



2009 Hyundai Engineering Sustainability Report

# Sustainable Engineering for the Planet

Go Green, All together



# About the Report

This is the first sustainability report published by Hyundai Engineering. This report details the accountability of Hyundai Engineering in economic, environmental, social activities, and progress.

## Reporting Information

This report contains information on activities and performances in the realm of sustainability management of Hyundai Engineering. For the last 36 years, Hyundai Engineering has matured into a leading engineering company by creating a new history of engineering industry and simultaneously developing a new phase in consistent socially responsible activities. Through this report, we wish to widely showcase our past performances and activities to our stakeholders.

This report is divided into economic, environmental and social sectors, and each sector consists of contents that stakeholders inquire about the most regarding the sustainability of Hyundai Engineering.

## Reporting Scope and Period

Hyundai Engineering joined the UNGC (UN Global Compact) in June, 2010 and plans to annually report the performances and activities of its sustainability management. This report is the first sustainability report based on the fiscal years from 2007 to 2009. It includes the sustainability management activities and performances of Hyundai Engineering and partly includes the activities in the year 2010.

## Reporting Principle

This report refers to the GRI (Global Reporting Initiative) G3 Guidelines. The GRI G3 Guidelines act as the sustainability report standard applied worldwide. In addition, in accordance with the 10 principles of UNGC, relevant contents are referred in the report.

## Reporting Assurance

The material assessment of Hyundai Engineering report has been proceeded by a reliable independent third-party assurance provider.

## Contact Point

If you would like to receive this report via mail or have further questions, please contact us by the address provided below. It will be sincerely answered.

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### GRI G3 Evaluation Standard



Hyundai Engineering's Sustainability Report has followed the "A+ standard" given by the GRI G3 evaluation standard and external verification agency (Korea Productivity Center) has determined its appropriateness through verification.



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### Cover story

This symbol represents the green society that Hyundai Engineering creates with nature and people in mind.

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All Together for “GREEN”

# Build our better future

For the last 36 years , Hyundai Engineering has always created a better today through consistent changes and innovations.

We will move forward to a sustainable future based on this belief and foundation.

Designing a sustainable world for everyone’s happiness, this is the future promise of Hyundai Engineering.





## Go Green, All Together

Achieving a revenue of 1 trillion won in the year 2009, ranking 68<sup>th</sup> among the world engineering companies (ENR 'International Design Firms' field) and etc., Hyundai Engineering has rapidly developed in the last 36 years with its competence.

We were able to achieve these results with cooperative relationship among all the stakeholders including the shareholders, customers, partners, executives and employees.

This is also an ultimate result of Hyundai Engineering being acknowledged as a profitable business from the society.

Hyundai Engineering has clearly recognized the responsibilities of the corporate citizen and has contributed to the social development.

A company where the corporate development leads to the growth of the employees,

A company which practices sharing ethical management and communicates on the basis of trust,

A company which considers happiness of the next generation as well as that of the current,

Hyundai Engineering will lead the way to create the future.



# CEO Message

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Dear respected stakeholders of Hyundai Engineering,  
This is the first sustainability management report of Hyundai Engineering, and it is also the first sustainability report from the domestic engineering industry.  
In addition, it has a greater significance since this report is the first to be published after joining the UN Global Compact.



H Y U N D A I   E N G I N E E R I N G

## A Record-breaking Performance During Uncertain Management Conditions

Due to the economic recession in the United States in the late 2008, last year has been especially challenging because of the inconsistency of the economic status in domestic and foreign realms, increased cost of raw materials, and intensified fluctuation in exchange rate among many other things. However, for Hyundai Engineering, it was the year to prove ourselves as a leading global corporation by accomplishing a record-breaking performance of 'achieving revenue of 1 trillion won (US\$ 0.9bil)' and entering into a contract with 'Gas Desulfurization Project in Turkmenistan' which is the first single project budgeted over 1 billion dollars. This was achieved through the employees who had accompanied the company with positive attitudes along with ceaseless changes and innovations, not to mention the wholehearted support and trust from the stakeholders and the local community.

## Management Strategy and Integrated Sustainability Management

A company is also a part of the society, thus, Hyundai Engineering is envisioning to become a sustainable global corporation. Hyundai Engineering values the customers, various stakeholders and growth accompanied by the local community as its top priority. On February 2009 at the 35<sup>th</sup> anniversary ceremony, we have declared 'VISION 2015', which incorporates not only the future plans for the company not only in regards to financial growth but those of social responsibility, environmental pollution, ethics and transparent management. Moreover, in order to fully take the social responsibility, on June 2009, we have established a social contribution team in the company and participated in the 'Hyundai E&C Family Volunteer Work' on November. Through these achievements, we have established the foundation for a more sustainable and systematic social contribution activities.



## Invigoration of Social Responsibility by Joining UNGC

Sustainability management is not an option but a corporate necessity that is essential to the international paradigm for the existence of a company. Under this awareness, on June 3<sup>rd</sup> 2010, Hyundai Engineering has joined the UN Global Compact as the first company of Korea in the engineering industry. In addition, to strengthen the areas of systematic sustainability management, we have organized a company's CSR TF team. These achievements show Hyundai Engineering's strong willingness to offer a differentiated economic, environmental, and social values to the stakeholders.

## Sustainability Management Strategy of Hyundai Engineering

Hyundai Engineering will do its best to accomplish 'Vision 2015: 8520, Global Premier Engineering Partner' aiming to obtain new orders and sales of 8 trillion won and 5 trillion won respectively, while ranking as the 20<sup>th</sup> international engineering company. On top of that, we appoint the year 2010 as the first year of sustainability management and will proceed the following 4 assignments of the sustainability management strategy.

First of all, we will elaborate the sustainability management system. We will additionally procure a vast communication channels with various stakeholders like customers, shareholders, subcontractors and employees. We will actively reflect on the response and take them into consideration during decision-making procedures. Also, we will reorganize related DB maintenance and procedures for a better management for sustainability.

Second, to ensure a bigger trust from the customers, partner companies, employees, and the local community, we will actively excavate and execute a plethora of future tasks. Within the frame of sustainability management, we will link, amalgamate and pursue quality management for customer satisfaction, mutual cooperation management to enrich the sustainable growth, human resources and family-friendly management to engage in the harmony of work and life, while sharing with the neighbors and the socially weak.

Third, we will prepare a basis to minimize the environmental impact induced by the Life Cycle of buildings and facilities. We will make an effort to minimize greenhouse gas and minimize the environmental impact produced during the Life Cycle of design, construction, maintenance and demolition of a building. Additionally, we will intensify environmental · well-fare · safety activities in the domestic and overseas sites as well. We will also vitalize green purchasing and create an environment for partner companies to do the same.

Fourth, we will make a foundation for strong growth through technology development for the future through consistent changes and innovations. Ceaseless changes and innovations are essential to both existence and growth. Thus, we will actively develop and participate in future growth businesses not only in the realms of the innovation in management system such as enhancement of business structure, innovation of work in process, but, pioneering a new market, obtaining enough Front logs, developing green growth sectors of water · environment, nuclear, wind energy and a new transportation system.

Taking this opportunity of the first publication of Hyundai Engineering's sustainability management report, we promise to more actively communicate with the customers, shareholders, investors, partner companies, executives, staffs and all other various stakeholders. Along with this, we ask for your continuous trust, affection, unsparing support, and interest.

Thank you.

CEO Dong-Wook, Kim

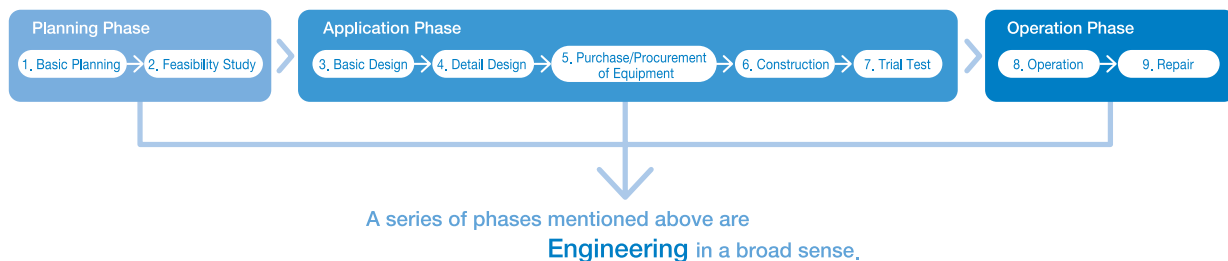


# What is Engineering?

The world of engineering is infinite. Thus, the term 'engineering' has also been applied to various industries with different meanings. To understand the present and future of Hyundai Engineering, it is important to take note of what 'engineering' does and how much importance it has on the humanity.

## The Definition of Engineering

According to the Engineering Promotion Law, 'engineering activities' refer to a business related to research, planning, feasibility study, design, analysis, purchase, procurement, test, management, trial, assessment, maintenance, consultation, instruction of business and facilities based on the application of scientific technology along with its knowledge. Broadly, by applying given materials with an expertise in scientific technology, it is an activity that creates economically profitable materials and immaterial commodities, a comprehensive system in relation to this activity is also included. Thus, as a knowledge-based and technology intensive business, engineering is the next generation's industry of new growth engine which has the biggest economic ripple effect in a national aspect.



## The Realm of Engineering

According to the domestic Engineering Promotion Law, engineering is categorized into a total of 15 technical sectors and 93 specialized sub-categories. Numerous companies are taking parts in the fields of construction, chemistry, electricity, electronics, machinery, environment and etc.



\* The Domestic Engineering Promotion Law, mentioned above will be revised by the end of October of 2010, and the changes will be incorporated in the next sustainability report of Hyundai Engineering.



## The Role of Engineering

### 1. To Create An Affluent Society

By providing plans and original technology on SOC(Social Overhead Capital) and various industrial complexes essential in social maintenance and development, engineering makes a more prosperous world.

### 2. To Contribute to A Convenient Lifestyle

By conducting general studies, researches and designs on the construction of electric, water, road, harbor facilities necessary for modern people, engineering is a core industrial activity that creates convenience of life and social value.

### 3. To Foster Human Happiness

By pursuing and realizing economic prosperity, convenience of life and pleasant environment, engineering activities ultimately attribute to enhance human happiness through improvement of social system and the quality of life.

### 4. To Cultivate A Hopeful Future

By creatively applying while maintaining scientific principles in optimal form with the highest efficiency in industrial and social system, engineering activities realize a hopeful future for the humanity.

## The Future of Engineering

Modern society faces numerous environmental risks and issues such as climate changes, sea level rise, water and air pollution and so on. The reason why the global society acts with interests to deal with these issues is not only directly related to the security of current generation but the happiness of the future generation. Engineering develops and utilizes a variety of efficient scientific technology to preserve the comfort of current generation and inherit a cleaner Earth for the next generation.

- 1 Development of environmental technology including the CDM(Clean Development Mechanism) business for the reduction of the greenhouse gas emission which is the major source of global warming and businesses to enhance energy efficiency.
- 2 Development of the eco-friendly process in every environmental aspect including air, water and oil.
- 3 Development of the new energy bimodal, a future vehicle, to innovatively reduce pollution.
- 4 A business to revive the environment of the earth from various pollution produced for human development.
- 5 Development of synthetic oil manufacturing technology from natural gas.
- 6 Development in the field of renewable energy (Solar Heat, Solar Luminosity, Tidal Power, Wind Power, Biomass) to replace petroleum & coal and methanol, hydrogen energy and fuel cell.
- 7 Underwater tunnel, flying vehicles, space station and everything in the imagination of the humanity.

To satisfy clean environment, health and convenience pursued by all mankind, many people in the field of engineering will plan with infinite imagination and consider the most efficient and economical methods through the scientific technology.

**The future of engineering determines the future of humanity.**

# Traces of Hyundai Engineering

2009~2010 HEC Sustainability Highlights

Economic Performances

## Highlight Message

‘Challenge and Passion’ are the terms that most represents the 36years of history of Hyundai Engineering. The history of Hyundai Engineering permeated by every moment’s challenging spirit and passion of the employees is the pride of all the executives and staffs.

### Company Overview

**Corporate Name :** Hyundai Engineering  
**Date of Foundation :** February, 11<sup>th</sup>, 1974  
**CEO :** Dong-wook, Kim  
**Location of Headquarter :** Hyundai 41 Tower 2<sup>nd</sup> F, 917-9 Mok 1-dong, Yangchun-gu, Seoul  
**Number of Employees:** Total 1780(based on Dec. 31<sup>st</sup> 2009)  
**Major Business :** Chemical Engineering Plant, Power & Energy Plant, Infrastructure Plant, Environment Plant, Industrial Plant

### History of HEC

#### 2009. 08 Ranked the World 68<sup>th</sup> by ENR

Hyundai Engineering has ranked 68<sup>th</sup> of the ‘2009 TOP 200 INTERNATIONAL DESIGN FIRMS’ based on design revenue from projects outside home country. Following the years 2007 and 2008, we have been awarded the best rank among the domestic companies 3 years in a row.



#### 2009. 08 Record-breaking performance in revenue and business profits

In 2009, Hyundai Engineering has achieved a record-breaking performance of obtaining orders of 2.8 trillion won. In addition, business profits have skyrocketed to 69% from last year’s 87.1 billion won to 147 billion won. These results have proven stability in both internal and external sources.



1970s

- 1977 • First Domestic Plant Design(Samcheonpo Thermal Power Plant)
- 1974 • Foundation of Hyundai Technology Development CO., Ltd.

1980s

- 1988 • Consolidating Hyundai Heavy Industries Engineering Co., Ltd.
- 1987 • Construction of Korea Antarctic Research Program(King Sejong Station)
- 1982 • Renamed to Hyundai Engineering CO., Ltd., Establishment of Technology Lab.
  - Libya Masurata Power Plant(First Overseas Turnkey Construction)
- 1980 • Consolidated Halla Engineering Co., Ltd



## Environmental Performances

2009. 04

### Construction of the Waste Water Treatment Facility in Mongomo, Equatorial Guinea

Hyundai Engineering has successfully undertaken its task of constructing the waste water facilities to provide clean water for the residents, which has built up the leading foundation in water environment business with infinite trust of our clients.



2009. 10

### Won the "Prize of Minister of the Environment"

Since Hyundai Engineering's environmental performances has been highly recognized in regards to awareness of the surrounding environment during the construction, we have won the "Prize of Minister of Environment".



## Social Performances

2009. 09

### Establishment of the Social Contribution Team

In order to take duties and responsibilities as a corporate citizen and contribute to a better society, Hyundai Engineering has officially established a social contribution team.



2010. 06

### Joining UNGC

Hyundai Engineering has joined the UN Global Compact as the first domestic engineering company. Hyundai Engineering has internationally demonstrated its determination to observe social duties through this process.



