link between corporate performance and Director & top executives remuneration		59	●	
4.6	Board level process for avoiding inter-stakeholder conflict		58	●	
4.7	Board professionalism decision-making process for leading the economic, environmental and social sector strategies		58	●	
4.8	Management principles		6	●	
4.9	Procedure of managing the economic, environmental and social performance by the Board	62	59	●	
4.10	Process for evaluation of the Board's performance, particularly its economic, environmental and social performance		59	●	
4.11	Method for achieving an approach or principle for early prevention		62	●	
4.12	Outside economic, environmental social chart, principles, initiatives to comply by enterprise		74	●	
4.13	Status of industrial, national and global organization joining		74	●	
4.14	List of stakeholders group participation		7	●	
4.15	Grounds for identifying and selecting stakeholders attending		7	●	
4.16	Approach for stakeholder's participation		7-8	●	
4.17	Major themes & interests raised by stakeholders participation and responses to them		7	●	

GRI Index	Indicators	ISO26000	Page	Reporting Status	Comments
Economic Performance Index					
EC1	Creation and distribution of direct economic value	6.8, 6.8.3, 6.8.7, 6.8.9	64	●	
EC2	Risks and opportunities for climate change financial impact and business activity	6.5.5	11	●	
EC3	Range of pension support		42	●	
EC4	Government grants received		Zero	●	
EC5	Ratio of new staff pay to local legal minimum pay of major workplace	6.4.4, 6.8	40	●	
EC6	Major workplace local procurement policies, practices, and percentages	6.6.6, 6.8, 6.8.5, 6.8.7	47	●	
EC7	Major workplace local people recruitment procedures and local high-level manager ratio	6.8, 6.8.5, 6.8.7	41	●	
EC8	Infrastructure investment for public interests and service support activities and effects (including support form classification)	6.3.9, 6.8, 6.8.3, 6.8.4, 6.8.5, 6.8.6, 6.8.7, 6.8.9	52, 65	●	
EC9	Understanding and explanation of indirect economic ripple effect (including range of influence)	6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8, 6.8.5, 6.8.6, 6.8.7, 6.8.9	65	●	
Environmental Performance Index					
EN1	Weight or volume-standard raw material consumption		73	●	
EN2	Ratio of renewable material usage	6.5, 6.5.4	17	●	
EN3	Direct energy consumption of 1st energy source		73	●	
EN4	Indirect energy consumption of 1st energy source		73	●	
CRE1	Building energy consumption intensity		GRI Index	●	2011 Year: 10968.9 (Head-quarter, [Kwh/person])
EN5	Energy quantity saved by saving and efficiency improvement		24	●	
EN6	Energy reduction volume by energy efficiency or energy-based product/service supply and business		34	●	
EN7	Indirect energy saving projects and performance	6.5, 6.5.4	31	●	
EN8	Total water intake by supply source		73	●	
EN9	Water supply source to be largely impacted by water intake		None	●	
EN10	Total quantity and ratio of renewed and recycled water		34, 73	●	
CRE2	Building water use intensity		-	○	
EN11	Location and size of land owned, leased and managed in protection zones, districts with high biological diversity values and surrounding districts		33	●	
EN12	Impact on the biological diversity by activity, product and service in protection zones and districts with high biological diversity values		33	●	
EN13	Protected or restored habitats	6.5, 6.5.6	33	●	
EN14	Biological diversity management strategy, present actions and future plans		33	●	
EN15	Number and extinction and endangered species designated by country on the IUCN Red List, and inhabiting in areas which are affected by the project		33	●	
EN16	Total direct and indirect greenhouse gas emissions	6.5, 6.5.5	73	●	
EN17	Other indirect greenhouse gas		73	●	
CRE3	Building greenhouse gas emission intensity		GRI Index	●	2011 Year: 2.15 (Headquarter, [tCO2e/person])
CRE4	Greenhouse gas emission intensity for new construction and re-construction		GRI Index	●	2011 Year: 7.48(Domestic, tCO2e/One million won)
EN18	Greenhouse gas reduction project and performance	6.5, 6.5.5	24	●	
EN19	Ozone depleting substance emission		-	●	N/AP
EN20	NOx, SOx and other major air pollutant emission	6.5, 6.5.3	None	●	
EN21	Waste-water emission and water quality by end discharge location		33, 73	●	
EN22	Wastes emission by form and treatment method		36	●	
CRE5	Status of polluted area, restored region, and potential pollution area in construction sites		22	●	
EN23	Significant hazard discharge cases and discharged volume		-	●	
EN24	Transport, incoming, outgoing & treated quantity of wastes specified in Basel Convention, Annex I, II, III, IV, and the ratio of wastesexported overseas	6.5, 6.5.3	-	●	N/AP
EN25	Name, scale, protection state and biological diversity value of water area and relevant habitat impacted by the reporting organization's waste-water discharge	6.5, 6.5.4, 6.7.5	None	●	
EN26	Product and service environmental impact mitigation activity and result		34	●	

GRI Index

● Completely Reported ● Partially Reported ○ Not Reported

GRI Index	Indicators	ISO26000	Page	Reporting Status	Comments
EN27	Percentage of recycling of sold product and relevant packing materials	6.5, 6.5.4, 6.7.5	-	○	
EN28	Total amount of fines and penalties imposed for violation of environment-relevant laws, and number of punishment cases	6.5	32	●	
EN29	Significant environmental impact of product & material transport and employee movement	6.5, 6.5.4, 6.7.5	30	●	
EN30	Total amount of environmental protection expenditure and investment	6.5	32	●	

Labor Performance Index

LA1	Personnel status by employment type, employment contract and region	6.4, 6.4.3	41	●	
LA2	Number and percentage of employee job change cases		42	●	
LA3	Benefits only for full-time employees, not part-time or hourly-based employees	6.4, 6.4.3, 6.4.4	42	●	
LA4	Percent of employees subject to application of collective bargaining	6.4, 6.4.3, 6.4.4, 6.4.5, 6.3.10	43	●	
LA5	Minimum notice period for significant business changes	6.4, 6.4.3, 6.4.4, 6.4.5	41	●	
LA6	Percent of employees represented by the labor-management joint health and safety committee	6.4, 6.4.6	43, 45	●	
LA7	Number of injuries, occupational disease, loss days, absences, and task-relevant accidents		46	●	
CRE6	Formation of employees by workplace with the safety & health management system-relevant certification		46	●	
LA8	Serious disease-relevant education, training, consulting, prevention and risk management system for employees & their family and local residents	6.4, 6.4.6, 6.8, 6.8.3, 6.8.4, 6.8.8	46	●	
LA9	Health and safety matters subject to formal agreement with the labor union	6.4, 6.4.6	45-46	●	
LA10	Annual average training hours per person by employment type	6.4, 6.4.7	41	●	
LA11	Job training and life-long learning program for constant employment and retired employee help	6.4, 6.4.7, 6.8.5	41	●	
LA12	Ratio of employees subject to the regular performance evaluation and career development review	6.4, 6.4.7	42	●	
LA13	Formation status of the Board and employees (diversity index basis such as gender, age, minor class)	6.3.7, 6.3.10, 6.4, 6.4.3	58	●	
LA14	Ratio of base pay between male and female employees	6.3.7, 6.3.10, 6.4, 6.4.3, 6.4.4	40	●	
LA15	Job return rate and retention rate after maternity leave (by gender)		42	●	

Human Rights Performance Index

HR1	Number and ratio of major investment agreements which includes human right protection-relevant provisions or which are passed through human right examination	6.3, 6.3.3, 6.3.5, 6.6.6	-	○	
HR2	Major partner and contractor human right examination rate	6.3, 6.3.3, 6.3.5, 6.4.3, 6.6.6	60	●	
HR3	Employee man hour training for task-relevant human right policy and procedures		61	●	
HR4	Total number of discrimination cases and relevant actions taken	6.3, 6.3.5	None	●	
HR5	Business sectors most likely to infringe on the freedom of collective bargaining, and actions taken for assuring those rights	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.4	43	●	
HR6	Prohibition of child labor	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10	41	●	
HR7	Prohibition of forced labor		41	●	
HR8	Ratio of security personnel who completed task-relevant human rights policy and procedures education	6.3, 6.3.5, 6.4.3, 6.6.6	-	○	
HR9	Number of local residents' right infringement cases and relevant actions taken	6.3, 6.3.6, 6.3.7, 6.3.8, 6.6.7	Zero	●	N/AP
HR10	Percent and number of workplaces which performed a human right supervision and impact assessment		-	○	
HR11	Number of human rights-relevant claims to be sued, responded and settled through official claim delivery mechanism		Zero	●	N/AP

Social Performance Index

S01	Characteristics, range and actual efficiency of the program which evaluates and manage the impacts on the local community at the start, operation and end phase of the task activity	6.3.9, 6.8, 6.8.5, 6.8.7, 6.6.7	52	●	
S02	Number and ratio of divisions where corruption hazard is detected		100%	●	
S03	Ratio of employees who received education for anti-corruption policies and procedures	6.6, 6.6.3	61	●	
S04	Actions against the corruption case		Zero	●	N/AP
S05	Position for public policy, public policy making, and lobbying activity participation	6.6, 6.6.4, 6.8.3	-	○	N/AP

GRI Index	Indicators	ISO26000	Page	Reporting Status	Comments
S06	Total cash/spot donations to political parties, politicians and relevant authorities	6.6, 6.6.4, 6.8.3	Zero	●	
S07	Number of legal actions and resulting in unfair competition behavior and monopoly behavior	6.6, 6.6.5, 6.6.7	Zero	●	
S08	History of penalties and fines imposed for violation of laws and regulations, and number of punishments	6.6, 6.6.7, 6.8.7	Zero	●	
S09	Workplaces which have made a negative impact on the local community (potentially or actually)		52	●	
CRE7	Actions to local residents' movement by project development		-	○	
S010	Prevention and mitigation measures to be provided by workplaces to those who create potential or actual negative impact on the local community		33, 52	●	