1990s

- 1999 • Merger with Hyundai E&C
- 1998 • Development of the First Domestic Sewage Sludge Compost Facility(HSC)
- 1996 • Received Award by the Prime Minister for 'The Environmental Technology Award' (HAF Process)
- Acquired ISO 14001 Certificate
- 1994 • Acquired the ISO 9001 Certificate
- During the 31<sup>st</sup> Trade Day Conference, Received the award "Tower of Export" for 10 Million USD (Trade Associations)
- 1993 • Acquired Domestic Patent of Anaerobic Wastewater Treatment Process
- 1992 • Establishment of the Affiliated Environmental Technology Lab.
- 1991 • Received "Iron Tower Order of Industrial Service Merit" on the 24<sup>th</sup> World Science Day
- 1990 • Patented the High Concentration Organic Wastewater Treatment Process

2000s

- 2010 • Joining the UN Global Compact
- 2009 • 35<sup>th</sup> Anniversary, Announced Vision 2015
- Ranked 68<sup>th</sup> among the Top 200 Engineering Companies Selected by the ENR, USA
- Acquired OHSAS 18001 Certificate
- Won the "10<sup>th</sup> Grand Prize of Korea Financial Management" (Major Corporate Field)
- 2008 • Great Award of Korea Technical Innovation 2008 (Engineering Field)
- 2007 • Received the Prize of "Civil Engineering Structure of the Year"
- Received the 2<sup>nd</sup> National Environmental Management Prize
- Enactment of "Hyundai Engineering Technology Award"
- 2004 • Received the First National Environmental Friendly Management Awards In the field of Environmental Facility
- Received the IR52 Jang Young-shil Award
- 2002 • Received the First Environmental Technology Award (Korean Society of Environmental Engineering)
- 2001 • Separated from Hyundai Engineering & Construction
- Among the Membrane Fission Process Applied Domestically (HANT Process)

## Services Provided

Hyundai Engineering is expanding its field of service not based on simple engineering but focused to conduct a comprehensive construction project, EP(Engineering & Procurement) & CM(Construction Management). We aim to develop into an Industrial Developer which has integrated finance and technology.



## Field of Business

### Process Plant



Hyundai Engineering has erected its status in the field of its business through core design technology with vast amount of experiences and superior technological personnel. Especially, in the 1980s, with successfully implementing major domestic petrochemistry businesses, starting with the construction of Hyundai Petrochemistry Complex, we have been the driving force to lead the development of Korean heavy and chemical industry. Moreover, we have successfully completed order projects of overseas Oil Major corporations, including the development project of Iran South Pars Gas Field and Saudi Arabia Gas Treatment Plant.

Hyundai Engineering has expertly achieved more than 200 chemical engineering businesses at home and overseas. Based on the technology accumulated for the last 36 years, we will develop a new world in variety of the fields regarding general chemical fields, Oil & Gas, LNG Facilities, Offshore, Oil Refining, and Petrochemistry.

### Power & Energy

Hyundai Engineering is providing EPC services in all different ranges including consulting, feasibility test, basic detail & design, purchasing, construction, supervision and trial test of Nuclear Power · Thermal Power · Combined Cycle Power · Diesel Power · Geothermal & Wind · Water & Pumped-Storage Power Plant. On the foundation of these diverse technological competence and experiences, we have participated and succeeded in the field of power & energy business not only in the domestic sectors but in more than 20 countries including the Middle East, Asia, Latin America, Eastern Europe & Africa.



### Industrial Plant



Since its foundation in 1974, for the last 36 years, Hyundai Engineering has built up extensive experience and technology in various industrial plant sectors of Steel · Motors · Distribution · Cement · Factory Automation. On this basis, we are instituting every task from the necessary feasibility test of each of our social industrial facility to design, purchase, trial tests and turnkey businesses. From the year 2010, Hyundai Engineering is planning to actively target the new industrial plant market such as renewable energy · leisure facilities · material & components industry. Through this, we will recharge a new power source for the corporate growth toward a more abundant world.



### Infrastructure Plant

By implementing comprehensive engineering business essential in the construction of transportation and communication networks like roads, canals, harbors, electricity, telephone, water, sewage system · irrigation, education · culture facilities, health · medical · welfare facilities, we have contributed to the improvement of the global society. Especially by offering economic, reasonable, and stable technology service by utilizing new technologies and new methods of construction. We have put consistent effort not only in attaining the most favorable status and highest efficiency of relative social facilities, but retaining them to operate safely. Hyundai Engineering is planning to put all the passion and efforts to renew and revive the global environment, while making human lifestyle more convenient and enjoyable.



### Environmental Plant



Since 1980, Hyundai Engineering has conducted major projects in the field of water treatment facility, wastewater & sewage treatment facility, and air-pollution prevention system. Through this process, we have accumulated exclusive technology. Specifically, the first patented technologies developed in the industries are highly praised as sensational new technology. Examples include 'Hyundai Advanced Nutrients Treatment(HANT)', 'Hyundai Anaerobic Filter(HAF)', 'Hyundai Sludge Composer(HSC)', 'Hyundai Advanced Nutrients Treatment with Sulfur(HANS)'.

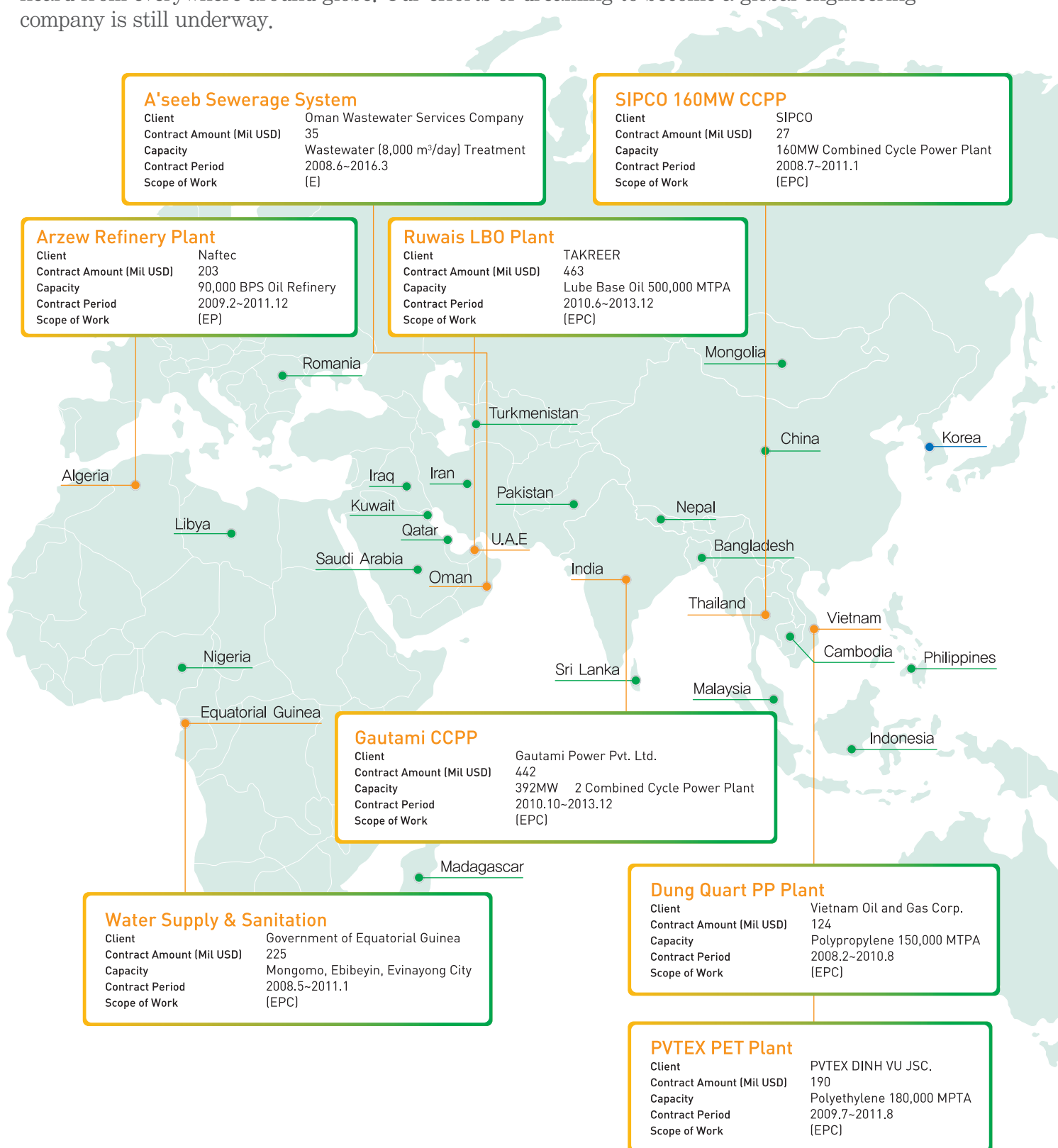
### IIII Company System

Hyundai Engineering is equipped with the capacity to provide the best possible engineering service with 1,800 of the outstanding technicians and the organization is operating to focus on the 4 divisions categorized by their business characteristics.



## Domestic and Overseas Business Performances

We will put every effort for the reputation and achievement of Hyundai Engineering to be heard from everywhere around globe. Our efforts of dreaming to become a global engineering company is still underway.



#### **KOREA**

##### **HYUNDAI ENGINEERING CO., LTD.**

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#### **PHILIPPINES**

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#### **THAILAND**

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Thailand  
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FAX. + 66 - 2 - 966 - 2779

#### **VIETNAM #1**

##### **PETROVIETNAM INVESTMENT CONSULTANCY & ENG. JOINT STOCK COMPANY (PVE)**

4th floor GIGI Block, Thanh Da Hotel,  
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FAX. + 84 - 8 - 898 - 6583

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FAX. + 84 - 4 - 624 - 2526

#### **EQUATORIAL GUINEA**

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###### **BATA BRANCH**

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FAX. N/A

#### **INDIA**

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FAX. + 91 - 11 - 4168 - 9120



# Sustainability Management of Hyundai Engineering

Hyundai Engineering does not simply pursue corporate **Profits**.

'Global Premier **Sustainable** Engineering Partner **for People and Planet**',  
this is the true meaning of Hyundai Engineering's Vision.

## IIII Sustainability Management Vision and Mission of Hyundai Engineering

Through 'VISION 2015' Hyundai Engineering has pledge to be in part of the world's top 20 engineering company by obtaining 8 trillion won of new orders, 5 trillion won of sales, 600 billion won of business profits. This is not to simply accomplish financial performance but to include building a sustainability management system in cooperation of customers, local community, employees and all other stakeholders. The sustainability management system of Hyundai Engineering puts our mission, 'the improvement of human happiness and social responsibility', as the top priority and have set an aim to attain 'ethical management', 'mutual cooperation management', 'environmental management', 'sharing management'. This goal will be achieved through procurement of Hyundai Engineering's core competence and foundation of its systemic structure.

## Vision 2015

### Mission

A world leading, higher value engineering company retaining innovative, intellectual assets and conducting the process from the maintenance level of business planning

A company practicing ethical management, mutual cooperation management, environmental management, and sharing management

A company practicing the improvement of happiness and social responsibility

### Vision

# 8.5.2.0

## Global Premier Engineering Partner

- New Order and sales reaching 8 trillion won(USD 6.7 billions) and 5 trillion won(USD 4.2 billions) respectively, Ranking Global Top 20

- **Global** To become a global engineering company with 70% of our revenue from overseas projects

**Premier Engineering** To provide premier engineering (FEED/PMC)

**Partner** To become a reliable company that promote customer values, fair competition and sustainable growth  
A green growth partner

### >>> Core Values(5C)

**Creative  
Passion**

**Collaboration**

**Customer  
Value**

**Challenge to  
Global**

**Contribute to  
Society**

### >>> Core Capacity

• PM/CM  
• Risk Management

• Core Technology

• Global Partnership

• Developer  
Competency

\* Exchange rate : 1200 won = 1 USD

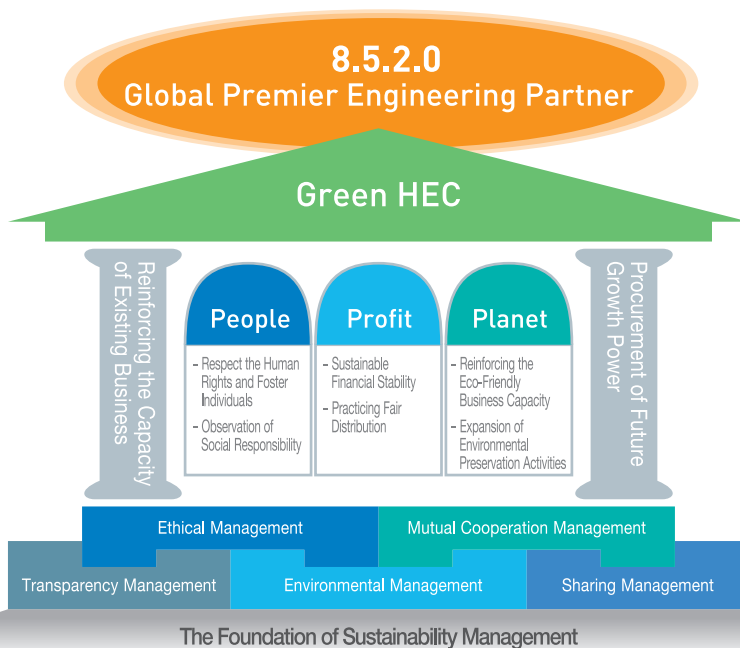
## IIII Growth Strategy and System of Hyundai Engineering Sustainability Management

In order to accomplish Hyundai Engineering's mission and vision, we have divided our corporation into 4 major departments, which are Environmental, Social, Economy, and Business in general. We have also implemented plans to formulate sustainability management inside of those 4 departments. In addition, we have focused our business to have, transparent, ethical, environmental, sharing management, along with mutual flickering which defines the word "sustainable management" based on the strengthening of existing businesses and to secure future growth. In summary, we have increased our efforts towards the 3P's (People, Profit, Planet) in order to root down sustainable management within Hyundai Engineering.

### Growth Strategy



### Hyundai Engineering Sustainability Management System



### The Road Map of the Sustainability Management of Hyundai Engineering



Since Hyundai Engineering realized the most important factor of a good hierarchy is based on the trust formation with the stakeholders, thus, we have formed a transparent and active communication channels.

## IIII Corporate Governance

### Current Status of the Board of Directors

Hyundai Engineering's board of directors is currently consisted of total 8 members; 3 internal chief executives, 3 non-executive directors, and 1 external chief executive.

Current Status of Hyundai Engineering Board of Committee (2010)

Classification	Position	Name	Inauguration date	Note
Internal Chief Executives	President	Dong Wook, Kim	March 39 <sup>th</sup> , 2009	
	Vice President	Wee Chul, Kim	January 28 <sup>th</sup> , 2010	
	Managing Director	Won Keuk, Lee	March 30 <sup>th</sup> , 2009	
Non-Executive Directors	President	Jung Kyum, Kim	January 1 <sup>st</sup> , 2007	Hyundai Engineering and Construction Co., Ltd
	Executive Managing Director	Ho Sang, Kim	March 26 <sup>th</sup> , 2010	
	Managing Director	Dong Gwon, Jang	March 30 <sup>th</sup> , 2009	
External Chief Executives	Director	Jung Moon, Lee	April 15 <sup>th</sup> , 2009	
Auditor	Managing Director	Su Gon, Jo	March 30 <sup>th</sup> , 2009	Hyundai Engineering and Construction Co., Ltd

### External Chief Executive Audit System

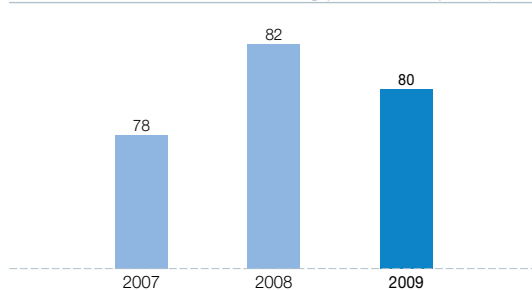
Hyundai Engineering designates one of its members of external chief executives as an auditor, he/she then audits the executive activities and major corporate issues. The auditor should not be related with Hyundai Engineering in any direct or indirect ways, and the appointed auditor is guaranteed with at least of 1-year tenure in the position.

### Communication of the Board of Committee

Hyundai Engineering holds regular quarterly directors meeting to discuss overall corporate and financial operation. In case of a critical issue both internally and externally that needs immediate attention, we will hold additional board meetings if necessary. Hyundai Engineering's board of committee regularly discusses the issue of climate changes, social contribution activities, green growth, and gives feedbacks in order to ensure the efficient implementation of the issues as discussed. In case the committee's decisions influence the employees and investors in any way, they will be noticed at least a month in advance.

Hyundai Engineering values an open communication with various stakeholders. To adopt issues of employee welfare, salary and other reasonable requirements, we hold regular joint labor-management conference. We've also constituted 'a letter to the CEO' policy on intranet allowing employees to directly mail the president, which encourages anyone who has a helpful opinion for the development of Hyundai Engineering to express his/her ideas without going through special procedures.

Attendance Rate of the Board Meeting (2007 ~ 2009) (unit: %)



Opening of Board Meeting





In our 36-year history of challenge, creation, hardship and subjugation, Hyundai Engineering has realized the importance of risk management and established a well-structured company-wide risk management system.

## |||| Risk Management

### Integral Risk Management System

In 2009, Hyundai Engineering has established a company-wide Risk TFT in order to promptly respond to non financial international issues such as an unstable economic situation in domestic and overseas sectors, more diversified client claims and climate changes. The Risk TFT aims to construct an HEC integral risk management system to fulfill the HEC Vision 2015. Risk TFT is categorized in 3 sectors in detail; construction of consistent supporting system from the bidding stage to business finalization process, establishment of orders, implementation strategy and construction of risk DB. Presently, the Risk TFT is operated as a direct CEO body, and the actual task implementation is consisted of total 6 members, 1 in each Operation Division and 1 in each to support Sales · Management. If necessary, members of Technology & Innovation and Planning Office might be joined.

### Financial Risk Management

Since Hyundai Engineering undergoes numerous overseas constructions, we always scrutinize the fluctuation of the domestic and international cost of raw materials and exchange rate. Through the 'raw material & exchange rate forecast system' on intranet, staffs and executives are able to make sure of the cost progress of exchange rates and the cost of raw materials whenever needed. Should there be important changes, they are informed with a notice. Moreover, domestic and overseas state of affairs are being comprehended weekly, so the employees are able to read the relevant documents on the intranet.

### Operational Risk Management

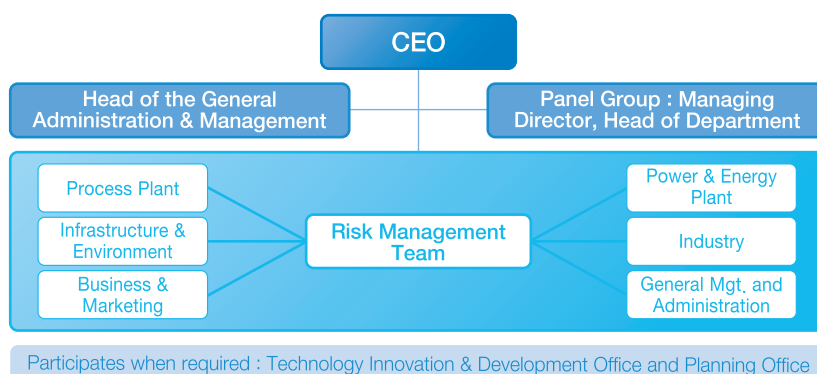
The Risk TFT understands and deliberate potential risks that might occur in the business implementation process and tries to minimize the possible risks in advance. Hyundai Engineering has calculated all the potential risks in terms of cost and the risks are dealt through the deliberation of each risk via risk management measures. Hyundai Engineering intends to prove that the risk management is not only to achieve flawless business implementation but to be linked to a superb financial performance.



### Environmental Risk Management

The whole world is in concern of the direct and indirect effects of climate changes towards humans. It is required for companies to suggest the countermeasures on these issues. Hyundai Engineering is not just merely responding to these issues by taking simple measures, but fortifying strategic grounds relevant to these requirements to develop these concerns into major future business sectors.

#### Risk TFT Organization & Operation Structure



#### Interview



General Administration & Management Office,  
Senior Vice President,  
**Won Keuk, Lee**

The risk management system of Hyundai Engineering is a sustainable tool to predict and reasonably control the changes in engineering industry. Through these measures, we will build up substantial business capacity for Hyundai Engineering which would not sway even in the most unstable circumstances.

Challenge and accomplishment will show its true definition when honest attitudes and ethical minds are in harmony. Hyundai Engineering will assure its employees to realize that fair and ethical attitudes are the definition of Hyundai men's attitude.

## IIII Business Ethics

### Ethics Management System

Hyundai Engineering has announced company-wide 'Hyundai Engineering Ethical Management System' and 'Hyundai Engineering Code of Ethics' on January 11th, 2009, which required all staffs and executives to thoroughly understand and observe the rules.

The ethic's management policy of Hyundai Engineering is based on strong determination of the CEO, by connecting it with the company-wide vision and strategy system. We have internalized voluntary observation of the policies by all the employees via composition of Ethics Committee's monitoring and compensation policy.

Ethics Management System



### Operation of Ethics Committee

Hyundai Engineering is operating the Ethics Committee as an organization exclusively responsible for the practice of company-wide cooperation regarding ethics. With consistent execution of ethical management and handling of all employees' idea of ethics, we deliberate and decide the enactment and derogation of the ethics policy along with its manuals. Finally then, the management will make a decision on the overall policies in regards to the situation of ethical conflicts. Based on the year 2009, the Ethics Committee is consisted of total 10 members.

### Ethics Promise of All Employees and Compensation on Good Employees Practicing Ethics Policy

Since February 2009, Hyundai Engineering has implemented ethics promise policy to all the employees and required mandatory pledge on the observation of ethics policy for the new employees. This measure is to ensure respective employees to feel their responsibility in regards to the ethics policy. Additionally, to encourage voluntary observation of the policy, we actively practice ethical management. In addition, in order to motivate the employees, employees who have executed it with excellence will receive compensation through quarterly selection by the ethical management.

#### Interview



Planning Office,  
Vice President,  
**Dae Young, Ji**

Hyundai Engineering is fostering a transparent and reliable corporate environment through the practice of ethical management. As a company enhancing the happiness of mankind and taking social responsibilities, Hyundai Engineering will do its best to become a respected company by all the stakeholders.

#### Standard on a Good Employee Compensation

Sectors	Examples
Transparency Sector	<ul style="list-style-type: none"> <li>• Maintain transparent and fair business relations with all customers and partners</li> <li>• Modify task operation procedures of contexts without any doubt</li> <li>• Observe the prohibition of receiving improper benefits and those between employees</li> <li>• Constantly improve unethical cases</li> </ul>
Task Sector	<ul style="list-style-type: none"> <li>• Conduct impartial work task</li> <li>• Protect corporate information and property</li> <li>• Relieve the conflict among interests</li> <li>• Observe prohibition of corrupted behavior by taking advantage of positions in workplace</li> <li>• Minimize the corporate damage accused by other violations of employee laws</li> </ul>
Social Contribution Sector	<ul style="list-style-type: none"> <li>• Volunteer &amp; Community service activities</li> </ul>

## Implementation of Ethics Education

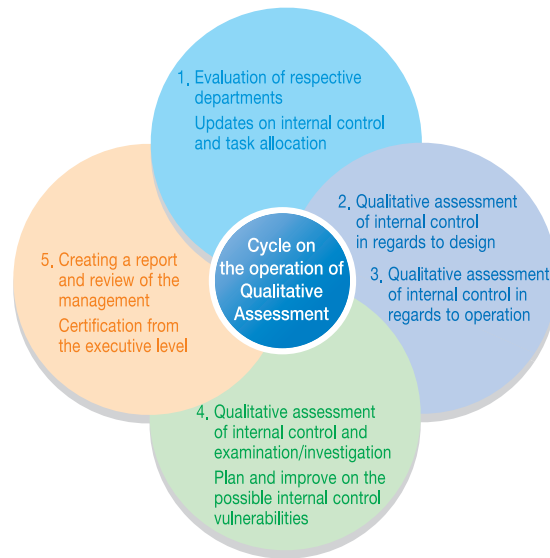
All the employees are required to follow the ethics policy of Hyundai Engineering and receive ethics training to act on the basis of the moral standards for all of the future implementation of tasks and business. We have started full-fledged ethics training courses since 2007, and included ethics courses in the CSR training program for a broad implementation of moral education.

## Ethical Management Mutual Cooperative Activities

In order for Hyundai Engineering's ethics management system to be accomplished, we need to form transparent ethics business relations with not only within the employees but with investors, partners, and subcontractors. For the investors to credit the financial information of Hyundai Engineering, we have adopted accounting standards in accordance with the international standards, while transparently open the information which may influence the investor decisions through regular shareholder's meeting. Additionally, by operating internal accounting management system, we are systematized to prevent and uncover errors or corruption in the process of creating the financial statements.

To establish and maintain mutual cooperative relations with the partners and subcontractors, we ban all kinds of bribery and unnecessary entertainments, to pursue its goals of purchase prices and open bids. Particularly, to prevent excessively low bidding of partner companies in advance, we operate low-price doubt policy to guarantee stable management and reasonable profit for the subcontractors to form win-win relations, just like the improvement and observation of construction policy.

Hyundai Engineering Internal Control Evaluation System



## Operation of Cyber Call Centers to Prevent Corruption

Hyundai Engineering is operating internal hotlines to clear up any immoral activities within the company. We will undergo ethics committee's strict, yet fair procedures regarding the issue at hand and decide whether or not to take disciplinary action of the relevant employee. The identity of the whistle blower is thoroughly protected and it will only be open to relevant institution in case of legal necessities. In case of external stakeholders, relevant statements can be reported through Hyundai Engineering website(www.hec.co.kr).

## Ethics Management Performance

From 2007 to 2009, Hyundai Engineering has never been accused of any immoral activities related to bribery, relations with politics, corruption and discrimination.

Ethics Education Site



Hyundai Engineering Ethics Committee





Hyundai Engineering considers the management policy of listening to the voices of the stakeholders as the top priority. The stakeholders' opinion for a sustainable Hyundai Engineering will be the most crucial compass in every activity in progress.

## Stakeholder Communication

### Hyundai Engineering Stakeholder Channel

Hyundai Engineering pursues a positive synergy relationship with all the stakeholders including investors, executives, staffs, customers and subcontractors. Through this process, we ultimately aim a Win-Win relationship with the stakeholders by allowing them to take a part in the development of Hyundai Engineering to actively discuss and react to essential issues. To fulfill these objectives, we are utilizing various channels to efficiently converge stakeholders' opinions based on their traits.

Stakeholder Communication Channel

	Categorization	Channel	Major Issues
	Executives and Staffs	<ul style="list-style-type: none"> <li>- Junior Committee</li> <li>- Employees Satisfaction Survey</li> <li>- Mail to CEO</li> <li>- Webzine and newsletters</li> <li>- Meeting between classes</li> <li>- Meeting with the newly recruited employees</li> </ul>	<ul style="list-style-type: none"> <li>- Balance between work and life</li> <li>- Fair performance evaluation and compensation</li> <li>- Competence development &amp; self realization</li> <li>- Desirable working environment</li> <li>- Dealing with employee concerns</li> <li>- Establishment of developmental labor-management relations</li> </ul>
	Customers	<ul style="list-style-type: none"> <li>- Customer satisfaction survey</li> <li>- Customer satisfaction center</li> <li>- Public Relations brochure and Annual Report</li> <li>- CEO Homepage</li> <li>- Customer Satisfaction Task Force</li> </ul>	<ul style="list-style-type: none"> <li>- Maintenance and improvement of good quality</li> <li>- Consistent communication</li> <li>- Publicity of transparent and accurate information</li> </ul>
	Partner Companies	<ul style="list-style-type: none"> <li>- Meetings with partner companies</li> <li>- Subcontractor training and workshops</li> <li>- Real-time adoption of partner opinions</li> </ul>	<ul style="list-style-type: none"> <li>- Construction of fair market transaction system</li> <li>- Supporting professional competence</li> <li>- Consistent credit relations</li> </ul>
	Local Community	<ul style="list-style-type: none"> <li>- Accepting local civil complaints</li> <li>- Local community contribution activities</li> </ul>	<ul style="list-style-type: none"> <li>- Mutual cooperative development of local community</li> <li>- Social contribution</li> <li>- Environmental conservation</li> </ul>
	Shareholders and Investors	<ul style="list-style-type: none"> <li>- General shareholder's meeting</li> </ul>	<ul style="list-style-type: none"> <li>- Risk management</li> <li>- Improvement in corporate values</li> <li>- Assurance in the soundness of corporate governance</li> <li>- Expansion of shareholder's value</li> </ul>
	Government, Media, Associations, Academic Institutes	<ul style="list-style-type: none"> <li>- Press release</li> <li>- Seminar</li> <li>- Media Conference</li> </ul>	<ul style="list-style-type: none"> <li>- Public offering of active and transparent information</li> <li>- Responding to climate changes</li> <li>- Green productivity</li> <li>- Public policy opinion statements and advice</li> </ul>

## Materiality Test

Materiality Test of Hyundai Engineering has been conducted to comprehend the social interest of Hyundai Engineering's sustainability management and its social issues. It has been proceeded in order to clearly define and analyze the sustainability management, determination of priority, review, and report the reflection.