Product Liability Performance Index

PR1	Phase in the life cycle of evaluation of products & services, health and safety impacts for improvement, ratio of evaluation for major products and services	6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5	46	●	
PR2	Customer's health and safety impact-relevant regulations and voluntary rules that violate cases on the product and service life cycle		Zero	●	N/AP
PR3	Product and service information-type required for the procedure, percentage of major product/service which meets the information requirement	6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9	-	○	N/AP
CRE8	Construction, operation, reconstruction, new construction-relevant sustainability-relevant certification, labeling acquirement status		21, 35	●	
PR4	Product/service information and labeling-relevant regulation and voluntary rules that violate cases (by result type)	6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9	Zero	●	N/AP
PR5	Customer satisfaction-relevant activity such as customer satisfaction evaluation survey results	6.7, 6.7.4, 6.7.5, 6.7.6, 6.7.8, 6.7.9	50-51	●	
PR6	Marketing communication (advertising, sales promotion, sponsorship, etc.)-relevant regulations, standards and voluntary rules compliance program	6.7, 6.7.3, 6.7.6, 6.7.9	51	●	
PR7	Marketing communication (advertising, sales promotion, sponsorship, etc.)-relevant regulations, standards and voluntary rules violating cases		Zero	●	
PR8	Customer privacy violation and customer data loss-relevant complaint cases	6.7, 6.7.7	None	●	
PR9	Amount of penalty imposed as the result of a violation of product and service supply laws and regulation	6.7, 6.7.6	None	●	N/AP

GRI G3.1 Guideline Application Level

2011 Hyundai E&C Sustainability Management Report was written satisfying requirements of A+ Level among GRI G3.1 Guideline Application Levels. GRI confirmed that this Report is suitable for A+ Level among GRI G3.1 Guideline Application Levels.

	C	C+	B	B+	A	A+
Standard Disclosure	G3.1 Profile disclosure Result Disclosure Item 1.1, 2.1-2.10, 3.1-3.8, 3.10-3.12, 4.1-4.4, 4.14-4.15	Outside verification of Report	All items of C Level and 1.2, 3.9, 3.13, 4.5-4.13, 4.16-4.17	Outside verification of Report	Same as requirements of B Level	Outside verification of Report
	G3.1 Management approach disclosure Result None		Disclosure on Management Approach (DMA) of each index		Disclosure on Management Approach (DMA) of each index	
	G3.1 Performance index and additional index by industry Result At least 10 performance indexes should be reported (including at least 1 economic, environmental and social index respectively)		At least 20 performance indexes should be reported (including at least 1 economic, environmental, labor, human right, social, and product liability index respectively)		When all G3.1 key performance index and industry guide index is reported or is not reported according to the materiality principles, the reason for reporting or not reporting should be explained	

GRI Check Statement



Statement GRI Application Level Check

GRI hereby states that **Hyundai Engineering & Construction** has presented its report "Hyundai Engineering & Construction Sustainability Report 2012" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 2 August 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex".

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because **Hyundai Engineering & Construction** has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.
www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 26 July 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

Reporting Principles

Hyundai E&C Sustainability Report 2012, which is the third publication of its kind, is prepared in reference to the GRI3.1 Guidelines and the CRE index specialized for the construction sector. In addition, it reflects the UN Global Compact's 10 principles and the major agenda of the ISO26000. In relation to accounting standards, the report was prepared by using 2009 K-GAAP data and K-IFRS standards for data after 2010.

Reporting Period and Range

This report includes the economic, environmental and social activities and achievements of our head office and our domestic/overseas establishments from Jan. 1 to Dec.31, 2011 and a partial accounting of achievements for 2012. For the accomplishments that are related to the environmental and social sectors, reports mainly focus on accomplishments made by the head office and domestic worksites. For the accomplishments meant to present quantitative records, reports basically reflect past data recorded for a period equivalent to 3 years so as to discern a pattern of change in data according to the timeline.

Verification

To improve the credibility of the Sustainability Report, the Third Party Verification and GRI Application Level Check were conducted, and the results of these are included on page 82 of the report.

Enquiry

Hyundai E&C Sustainability Report is also available at (<http://www.hdec.kr>). Should you want more information or have any enquiries, please do not hesitate to contact us via the contact information below. We appreciate your feedback.

Planning Division Hyundai E&C Bldg.
140-2, Gye-dong, Jongno-gu, Seoul, 110-920, Korea
Tel_ 02-746-2512
fax_ 02-746-4856
e-mail_ sr@hdec.co.kr

Designed by Reddot Branding

This Report is printed on paper certified by the Forest Stewardship Council (FSC™), and with soy ink made by a firm with FSC™ Chain of Custody certification (Trademark License Code : C110010)