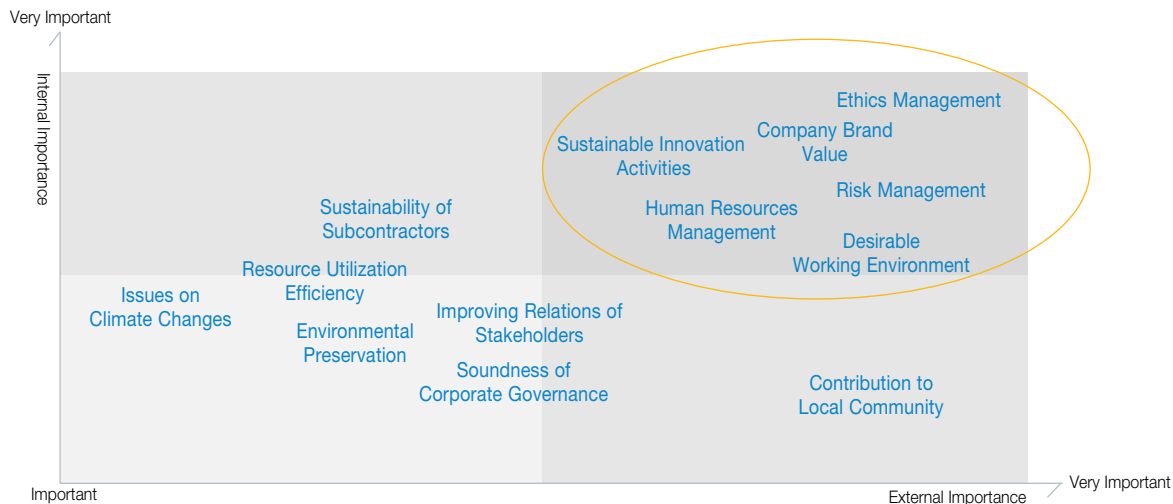
The definition and analysis of sustainability management issues are largely categorized into two sections; definition and analysis of external issues and internal issues. External issues are deducted by domestic and overseas media research, international sustainability standards such as GRI & DJSI, along with analysis of surveys on external stakeholders. Internal Issues are deducted through the analysis of internal documents (webzines, company newsletters, management strategy & policy) and analysis of internal stakeholders. The priority of these issues have been chosen on the basis of the influence on Hyundai Engineering's sustainability management and stakeholder's interest. The priorities have been examined through sustainability expert reviews, Hyundai Engineering CSR TFT and management reviews. The final major sustainability issues followed by each step conveys the current and future status in detail to the stakeholders through the Hyundai Engineering Sustainability Report.

### Stakeholder's Interest Evaluation Process



### Stakeholder's Materiality Test Result

As a result of the stakeholder's materiality test, total of 13 major sustainability management issues have been deducted. Each of the issue's priority has been drawn based on the influence of the corporate sustainability management(internal importance) and interest of stakeholders(external importance). In accordance with these issues, sustainability management experts, CSR TFT and the management have reviewed and assured the validity of the issues and the relevant contents are being reported through this following sustainability report.



## Top 10 Projects

The quality management of Hyundai Engineering offering comprehensive engineering solutions conveys the highest values to the customers through the best products and services. We will do our best to make every project to become the best project for Hyundai Engineering and our customers.

### HDO #2 HOU Project (FEED & LLI Purchase)

**Business Field :** Petrochemical Plant (Oil Refinery)

**Period :** 2008. 05. 08 ~ 2010. 05. 29

**Scope :** EP

**Business Size :** Heavy Oil Upgrading Facilities

ARDS : 66,000 BPSD

RFCC : 52,000 BPSD

HMU, SEU, LMX, ALK, SAR, KMX, GHT, PRP etc.

UT/OS

**Client :** Hyundai Oilbank CO., Ltd.

**Business Plan :** We have conducted the FEED, LLI purchase for the construction of the facility to produce high value-added light distillates such as LNG, Naphta, Propylene, Alkylate by decomposing and generating reaction(5, 2000BPSD based on the residue cracking facility) of the heavy oil(Atmospheric Residue containing significant amount of sulfuric components) separated and produced from the Crude Distillation Unit of existing oil refineries with catalyst.



### Gas Desulfurization Plant Project

**Business Field :** Petrochemical Plant (Oil & Gas Process Plant)

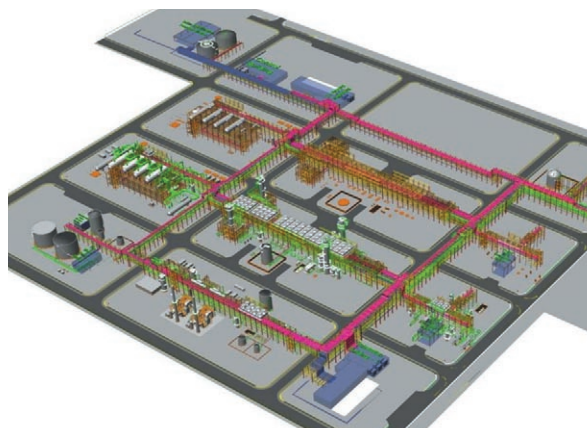
**Period :** 2010. 01 ~ 2012. 02

**Scope :** EPC

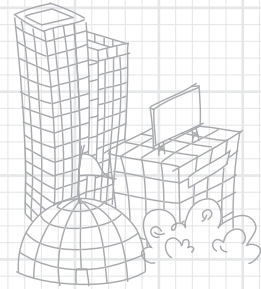
**Business Size :** Gas Treatment Unit: 1,220MMSCFD

**Client :** Turkmengaz

**Business Plan :** This is the biggest scope of business project in the history of Turkmenistan. We have endowed trust and belief to the client through various experiences of Hyundai Engineering, outstanding engineering technology, quality and the possession of core technicians in the Middle East, Asia, Africa and Latin America. Through this project, we have not only contributed to the economic development of Turkmenistan, but simultaneously plan to expand into the relevant sectors where stable profit procurement is possible.







### Yeongheung Thermal Power Plant Units No. 5&6 Technology Service

**Business Field :** Power & Energy (Thermal Power Plant)

**Period :** 2009. 08. 20 ~ 2015. 03. 31

**Scope :** E

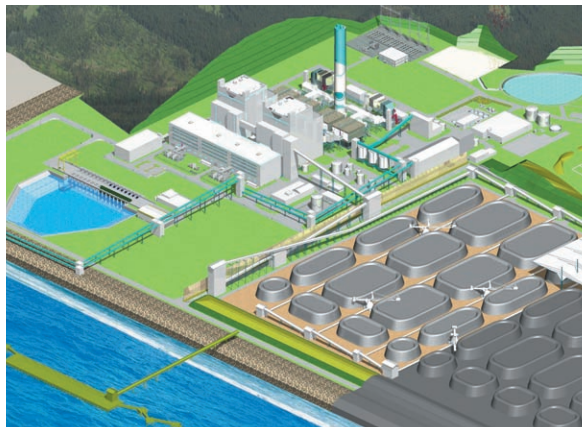
**Business Size :** 870MW x 2 units

Boiler : Coal(Bituminous Coal) Combustion, Ultra Supercritical(USC)

Once-through Turbine : Serial, Regeneration, Condensing

**Client :** Korea South-East Power Co., Ltd.

**Business Plan :** This is a design project of 870MW Thermal Power Plant & Super-Critical Pressure, the biggest domestic project conducted by Hyundai Engineering. By implementing tasks related to basic & detail designs required for building construction, field survey, apparatus orders, construction management and maintenance, this will become the foundation for Hyundai Engineering to go one step forward towards the domestic and international thermal power plant market.



### SIPCO 160MW Combined Cycle Co- Generation Project, Thailand

**Business Field :** Power & Energy (Combined Cycle Plant)

**Period :** 2007. 12. 10 ~ 2011. 01. 14

**Scope :** EPC

**Business Size :** 110MW Gas Turbine Generator

(GE Frame 9E) 1 unit

56.8MW Steam Turbine Generator 1 unit

177 t/h Unfired Heat Recovery Steam

Generator 1 unit

**Client :** Siam Power Generation Co., Ltd.

**Business Plan :** This project is the first EPC Power plant project conducted by Hyundai Engineering in Thailand. This especially, could be characterized by maximized efficiency through placing a detail design order to the local multinational company, WorleyParsons. This is the representative example of Hyundai Engineering's vitalization project of outsourcing and will become the main ground for future projects.



## Construction of Mungyeong Agricultural Product Processing Center (APC)

**Business Field :** Industrial Plant (Distribution Facility)

**Period :** 2008. 04. 01 ~ 2008. 12. 27

**Scope :** EPC

**Business Size :** Plottage : 29,950m<sup>2</sup> / Building Area : 7856.83m<sup>2</sup>

Total Building Floor Area : 9311.98m<sup>2</sup>

Selective Facility : Fruit Storage Warehouse Facility, Selection System, Packaging & Transportation Facility, Palletizer Facility, Take-out Facility, Clean & Sterilization Facility for Good Quality Apples

Low Temperature Storage Shed: 13 Cells, Storage Capacity 1735t

**Client :** Mungyeong-si

**Business Plan :** This Distribution Facility enables to control the shipment of the goods due to long term fruit storage in low temperature storage shed, measurements of the internal and external quality, weight of the goods, automatic packaging and transportation stages. It is especially characterized by the clean & sterilization facility which improves the commodity of the fruit.



## Design and Construction of Korea Antarctic Research Program

**Business Field :** Industrial Plant(Research Facility)

**Period :** 1987. 03. 15 ~ 1988. 05. 30

**Scope :** EPC

**Business Size :** Location : King George Island, South Shetland Island , Antarctica(The King Sejong Station)

Contents : main building 175.2 m<sup>2</sup>, residential building 211.5 m<sup>2</sup>, research building 201.6 m<sup>2</sup>, summer season research building 138.8 m<sup>2</sup>, power & food storage building 400 m<sup>2</sup>, equipment aid building 161.9 m<sup>2</sup>, terrestrial magnetism observation building, seismic wave observation building, and additional facilities.

**Client :** KAIST Marine Laboratory

**Business Plan :** Under the aim of securing the bridgehead advance in Antarctica and leading the cutting-edge technology of the 21st century by developing Arctic Engineering technology, this project was the major business of Hyundai Engineering proceeded in the cross-country range. Due to thorough design and construction, it has undergone 2 maintenance terms and is fully conducting its function as an Arctic research center until the present.



## Basic & Detail Design for Machang Grand Bridge Private Investment Project

**Business Field :** Infrastructure (Bridge)

**Period :** 2003. 09 ~ 2005. 07

**Scope :** E

**Business Size :** Bridge Structure: Plane Fan Type Cable Stayed Bridge, Steel Box Girder Bridge

Major Sources :

- Total Length : B = 21.0m(two-way, 4 lanes)
- Length : L = 410 + 740 + 550 = 1700m
- Linear Structure : R=1,000, ∞, 1,300, S=1%, -1.0%, -0.39%

**Client :** Machang Grand Bridge Co., Ltd.

**Business Plan :** We have conducted basic and final design project in relation to the construction of Machang Grand Bridge(Gapo-Dong, Masan, Gyung-sangnam-Do and Guisan-Dong, Changwon, Gyung-sangnam-Do/ Cross area of Masan-Bay ) to expand to the outer road system and enhance smooth transportation system while providing local development for 11million citizens in Masan, Changwon and Jinhae.





## Tae'an Enterprise City Planning

**Business Field :** Infrastructure (Complex)

**Period :** 2005. 05. 01 ~ 2008. 12. 31

**Scope :** E

**Business Size :** Location : Cheonsu-bay B district, Tae'an-eup, Tae'an-gun, Choongnam Province

Size : Area: 14,643,669.2m<sup>2</sup>

**Outline :** - Selected as the Tae'an Enterprise City Demonstration Project  
 - Assigned as Tae'an Enterprise City Development Zone  
 - Development Plan & Final Design  
 - Construction site composition in accordance with the Tae'an Enterprise City Planning & eco-friendly ecological city by improving water quality of Bunam lake

**Client :** Hyundai Engineering & Construction Co., Ltd

**Business Plan :** This was a corporate based city planning project for tourism and leisure activities to contribute to the development of local economy and domestic balance in relation to the construction of independent multi functional city, which includes industrial, research, tourism, leisure, business, residential, economy and cultural field. In addition, it was also proceeded on the focus on the construction of an eco-friendly city design to enhance tourism.



## Equatorial Guinea Mongomo Sewage Treatment Plant

**Business Field :** Environmental Plant(Sewage Treatment & Sewer System)

**Period :** 2008. 05. 16 ~ 2010. 05. 15

**Scope :** EPC

**Business Size :** Water treatment facility, Sewage treatment facility

**Client :** Government of Equatorial Guinea

**Business Plan :** This project is to construct the cutting-edge modern drainage system by building new sewage treatment plant and sewer system. We have designed, purchased and constructed 5 advanced treatment sewage treatment plant, 3 manhole pump facilities, total 28 km of sewer system, 1 maintenance complex and 5 generator rooms.



## Mungyeong Sludge Composting Plant (HSC)

**Business Field :** Environmental Plant(Sewage Sludge)

**Period :** 2005. 04 ~ 2006. 12

**Scope :** EPC

**Business Size :** Intra-capacity : 30t/day(sewer+ live stocks)

Area: 5127m<sup>2</sup>

Sludge Treatment Facility : input hopper, driers(2), composting equipment(2), fermentation level 1,2(2), storage hopper, transportation equipment, baling machine, deodorization facility

**Client :** Mungyeong-si

**Business Plan :** A method of producing decomposed manure by breaking down and stabilizing organic wastes, sewage sludge by microorganisms, HSC(Hyundai Sludge Compost) method applied. Produces approximately 6 of decomposed manure a day. The development, design, construction and trial tests of the HSC method has been conducted by Hyundai Engineering's self technology.





# Fly to the World

## Economic Performance

For the future dreams to come true, we need 'passion' the most.  
With wings of passion on our shoulders, future-driven Hyundai  
Engineering will soar higher and further than anybody else.



## Disclosure on Management Approach

### Management Strategy

In order to achieve the goal of 8 trillion won and 5 trillion won in new orders and sales, Hyundai Engineering is positively promoting 'Globalization' beyond the Middle East and Asia to Africa and Latin America. Based on our cutting-edge technology, Hyundai Engineering will lead to fulfill the true meaning of 'Globalization' through consistent pioneering of new markets, active localization and efficiency in business implementation.

The distribution of a mutually developmental economic value for the nation and the respective stakeholders including employees, customers and the local community is the ultimate management policy pursued by Hyundai Engineering. Hyundai Engineering is implementing distribution of economic value in multiple aspects such as benefits and well-fare policy for the employees, production and technology enhancement for the customers, funding and contribution activities for the local community. We will put all our efforts to execute efficient distribution in the future.

### Major Issues

#### Assuring corporate competitiveness

To reinforce corporate competitiveness to move forward as a front-runner in the field of global engineering industry

#### Pioneering a new global market

Procuring global customers in need of the design and technology competence of Hyundai Engineering

#### Social distribution of economic value

Fairly returning the superior economic value creation for the stakeholders

### Major Performances

- 2008, Practice of Naked Short-selling Management
- 2009, Achievement of Sales of 1 trillion won
- 2009, Won the Grand Prize of Korean Financial Stability Award
- 2009, Ranking 68<sup>th</sup> in ENR 'International Design Firm's
- 2010, Ranking 1<sup>st</sup> in the field of overseas engineering orders in the first half (based on contracts)

Major Indicators	Unit	2007	2008	2009
Sales	Million won	371,983	752,739	1,101,680
Operating profit	Million won	33,350	87,073	152,439
Net profit during the term	Million won	24,471	76,836	103,370
Employee welfare expenses	Million won	1,216	1,853	1,973
R&D	Million won	5,100	5,800	9,200
Corporal tax	Million won	10,636	30,771	31,536
Social contribution investment expenses	Million won	91	160	223

### Future Plan

Hyundai Engineering has planned to actively search overseas markets and gradually expand overseas offices in order to efficiently manage the gradually increasing number of overseas orders. Moreover, we will put our effort to systematically foster international area specialists and establish the foundation for global management.

To execute a more effective distribution, systematical management should become the first priority. Hyundai Engineering is planning to systematically manage the distribution among the stakeholders and benchmark the leading corporate cases to practice a globally leading level of distribution activity. We also founded the base for transparent distribution by establishing principles and guidelines on the transparent and impartial distribution.

# Global Management

To provide consistent trust and profit for the stakeholders, Hyundai Engineering is simultaneously pursuing financial stability and growth. Based on last 36 years of our history in parallel with steady sales increase, new orders for major domestic and international projects and rise in foreign credit rating, we have been establishing sustainable growth foundation.



GVK Gautami Thermal Power Plant, India, Contract Meeting (2010.7.13)

only in Korea but in Middle East and Latin American countries for over 30 years. Through these Projects, Hyundai Engineering is planning to give impetus to enter the potential Indian power plant market where consistent orders are expected.

Hyundai Engineering will consistently put our efforts to reinforce information capability, improve technological competence, and search for future markets in order to prepare forthcoming overseas project orders.

## Global Company, HEC

### Overseas Project Orders Performance

Hyundai Engineering has been growing into an engineering company recognized both in domestic and overseas sectors. By successfully undertaking overseas project orders in Equatorial Guinea and Turkmenistan beating other major competing engineering companies, Hyundai Engineering has been recognized as a world leading engineering company.

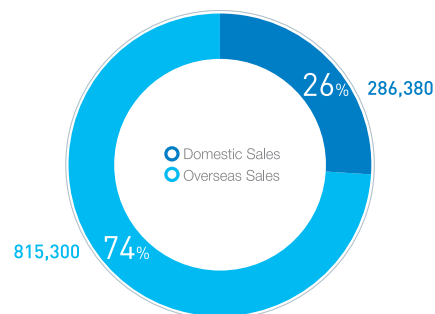
In the first quarter of 2010, by consecutively accomplishing major project orders, we have found the ground to fulfill our aim to reach orders of 8 trillion won by 2015.

In particular, in June 2010, the 0.4 billion-dollar Gaumi Thermal Power Plant Project placed by GVK(Gunapati Venkata Krishna) Industries Ltd., which is the Indian Independent Power Plant company in Southeast Hyderabad. Hyundai Engineering has been a place of competition with 4 major companies, ALSTOM, GE-PUNJ LLOYD Consortium, L&T Power-SIEMENS Consortium and they have aggressively competed for the last 2 years since 2008.

Indian thermal power plant market which was mostly monopolized by the local construction companies, the reason why a Korean company, Hyundai Engineering could succeed was due to our technology that has been recognized through conducting various development projects not

Domestic & Overseas Sales(2009)

(unit : %, million won)



### Interview



Planning Office, Head of the Corporate Strategy Team,  
**Eric Byung-min An**

Engineering business has become gradually maximized and globalized. Thorough management analysis, Hyundai Engineering has established management strategies for sustainable growth and all employees will actively proceed to secure the global HEC.

### Reinforcing the Global Network

In Republic of Korea where labor force serves as resources, talented individuals act as the competitive power. While achieving industrial development and inviting foreign exchange via overseas project plans, Hyundai Engineering has played a crucial role in advancing employee's global capabilities. At present of July, 2010, more than 200 employees have been dispatched in total of 39 construction sites to conduct overseas projects.

Additionally, we have established overseas branches and local investment corporations to efficiently and effectively support overseas projects while actively develop future business opportunities. There are total number of 5 local investment corporations and 12 overseas branches in Vietnam, Indonesia, and India. Hyundai Engineering is planning to set up and operate more branches while investing in wider and major business districts to strengthen the foundation as a global engineering corporation.



### Building Trust with the Client States

Recently in many developing countries, it is required to employ certain percentage of local goods and personnel to promote local economic development. Hyundai Engineering puts the local requirements as top priority and does its best to create more economic profits. Our consideration gives credit to our client states and we have formed a long-term relationships with each other.

Especially if civil complaints occur on the site, we value amicable settlement of the complaint and seek measures not only to relieve the local complaints but also to give actual aid.

When we were building the Mongomo Water Treatment Facility the MOKOM area, it was adjacent to residential areas. The construction required to be suspended by local citizens who were concerned about the detrimental environmental effects. After numerous discussions with the property manager, we were able to proceed construction under the condition of maintaining certain distance with the residential area while providing water and electricity. Moreover, we have satisfied the owner and the property manager, by decorating the ancestors tombs on the site. In addition to this, by employing locals adjacent to the site, we are continuously maintaining favorable relations with the local people.

On top of that, in most of the construction sites, we take part in the local events (the Labor day or Independence day) and deliver daily necessities and stationeries, thereby actively performing various social contribution activities for the construction while developing a relationship with a strong trust.

These efforts of Hyundai Engineering have received good evaluations which will become a positive medium for the local government to work with Hyundai Engineering in the future.

### Interview



Infrastructure &  
Environmental Division,  
Manager,  
**Myung Su, Kim**

Beyond the refinement of pollution, Hyundai Engineering is creating a balanced life of human and nature. As a global engineering company expanding toward the global world, Hyundai Engineering will attribute to the improvement of the quality of local life.

### Creation of Local Economic Values

To Hyundai Engineering, business is not just simple 'job', rather, we have the pride that we directly and indirectly contribute to the local economic growth and development. When conducting domestic and international businesses, we preferentially consider the local companies for the purchase of materials, subcontracts, and local labor. According to the 2009 standards, the local purchase rate of 29% was recorded.

### Current Status of Local Employment (2009)

Categorization	Unit	2009	Note
Rate of Local Supervisors	%	9	* No. of Local Supervisors / No. of Local employees
Total number of local employees	No. of people	303	* No. of dispatched employees + local employees
Number of Dispatched Employees	No. of people	179	* HEC Employees
Number of Local Employees	No. of people	124	* Except for the outsourced staffs
Number of Local Supervisors	No. of people	11	

### Increase in Global Awareness

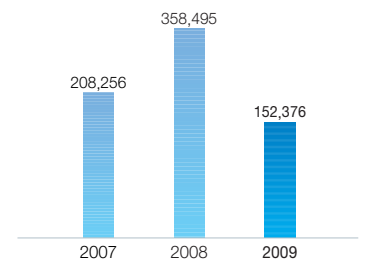
In Equatorial Guinea, the term 'Hyundai' is regarded as 'Aqua(water)'. Until now, Equatorial Guinea lacked of clean available water resources. Since the introduction of water treatment facilities with the technology of Hyundai Engineering, regardless of the climate and other natural environmental factors, the locals are able to receive enough water. To appreciate and praise Hyundai Engineering's technological capability, the local Guineans call 'water' with the word 'Hyundai'. Not only the customer satisfaction and awareness of the local people living in the contribution area has increased, Hyundai Engineering's domestic and overseas building design and construction capability have been officially recognized. In 2009, we have won the First Prize in the engineering section at '2009 Overseas Construction' supported by the Ministry of Land, Transport and Maritime Affairs while ranking 68<sup>th</sup> of the '2009 International Design Firms' conducted by the world renowned engineering magazine, Engineering News Record.

### 2009 ENR 'The TOP 200 International Design Firms'



THE TOP 200 INTERNATIONAL DESIGN FIRMS (BASED ON DESIGN REVENUE FROM PROJECTS OUTSIDE HOME COUNTRY)			
RANK		FIRM NAME & LOCATION	TYPE OF FIRM
2009	2008		
1	1	Fugro NV, Leidschendam, The Netherlands ↑	E
2	2	WorleyParsons, North Sydney, NSW, Australia ↑	EC
3	14	AMEC plc, London, U.K ↑	E
68	69	Hyundai Engineering Co. Ltd., Seoul, S. Korea	EC
69	70	SMEC (Snowy Mountains Engineering Corp.), Cooma, NSW, Australia ↑	E

Local Purchase Rate (unit : million won)



As most of the items purchased for the usage in conducting Hyundai Engineer's business are precision machines of high-end standard, it's mostly impossible to purchase local items in newly industrializing countries where our business is usually implemented.



## Global Personnel Training & Culture

### Reinforcing Global Communication Competence

In our global activities, Hyundai Engineering follows the management policy considering 'language' as the basic knowledge, thus, all employees are required to obtain certain level of official English test scores. Those who had received lower than the required score should take English classes offered by the company. Since 2010, to provide opportunities for employees to fully focus on studying English, we hold regular 2-week English camps. During the 2-week course, native instructors use various methods to go over courses, discussion and role play; employees are able to directly use English and imply it to real situations.

Moreover, to foster self-active English improvement of employees, we encourage employees to take internal and external courses such as telephone English courses or workshops. We support not only English courses but other foreign languages including Spanish and Chinese.

### Fostering Global Mind

For our employees to observe and study many different aspects in various overseas site, we operate international training courses and business trips such as overseas company benchmarking. Employees who participate in these activities may write feedbacks on the webzine, and the whole company shares their stories. Also, domestic and foreign current affairs are shared on the intranet.



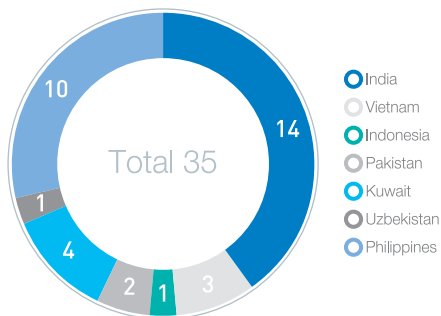
Study Abroad program for 'Corporate Benchmarking'



### Recruiting Global Personnel

Hyundai Engineering is doing its best to actively recruit global talents. In 2010, we have total of 35 overseas employees with various national identities from India, Philippines, Vietnam and so on. They show superior competence in numerous sectors including overseas sales and each plant operation division; they play a big role in cultivating overseas mind for the employees.

Status of Overseas Personnel(Based On July, 2010)



Hyundai Engineering offers diverse policies and activities for foreign employees to fully adapt to the company. Before joining the company, they are introduced with overall information of Korean culture, climate, customs and necessary commodities. After entering the company, they receive overall education about Hyundai Engineering including utilization of intranet, location of company buildings, organization structure and so on. In addition, we have introduced a 'Buddy System' for the foreign employees. Each employee is assigned with a mentor in the same department who acts like a friend, they not only give support for a rapid adaptation to the department and their tasks, but to receive help for private problems.

We also open regular Hangeul(Korean) classes for foreign employees and support the employees to be capable of general communication in Korea. Annual workshop is held to share difficulties of questions in Korean life and give them opportunity to socialize with each other to build up closer relationship. We also regularly conduct foreign employee satisfaction survey, and put every effort to enhance overseas staffs' understanding and satisfaction on Hyundai Engineering by reporting English articles on the company newsletters or the webzine.

### Global Communication Culture

We have established a Korean cultural gathering, 'Korean Culture Club (KCC)', for foreign employees in 2008. By providing real experiences, we try to motivate foreign employees' pride working in Korea. KCC usually creates sense of sympathy and communication through trips and experiences. We have proceeded visits to a variety of domestic tourists sites and activities including not only the tourist attractions in Seoul such as Kyungbok Palace, Insa-dong, Cheongwadae(the Blue House, the Korean presidential residence ); but the DMZ, Busan, Icheon Pottery Experience and rafting activities. Particularly, in the autumn of 2009, president Dong Wook, Kim has joined the KCC members' trip to Mt. Cheonggye and spent valuable time for sincere communication with the employees communication.

Moreover, we have opened the 'Window to Globe' site on the company intranet, providing routes to convey various internal and external company information and also encourage more employees to easily communicate with the overseas staff members.

"For our company to be globlized, development of employees is the most important aspect. A team consisted of various individuals is able to exhibit unbelievable creativity and synergy effect compared to a team with similar individuals. When our multi-national employees grow up to be the best specialists in each sector, their improvement will lead to that of the company."

President, Dong Wook, Kim



'Jump' performance with the president

### KCC Activities



Climbing Mt. Cheonggye with the president

### What was the foundation background of KCC?

"I accidentally came across foreign employees eating separately in the company cafeteria. I felt that it is necessary to offer communication chances for Korean-Foreign, Foreign-Foreign employees together. Therefore, KCC popped up as an idea. At first, we gained members through company mails, but at that time we have only a handful of members. It has now extended its number to more than 50 members through word-of-mouth."

Head of Corporate Strategy Team, Eric Byung-Min An

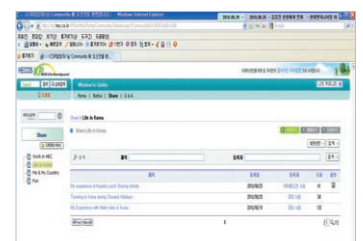
### What could be attained by KCC?

"When I first came to Hyundai Engineering, I felt myself as a just simple employee. But after meeting various people in different departments through KCC and communicating in Korean learned at Korean classes. I feel more intimate and a sense of belonging to the company."

Power & Energy Plant Division Berizo Rico Velasco(Philippines)

"Before entering Hyundai Engineering, I worked at a Dutch company in Kuwait. They had a very free atmosphere allowing not only flexible working hours but listening to music during the working hour. Thus, it was difficult for me to adapt to disciplinary Korean working environment, but I was partly able to overcome those difficulties through KCC activities. I became friends with many employees, and steadily adapt to the working environment while understanding Korean culture. I feel myself as becoming an even more workaholic than other Koreans. I would like to stay in Hyundai Engineering at least 10 more years in the future."

Process Plant Division Mota Chandra Sekher(India)



The communication Space for Foreign Employees: Window to Globe

# Procurement of Future Values

To Hyundai Engineering, technology is the compass indicating the future. We will produce our own competitiveness and values, by propelling technology innovation and looking for new industry to create a better world.

## Technology Innovation

### Technology Innovation Vision 2015

To become a 'high value-added engineering company conducting the EP & CM business based on engineering' referred in the 'HEC vision 2015', a competitive technological competence is required. In order to enhance technological competitiveness, Hyundai Engineering has established the

technological competitiveness strategy such as selection and focus to attain core technology, expansion of intellectual properties, and early discovery of future promising technology. We have deduced detailed activity plans to achieve this goal.

The activity plans are categorized into 'the creation of high value-added growth business', 'construction of intellectual integral engineering business solutions', 'operation of real-time global management information system.' In particular, through the development of core technologies, we aim to create new high value-added growth businesses, and based on our performances until now, we will try to lead the market with our technologies directly involved with environmental factors regarding wind power, water resources and carbon dioxide capture and etc.

Research Development Vision 2015



### Technology Development System

Hyundai Engineering endlessly puts effort to build a better structure with a better technology when conducting our business. In 2009, we have integrated individual technology research center in each division into a single unit and established a R&D Planning department in the Technology Innovation & Development Office. The R&D department integrated and manages the status and performance of new technology development proceeded in separate office unit. Systemically, it undertakes technology development in the scope of the overall company and external support. It has enhanced synergy and effect on the new technological development field through a close cooperation between the divisions.

The technology development approach of Hyundai Engineering is largely categorized in 3 sectors; first, search for in-company technology, second, national project, finally, common development such as Industry-Academy and Industry-Laboratory Partnership. After reviewing the technological development planning in accordance with each method and evaluating the technological validity and future practicality, we decided projects for technology development. The selected project is systematically managed through regular process report of the R&D department, and after the completion, it is once more confirmed through completion and application study whether to determine its successful completion. Additionally, we operate technology development management system on the intranet, and in terms with the implementation of the development task, we are on the plan of pursuing smooth information exchange and schedule management among the relevant employees; and building the database on the developed technology to enhance employee applicability.



### Technology Innovation Activities

In order to excavate future technology sources, Hyundai Engineering consistently conducts research and market survey. We do not stagger our effort to preoccupy the future engineering market especially through a variety of internal and external channels. A variety of new technology development ideas are recruited and selected so that numerous ideas are able to be put into technology and applied in reality. The technology agreement with the domestic and overseas partner companies have made us continuously do our best to create a synergy effect such as the industry-academy cooperation and industry-industry cooperation to develop a technology that is helpful for the future domestic engineering industry.

In Hyundai Engineering, people outside of the company as well as employees form an important mainstay in Hyundai Engineering's technology innovation activities. With the technology award held by Hyundai Engineering & Construction Co., Ltd, Hyundai Engineering distributed by The Korea Economic Daily, the best idea is selected among technology ideas proposed by undergraduate and graduate students along with partner companies through the process of impartially evaluating in parts of creativity and high-tech application. When the selected ideas are that of a student, the student will be rewarded and he/she will receive extra incentives when applying for Hyundai Engineering. In case of a partner company, an agreement will be made when the technology and its development are commercialized and practiced.

Moreover, regardless of divisions, we give annual technology award to in-company staff members for all employees to participate in the technology innovation activity and development of the company. Hyundai Engineering In-Company Technology Award derived from in-company thesis contest exhibit the evaluated and rewarded performance with the result of employee papers. An employee in each department who made a big contribution to the technology development results will be recommended and are evaluated in total 5 sectors; commercialization sector, national project sector, overseas thesis sector, domestic thesis sector, program development & application sector. The recommenders are evaluated in the aspect of relevant technology performance achievement and contribution to business & technology. Selected employees will receive in-company technology award commendation and commensurate prize based on its rating. There were the total number of 9 in-company technology award recipients in 2009.



Hyundai Engineering - The Korea Economic Daily Technology Award

### Technology Development Performance

From the technology development for market creation to national projects, Hyundai Engineering consistently promotes various methods of technology development and has already manifested its performance in diverse fields. Various technologies like eco-friendly track structure, marine and overland wind power plant complex development, and facility development for bimodal tram operation have been specified by the hands of Hyundai Engineering which can not only be applied in environmentally-friendly but give a big help in business expansion and development.

#### Technology Development Performance (On-process projects in 2009)

Category	Major Projects
Technology Development Required in the Market	<ul style="list-style-type: none"> <li>Asphalt Construction Methods Applying Converter Slag by Magnetic Separation</li> <li>Basic Construction Planning for Antarctic Base / Turnkey Guide</li> <li>Development of Composting Facility Waste Heat Recovery</li> <li>Eco-friendly Track Structure</li> <li>Bridge Slab Structure Applied in Paved Track Vehicles</li> <li>Membrane anaerobic Digestion Technology Using Organic Waste Resources</li> <li>Local Air-conditioning Module-type Coldwater Plant Development</li> <li>Marine &amp; Overland Wind Power Plant Complex Development</li> <li>Prevention technology of Hydrate Formation in Deep-sea Gas Field</li> <li>CAES System Development</li> </ul>
Participation in National Projects	<ul style="list-style-type: none"> <li>Natural Gas Storage/Transportation Technology by NGH</li> <li>FT Synthetic Oil Manufacturing Technology from Natural Gas (2<sup>nd</sup> stage)</li> <li>Light Olefin Manufacturing Technology from Methanol &amp; DME (2<sup>nd</sup> stage)</li> <li>50kw Pure Oxygen Combustion Power System</li> <li>Standard Development for New Energy Bimodal Facility</li> <li>Core Technology for Super Long Span Bridge Design</li> <li>Safety Design for Mountain &amp; Riverside Roads</li> </ul>

#### Technology Development Cases

##### Development of Pressurized Oxy-fuel Combustion Power Plant System Technology

- Capacity: 50kW(amt of turbine power production)
- Fuel: Natural Gas
- Combustion Pressure: High Pressure Combustion(more than 5 bar)
- Type of Combustion: Steam Recycling Type
- More than 90% of CO<sub>2</sub> in Flue Gas

##### Statement on Yearly Technology Development

- 1<sup>st</sup> Year: Organization of basic design and performance trial devices for oxy-fuel combustion power system
- 2<sup>nd</sup> Year: Integration and performance test of oxy-fuel combustion power system
- 3<sup>rd</sup> Year: Supplement and performance evaluation of oxy-fuel combustion power system
- 4<sup>th</sup> Year: Establishment of oxy-fuel combustion power system technology
- Selection of Areas of Application and Evaluation of Economic Efficiency
- Plans to Proceed oxy-fuel combustion power system of M/W level



## Patent & Intellectual Property Rights

Compared to any other industries, the engineering sector is an industry with high values in 'knowledge'. For these reasons, the more a company owns vast amounts of knowledge, the higher its value becomes. Since Hyundai Engineering has comprehended this fact from an early stage, we put our priority on the procurement and maintenance of patents and intellectual knowledge. As of March 2010, Hyundai Engineering owns total of 72 industrial properties, and among them, 66 corresponds to patents.

Current Status of Hyundai Engineering's Intellectual Property Ownership (2009)

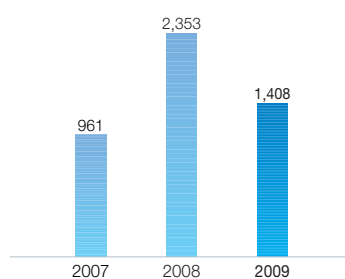
Type	No. of Ownership	Acquisitor		
		HEC	Hyundai Engineering & Construction	Etc.
Industrial Property	Patent	74	66	7
	Utility Model	6	4	1
	Design	1	1	
	Trademark	2	1	
New Technology		1	1	
TOTAL		84	72	10
				2

\* The intellectual properties obtained by Hyundai Engineering & Construction Co., Ltd. and etc., are under joint ownership of the rights.

## Governmental R&D Business

By co-operating with the government, Hyundai Engineering is trying to enhance the development of the Korean engineering industry. Hyundai Engineering has conducted government projects such as the safety design for mountain and riverside roads, and manufacturing technology for FT synthetic oil. Therefore, it is a process of developing practical and essential technology for corporate development and Hyundai Engineering tries to spread superior Korean technology widely into the world through state aid promoting smooth overseas business operation. The total government subsidy to Hyundai Engineering in 2009 is 1,408 million won.

Governmental R&D Subsidy (unit : million won)



2009 Governmental R&D Support Activities

>>> VE/LCC/LCA Integrated Software Development Business Government Subsidy
>>> Accreditation Standardization technology Development of River facilities Government Subsidy
>>> Construction Basic Design Considering Extreme (Antarctic) Environment/Turnkey Guide Complement Business Government Subsidy
>>> CO <sub>2</sub> Capture Process Using Ammonia Solution Design Basis Research Project Government Subsidy
>>> High-efficient CO <sub>2</sub> Absorbent Applied Pilot Plant Process Optimization Government Subsidy
>>> New Energy Bimodal Kneeling Car Facility Basis Development Government Subsidy
>>> Light Olefin Manufacturing Technology Development From Methanol & DME Stage 2 Government Subsidy
>>> Light Olefin Manufacturing Technology Development From Methanol & DME Government Subsidy

### VE/LCC/LCA Integrated Software Development Business

#### Final Goal

Development of an integrated evaluation system on the possibility, economic efficiency and environment to commercialize water treatment technology

#### Yearly Goals

##### 1<sup>st</sup> Year

- ① Basic Data Research: Technology evaluation & information system, treatment technology & water treatment system
- ② Frame Development: Evaluation & Analysis frame development
- ③ Development of Integrated evaluation method

##### 2<sup>nd</sup> Year

- ① S/W & System Development: Integrated Evaluation S/W development, Evaluation of Functionality, Economic and Environmental Efficiency, Development of S/W module
- ② Case Study in the field of Water Treatment
- ③ Construction and Optimization of Integrated evaluation system

### Research Project on the Standard of CO<sub>2</sub> Capturing Process Design Utilizing Ammonia

#### Final Goal

Development of CO<sub>2</sub> capturing scale-up design technology utilizing ammonia  
Pilot Plant(500Nm<sup>3</sup>/h) detail design, production, set up  
- Development of Process Design Package (100~200MW)

#### Yearly Goals

##### 1<sup>st</sup> Year

- ① Heat budget analysis, Research on the treatment technology related to fuel gas
- ② Gathering design data on previously commercialized Amine absorption process
- ③ Securing the base of the design through imitating the process

##### 2<sup>nd</sup> Year

- ① Comparative evaluation of process under room temperature/static pressure and low temperature/high pressure
- ② 500 Nm<sup>3</sup>/h pilot plant detail design, Purchasing components

##### 3<sup>rd</sup> Year

- ① Construction and set up of pilot plant
- ② Development of process control logistics

##### 4<sup>th</sup> Year

- ① Analysis on economic efficiency
- ② PDP development(0.6 million Nm<sup>3</sup>/h scale)

## New Growth Power Development

### 7 New Growth Power Businesses

Considering the flow of the development in engineering industry and major capacity of Hyundai Engineering, Hyundai Engineering has selected the '7 New Growth Power Businesses' for the future. By developing necessary technology and business capacity focused on the 7 New Growth Power Businesses, we will procure global competitiveness and reinforce our stance in the market, and thus, expand into new markets. Green Growth Businesses such as water/environment business, renewable energy, eco-friendly components and materials among the 7 New Growth Power Businesses represent the will of Hyundai Engineering to relate business strategy to environmental responsibilities.

#### New Growth Power Process Road Map

	Growth Power Business	Middle/Long Term Focused Business	Etc. (Investment Business)
Water/ Environment	Wastewater & Sewage Treatment in Developing Countries, Environment Restoration, Air, Noise	Water Treatment & Desalination of Sea Water Disposal of Dangerous goods	Investment in Carbon Fund (Second-hand Participation in Certified Emission Reduction(CER) Business)
Energy	Nuclear, Sunlight, Wind Power Plant	GTL/CTL, CCS, IGCC, Energy Storage, Fuel Cell Power	
High-tech Cities	U-eco City / Green City	Building Up City Infrastructure for Newly Industrialized Countries	Developer Business In General (Review by Matters)
Eco-friendly Components/ Materials	Solar Cell (BIPV Thin-film Type)	LED Lights	

\* GTL : Gas to Liquid (Gas Liquefaction)

CCS : Carbon Capture and Storage (CO<sub>2</sub> Capture, Storage)

CTL : Coal to Liquid (Coal Liquefaction)

IGCC : Integrated Gasification Combined Cycle (Coal Gasification Combined Cycle)

The Overview of the 7 New Growth Power Business



### New Renewable Energy Field

As the gradually improving industries and people using increased energy brought a big strain to the current energy development sector dependent on limited amount of natural resources like coal and oil, world wide concern for energy acquisition concerns directly related to the survival of human-beings have started. In order to actively respond to a global concern and create a new market in business aspects, we have consistently undertaken relative studies and researches, and through this, obtained the capability to lead the new renewable energy field.

Nuclear energy plan is the new growth power for Hyundai Engineering to conduct in the near future. In the nuclear power plant sector, where approximately 850 billion dollar amount of market will be established on focus of China and Brazil by the year 2030, Hyundai Engineering is planning to extend its market into the field of new nuclear power plant construction and radioactive waste treatment and disposal. To accomplish this, the Power & Energy Plant Division is accumulating its capabilities for securing core technology for nuclear power plant business and cultivating talented individuals.

An eco-friendly and new renewable energy, the wind power plant, are a field which notified that Hyundai Engineering has fully begun its new renewable energy business to the world. Following the 47billion won scale of wind power plant complex development project in joint with Korea National Oil Corporation, Hyundai Engineering has received orders from Jeju Hallim Wind Power Plant Construction Planning & Design Services, Offshore Wind Plant Complex Basic Design & Validity Research service; thus, already has established its status as a leading company in the field of wind power & energy plant business. At the end of 2009, we have formed a consortium with Hyundai Heavy Industries Co., Ltd, Korea Southern Power Co, Ltd, Hyundai Corporation, and by signing an MOU for the construction of Pakistan's 50MW Wind Power Plant Complex, the technology of Hyundai Engineering was recognized in the global sphere.

### Waste Treatment

The treatment of waste occurred in the process of the production and consumption of goods and services is one of the most important part in consistent business procedures. Hyundai Engineering has developed new technologies to treat industrial waste, domestic waste and waste water, and the outstanding performance has been recognized through its application to various business sectors. Additionally, we took over the domestic lead on the treatment of potential air pollutant produced in the process of desulfurization and denitrification. Henceforth, we will extend the business sector to the greenhouse gas or waste treatment field produced in the process of other businesses.

Moreover, we have secured waste treatment technology such as utilization process technology of organic waste as resource, no-dry sludge composting device technology, optimal technology for wastewater nitrate elimination technology; hence, improved eco-friendly project implementation competence. By utilizing these technologies, we will improve the eco-friendly performances of projects, enhance customer satisfaction and take all the social and corporate responsibility on the environment.

#### Interview

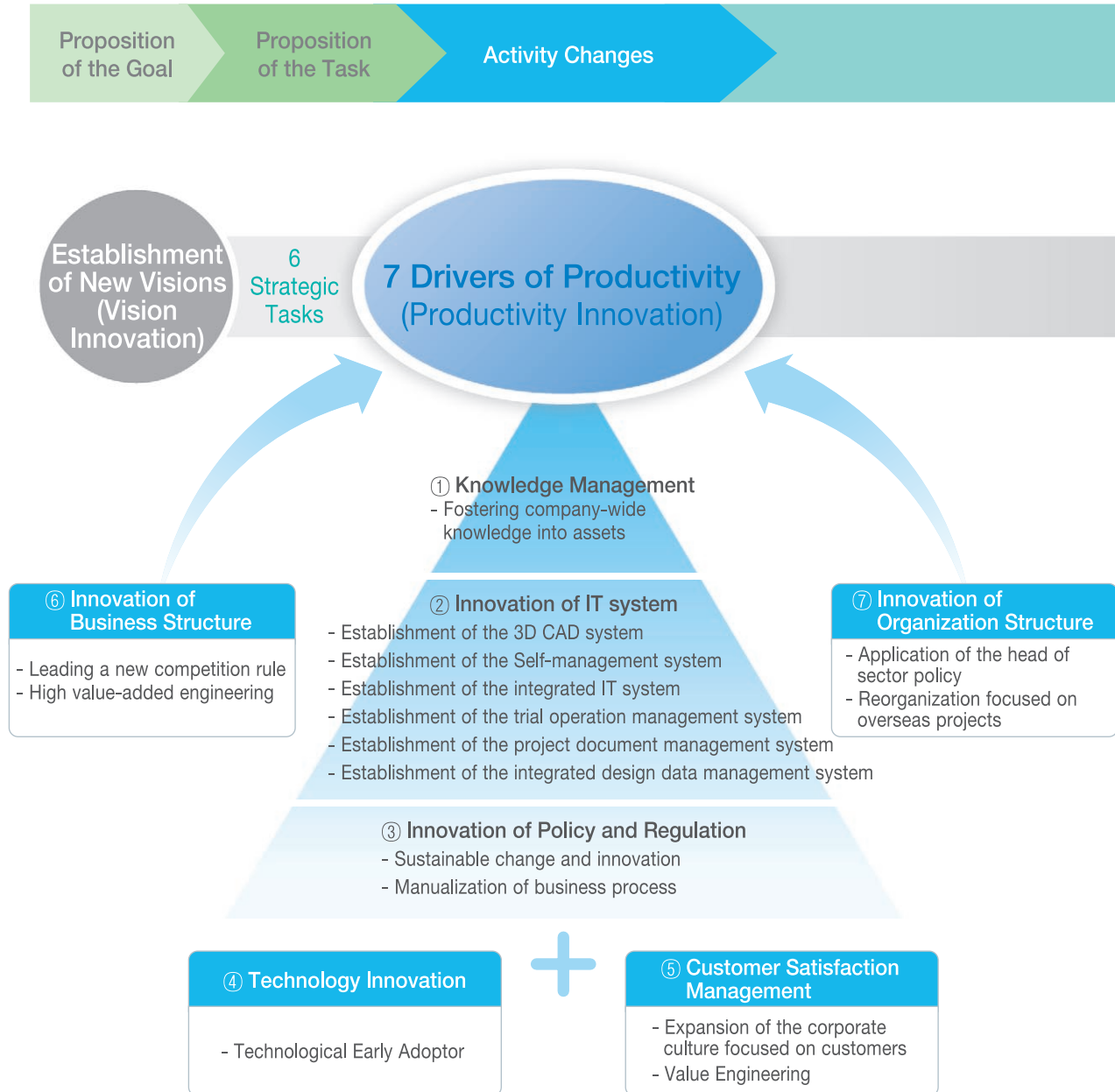


Industrial Plant Division,  
Head of the Division  
planning Mangement  
Team,  
**Kyung Won, Mo**

The Industrial Plant division newly established in 2009, acting as a nacelle for Hyundai Engineering's new growth power, will boost the future value of Hyundai Engineering through the investment and development of green business.

# HEC Innovation System

The innovation activity of Hyundai Engineering is proceeded largely in 3 stages. First, the vision establishment stage. Second, productivity innovation through the practice of the "7 Drivers of Productivity." Finally, creating customer value through the practice of 2 stages mentioned above. These innovation tools are not merely just an unified tool, but a structured and specialized innovation system of Hyundai Engineering with the most optimal methods, while taking variables into consideration.



Intermediary Results

Aim

• Best quality • Exact due-date • Optimal costs

Creation  
of New Value  
(Customer  
Value  
Innovation)

#### 7 Drivers

##### Driver ① : Knowledge Innovation

Hyundai Engineering aims to enhance user convenience and intellectual asset procurement. We try to improve the competence of its human resources and competition by building up an intellectual management system including groupware function, technological data management, and intellectual management in each division.

##### Driver ② : IT System Innovation

Hyundai Engineering has built up an integrated IT system which is able to globally accumulate, share, utilize knowledge and support the overall process of the projects. Through this, we will reinforce business performance capability, maximize business efficiency, and secure customer trust.

##### Driver ③ : Operational Innovation & Improvement

In order to respond to rapidly changing internal and external environment and catch new opportunities, Hyundai Engineering has always put emphasis on consistent change and innovation. The reform of delegation of authority policy, job rotation policy and internal control system are excellent examples of eliminating company-wide inefficiency through consistent policy improvements.

##### Driver ④ : Technical Innovation

With its long-term perspective, Hyundai Engineering has decisively invested into technologies directly related to business

performance improvement and new business creation. Therefore has established the foundation for a consistent production enhancement.

##### Driver ⑤ : Customer value Innovation

To Hyundai Engineering, a customer is the integral reason for the existence of the company and final destination for management. We aim for customer value beyond customer satisfaction, to achieve this, we are conducting various activities such as the operation of customer satisfaction center and customer satisfaction task force.

##### Driver ⑥ : Business Innovation

By leading the change from existing detail design business structure to a focus on a high value-added planning & basic design structure. As a result, we've created eye-catching performances in high quality engineering like FEED/PMC.

##### Driver ⑦ : Organization Innovation

Hyundai Engineering has resolutely restructured company organization to suitably and rapidly respond to a new business direction. From the existing scattered organization structure to an open special function structure, we reinforced synergy, professionalism, while maximizing individual productivity.



# Creation & Distribution of Economic Values

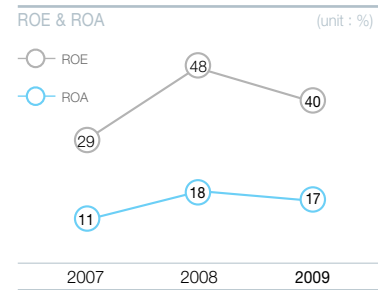
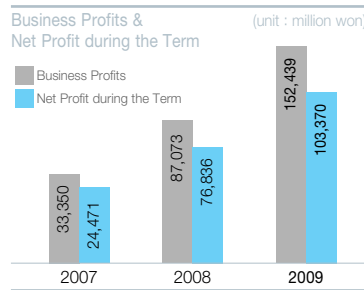
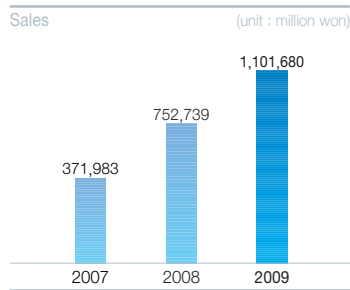
Hyundai Engineering has achieved outstanding economic performance of sales reaching up to trillion won, transparent management and continual increase of credit rating. Moreover, it does its best in the practice of sharing. Hyundai Engineering's management philosophy of more performances leading to sharing more will be the inspiration to design a more beautiful world.

## Creation of Economic Value

### Financial Growth

For the last 3 years, Hyundai Engineering has achieved a rapid financial growth. In 2009, Hyundai Engineering has opened the 'era of sales reaching up to trillion won.' By accomplishing 4.6 times of sales growth in 3 years, we have surprised the world. Especially, since most amount of sales were created by overseas business orders, we have proved possibility of a bigger chance of growth as a global company.

The 2009, ratio of operating gain to revenue recorded was 13.8%, which was an outstanding result in comparison with that of the companies in the same field with recorded average of 7~8%. Therefore, we have simultaneously achieved both qualitative and quantitative growth. This growth of Hyundai Engineering is a meaningful step forward considering the world-wide economic recession period.



### Procurement of Financial Stability

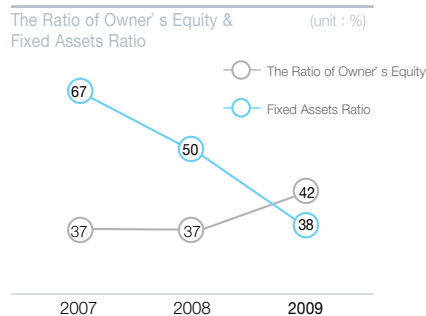
At the end of 2008, Hyundai Engineering has fulfilled transparent management, and has also furnished a stable corporate management system in the financial aspect. On top of that, by securing the cash flow of approximately 3,80 billion won, we have founded the base for future growth investment. In the aspect of the ratio of owner's equity and fixed assets, we have exceeded the performance of businesses in the field manifesting the most outstanding financial stability.



Received the Grand Prize of Best Korean Financial Company

### External Recognition of Financial Superiority

Hyundai Engineering's financial performance has also been proven by external assessments. From 2007 to 2009, our credit rating of Korea Investors Service has consistently increased, and finally in 2009, we have attained the 'A' rating. Moreover, we were honored to win the '10th Grand Prize of Korea Financial Management' in the major corporate field. The Korea Financial Management Award is a reward given to the most superior company after thoroughly evaluating various fields referring to stability, profitability, and activity.



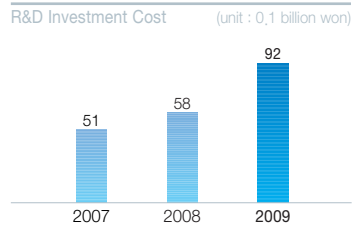
### External Credit Assessment Rating

year	Credit Assessment Rating
2007	A- (stable)
2008	A- (stable)
2009	A (stable)

## Distribution of Economic Value

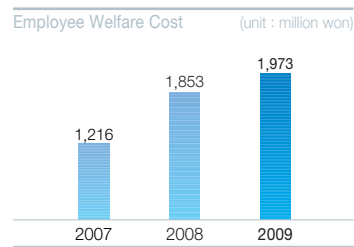
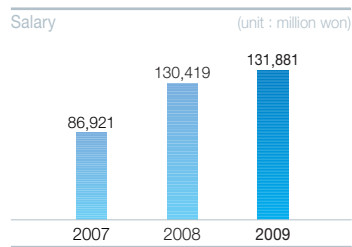
### Technology Development

By annually expanding the R&D investment cost for technology development, Hyundai Engineering ensures new technology for future business development and leads development in the field of engineering.



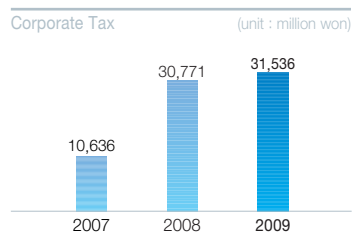
### Employees

Hyundai Engineering believes that the improvement of employees' quality of life begins from a happy corporate environment. To make the employee working hours more enjoyable, we fund a big investment for a stable salary system and employee benefits package.



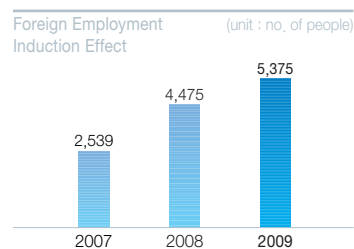
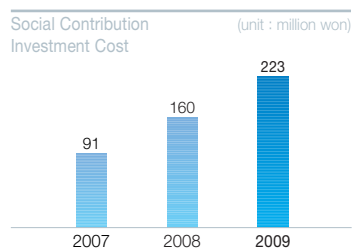
### Government

As a member of corporate citizens, Hyundai Engineering is loyally conducting its obligation to the state through earnest payment of corporate tax. Hyundai Engineering does not provide any form of unofficial money and valuables to the government, which excludes all the form of close relations between politics and businesses.



### Local Community

Hyundai Engineering has consistently worked for the local community and outside groups. We will prepare a co-existent foundation with the society through more donations and sharing activities. Additionally, by actively contributing to the creation of new employment and the invigoration of partner companies' employment induction, we will put every effort to be helpful in restoring the local economy.





# Design the Green Planet

## Environmental Performance

Hyundai Engineering is taking every effort to create a novel future value in accordance with providing health and sanitary service for all the members of the society through the conservation and development of the environment.





## Disclosure on Management Approach

### Management Strategy

To sympathize the corporate role in low carbon green growth and minimize the effect of engineering industry on the environment, Hyundai Engineering is practicing eco-friendly management in every business aspect from design, material purchase to construction management, and etc. Through consistent development of low carbon eco-friendly technology, expansion of new renewable energy business, and stabilization of HSE system, Hyundai Engineering will be regenerated in to a global corporation creating a better future value.

### Major Issues

#### Decrease in Greenhouse Gas & Minimization of Environmental Pollution

Utilization of waste as materials and minimization of environmental pollution through the development of greenhouse gas recovery technology and expansion of eco-friendly water treatment technology.

#### Material Conservation & Efficient Utilization of Energy, Water, Materials and Etc.

Take every responsibility as a green engineering company considering environment in every business aspect conducted.

#### Contribution to Pleasant Working-Environment through Implementation Efficient HSE System

Ensure environmental management including every business site within and out of the nation based on the HSE management system.

### Major Performance

- Obtainment of ISO 14001 & OHSAS 18001 Certification, Construction Site Accident-Free Certification
- Expansion to the new renewable energy business in the field of wind power plant without fossil fuel usage
- Energy reduction through the build-up of Green HEC and commercialization of new technologies like HANT, HSC

Major Indicators	Unit	2007	2008	2009
Amount of direct & indirect greenhouse gas emission	ton CO <sub>2</sub> eq	380	778	4,157
Amount of other direct greenhouse gas emission	ton CO <sub>2</sub> eq	163	208	218
Environmental Conservation & Investment Cost	million won	10.5	18.2	30.5
Cost of Safety & Health (domestic)	million won	670	1,963	636
Amount of fuel used	TOE	59,594	119,943	977,989
Amount of electricity used	TOE	12,359	104,462	395,514
Amount of the water used	Ton	19,521	33,298	58,652
Rate of the waste produced (domestic)	Ton	1,811	47,895	15,850
Amount of waste recycled (domestic)	Ton	1,013	30,320	15,300
Rate of the waste produced (domestic)	%	56	63	97

※Cost of Safety & Health is the total of domestic EPC site.

### Future Direction

Hyundai Engineering has constructed a systematic HSE management system to preserve the ecology and develop a resource recycling society. In coincidence with the entrance to overseas market, Hyundai Engineering is planning to gradually expand the HSE management system. Moreover, we will try to develop environmental specialists in addition to new eco-friendly technology. Through short-term greenhouse gas inventory establishment, Hyundai Engineering will prepare the grounds to reduce greenhouse gas, conserve energy and resources. In the process of proceeding towards a low-carbon economy, we will consistently pursue the innovative technology development for the reduction of greenhouse gas and specify our company image as a eco-friendly green engineering company.



# HSE System

Following the philosophy of respecting human dignity and environmental conservation, Hyundai Engineering has realized that HSE is the key value to corporate management activities. By inspiring every employee to participate in HSE management, we do our best to become a Global HSE Leader.

## HSE Policy

Hyundai Engineering is a company which led technology development in the field of engineering and construction giving priority on environment · safety · health, and willing to become a company creating future values. To continue securing stakeholder's trust and implementing sustainable business, we have assigned the following sectors of importance as Health · Safety · Environment policy(referred as HSE policy in the following) and have put it in the effect.

First, we observe domestic and international HSE relevant regulations and requirements.

Second, we recognize the risk and environmental impact of the project activities and service, thus by eliminating dangerous elements, while minimizing the environmental pollution.

Third, as a sustainable strategy to efficiently conduct the HSE policy, we have established and operated health · safety · environment goals.

Fourth, we provide information on HSE policy and its performance to all employees, stakeholders and the public.

Hyundai Engineering requires all the employees and partner companies to follow the HSE policy in order to improve HSE performance, and we have seen that consistent improvements have been made through establishment and undertaking of relevant management systems.

## HSE Organization

### Interview



General Administration & Management Office  
Head of the HSE  
Management & Control  
Dept.  
**Yeon Hwan, Lee**

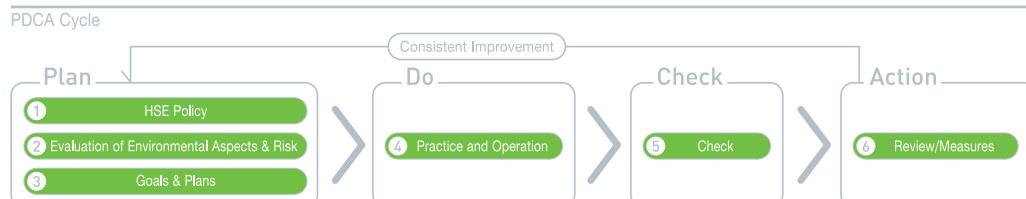
As the core corporate asset, employee management is essential for sustainable growth. Through the reinforcement of HSE practice capacity, Hyundai Engineering offers pleasant working environment. From now on, through the application of an integrated HSE system to all the employees and partner companies within and out of the domestic boundary, Hyundai Engineering is planning to exercise accustomed management necessary for every member of the society.

The HSE organization of Hyundai Engineering forms an intimate relationship providing mutual effects by systematically distributing one's role in each department. On the focus of the HSE Management & Control Department, the General Administration & Management office is in charge of setting up company-wide goals and on-site HSE activity management. Each division conducts and manages HSE management activities on each construction site. The Technology Innovation & Development Office is responsible for the development of new technologies such as eco-friendly high efficiency, technology supports, and the Planning Office supports company-wide HSE management activities.



## HSE Management System

Through the HSE management system, Hyundai Engineering systematically and efficiently manages the company-wide HSE activities, and on the basis of this, we look forward to fulfilling a leading global level of HSE performance. Especially, by implementing PDCA (Plan, Do, Check, Act) cycle, we have reinforced a company-wide HSE system by implementing the HSE policy.



# Eco-Friendly EPC Projects

Engineering is an industry to more efficiently design resources. As a green engineering company, Hyundai Engineering considers the environmental impact of every activity conducted. Through the efficient application of resource & energy and design & construction using eco-friendly technology, we try our best to minimize the environmental effect in every activity conducted.

Hyundai Engineering minimizes the emission of air pollutant while conducting the projects and attributes to create desirable air environment.

## Air Pollutant Reduction

Nitrogen oxide and sulfur oxide are the most typical air pollutant and their emission is regulated by the Air and Environment Conservation Act. The efforts to reduce the emission in the process of energy production and application enables to create clean environment and become the method to reinforce product competitiveness. Through thorough design and application of eco-friendly technology,

### Tae'an Thermal Power Plant Units No. 1~6 Denitrification Facility Design Technology Service

Hyundai Engineering was in charge of the project reducing the emission level of nitrogen oxide from the 500MW power plant flue-gas chimney located in Tae'an Thermal Power Plant in the Korea Southern Power Plant Co., Ltd. In this project of building up an optimal combustion control system to reduce the emission of nitrogen oxide, conducted for 4 years since June of 2003, Hyundai Engineering took over the overall technological support from the onsite survey to quality management.

By installing 12 units of flue-gas denitrification facilities at the rear end of the boiler which enabled the reduction of nitrogen oxide emission level from 210ppm to 50ppm, we have greatly contributed to the prevention of air pollution through this 80% reduction of the emission. Additionally, by installing one more nitrogen elimination plant, we obtained the result of lowering the rate of water pollution by treating nitrogen oxide in the desulfurized wastewater.



Tae'an Thermal Power Plant

### Hyundai Oil Bank Bio-fuel Production Facility EPC Project

The Hyundai Oil Bank Bio-fuel Project was a construction plant to install relevant facilities in Hyundai Oil Bank's Daesan Factory in the response of the fuel oil standards reinforcement took action from January 1st, 2006. 27 months, Hyundai Engineering has undergone the design, material purchase and construction of the project. Concretely, we have newly constructed petroleum desulfurization facility (20 thousand BPD), diesel desulfurization facility (60 thousand BPD), hydrogen production facility (40MMSCFD), and renovated existing diesel desulfurization facilities.

The sulfuric substances included in the crude oil are not only on the list of hazardous substances requiring management, but according to domestic laws, fuel oil including sulfur should be used followed by strict regulations. The following project was not to enlarge the production facility, but could be distinguished as a leading eco-friendly business as it was proceeded to reduce the sulfuric contents of already produced petroleum refining products and improve their quality, thus, to create cleaner atmospheric environment.



Hyundai Oil Bank

## Increasing Energy Efficiency

Due to the rise of oil price, energy conservation is not an option anymore, but yet, it has become an essentiality for the corporate survival. Moreover, increase of energy efficiency in the process of production and treatment leads to the cut down of production cost of goods & services which correspond with the company's competitiveness. The outstanding technology and project conducting capability of Hyundai Engineering will be a strong strut for the client to maximize this competitiveness.

### The Wartsila-Hyundai Engine Highly-Efficient Engine Plant EPC Project

For 14 months, Hyundai Engineering has conducted the domestic plant construction project of Wartsila-Hyundai Engine for marine engine production and its test facilities. In this project of putting up a total of 9 buildings including one underground floor and 4 floored factory and office rooms, Hyundai Engineering was in charge of design, material purchase and the overall process of construction. By selecting the 100mm insulator, which is a high-performance exterior material, we minimized the heat loss, obtained energy reduction effect by installing small cranes in every sector and increasing their efficiency.



Wartsila- Hyundai Engine Aerial View

## Interview



Process Plant Division,  
Head of the Division  
Planning Management  
Dept  
**Jong Nam, Jeon**

In accordance with the maximization of customer interests through efficient resource utilization, the process plants pursue tomorrow's sustainability by grafting eco-friendly green technology. With the leading competitiveness of Hyundai Engineering's technology, we will do our best to create the green earth.



Garolim Tidal Power Plant Aerial View



Pyro-process Facility



Hyundai Oil Bank

## Eco-friendly Energy Production Project

'Expansion of business sectors through the discovery of future promising industries' is one of the middle to long-term management strategies of Hyundai Engineering. To procure the growth power after one or two decades, Hyundai Engineering is focusing on the procurement of new technologies in new renewable energy field such as Photovoltaic System and wind power plant, along with the water environment industry such as water treatment and recycling sewage. We actively proceed to enter into the relevant markets.

### Garolim Tidal Power Plant

The tidal power plant utilizing the tidal energy is evaluated as the only semi-permanent clean energy that is available for mass development. In addition, regarding electricity production, it creates various developments such as the conservation of tidal flat ecology, aquiculture effects, and tourist attractions effect. The current Garolim Tidal Power Plant construction Project under process, utilizing the big difference between the low and high tides, and has constructed a 520MW power plant which is the world's biggest tidal power plant annually producing 950GWh of electricity. Hyundai Engineering conducted the final design of the plant.

Particularly, in this project, to decide optimal scale of the tidal power plant, we have implemented the power generation output program (HECTP : Hyundai Engineering Corporation Tidal Program). HECTP is a system which systematically calculates the tidal power generation output, which is a core element in deciding the optimal development of the tidal power plant. Hyundai Engineering is the first domestic corporation to develop and implement it to the real business sector.

## Efficient Application of Resources

Since the selection of materials to the development of the method of construction, through efficient material application on the basis of the leading eco-friendly engineering, Hyundai Engineering carries on the reinforcement of business implementation capability and customer satisfaction.

### Pyro-process Facility Design & Evaluation Service

For 4 years from 2002 to 2005, Hyundai Engineering has practiced the laboratory scale of pyro-process facility design and installation construction service in relation to 'the simulated spent nuclear fuel' research by Korea Atomic Energy Research Institute. Additionally, presently in 2010, we are undertaking the pre-conceptual design and cost evaluation on the pyro-process facility which can treat 400 tons of 'used nuclear fuel'.

The pyro-process facility provides the 'used nuclear fuel' which was used and stored in the existing light-water reactor as the fuel of the fast reactor, the next-generation nuclear power plant, maximizes the utilization of Uranium resources. By recycling the Uranium 238 which takes 97% of the nuclear fuel, we are able to reuse the light-water reactor 'used nuclear fuel' which is produced about 300 tons yearly in the country simultaneously, preparing the chance to significantly increase the efficiency of the nuclear waste repository.

### Hyundai Oil Bank – Phase II Expansion EPC Project

Hyundai Engineering received the order to expand the amount of crude oil treatment up to 200,000 BPSP in Hyundai Oil Bank's existing factories. For 27 months, we have practiced design, purchases, and construction business.

Hyundai Engineering has applied the American Dow Chemical's Crude Distillation Unit, Light Ethane Recovery, Sulfur Recovery Unit, LER Unit which were stopped in operation on the site of Hyundai Engine Oil and minimized the usage of the material along with a new production. Moreover, the overall construction had been completed 12 months earlier than planned, which reduced around 300 billion won of construction cost.

### Hapcheon Railroad Construction Design Project

Hyundai Engineering is systematically building up a management system to treat wastes which have direct influence to the environment and local community. According to the HSE policy, we have established a waste reduction plan from the project design level, recycled 100% of the waste concretes, woods produced from waste separation/emission, and the sites by self-service treatment or on-commission. The amount of waste produced in other forms is collected and reported due to its types and local companies. They are selected and commissioned to be treated. To maintain the no violation and zero environmental accidents, Hyundai Engineering actively inspects the utilization of waste materials from the designing level. Hyundai Engineering has applied 59,413 tons of recycled aggregates reproduced from waste concrete to the design of the railroad construction in Hapcheon, thus, preventing environmental damage by discarding waste concretes and improving the added value of construction wastes.

# Development of Eco-friendly Technology

Hyundai Engineering has realized that the competitiveness in eco-friendly green future is in systematic technology development and investment. Through consistent technological development, Hyundai Engineering will lead the eco-friendly technology development for low-carbon green growth including green energy production and energy efficiency improvement.

## Increase in Energy Efficiency

In accordance with the production stage, we cannot be reluctant to the resource and energy management in the operation stage in the aspect of reducing the greenhouse gas emission and the cost of materials. By implementing self-developed technology and advanced design technology, Hyundai Engineering takes measures to replace fossil fuel and enhance energy efficiency.

## Bio Gas Production Technology Using Highly Concentrated Organic Waste

Since 2006, Hyundai Engineering along with Inha University has undertaken joint research on the biogas production technology using high-concentrated organic waste (HARES : Hyundai Anaerobic Renewable Energy System), which was a national project of Korea Energy Management Corporation. HARES uses anaerobes, and is a process utilizing the characteristics of conversion of the organic materials into methane and CO<sub>2</sub> which ensures high-concentrated microorganisms in the batch reactor by combining the Tubular Membrane to the anaerobic batch reactor, thus it is a cutting-edge technology which triples the recovery factor of the methane gas compared to the existing anaerobic digestion method.

Through HARES, by improving 3 times more recovery factor compared to the existing biogas production technology, we could enhance the economic feasibility of the development of biogas field which had little economic efficiency. In order to verify the applicability of this technology to the site, Hyundai Engineering is operating a 75m<sup>2</sup> scale of pilot plan in the metropolitan landfills. In case of the commercialization of this technology, power and steam production system through biogas capture and combustion will be widely distributed. This simultaneously attains environmental and economic performances in relation to the effect of fossil fuel replacement and export of the biological water treatment technology.

## Natural Gas Storage · Transportation & Application Technology Development By NGH

The Natural Gas Hydrate (NGH) is a technology to transport natural gas by highly compressing · storing it or to secure the safety of its use. The NGH technology development process can be distributed in 2 parts; the development of core NGH manufacturing technology and the development of NGH storage · transportation · supply technology. In the process of the development of core NGH manufacturing technology, there are development of high efficiency, mass capacity NGH manufacturing equipment and organic/inorganic promoter for high acceleration. In the process of the development of NGH storage · transportation · supply technology, there are development of the NGH manufacturing module loaded on vessels and vehicles, development of natural gas supply technology by NGH re-gasification, and development of cold/hot & fresh water application technology.

Hyundai Engineering has built up a DB related to the manufacturing and dehydration of NGH and has completed the production of NGH manufacturing facility available for commercialization. Additionally, through the procurement of the original technology of manufacturing and dehydration of NGH consisted of complex gas while obtaining of technological patent in the field of shipment · cargo-working and re-gasification, we have achieved to reduce more than 400 billion won of energy cost annually and import replacement effect in terms of around 560 thousand TOE each year. In addition to this, we have fulfilled an early completion of the basic design for the pilot plant necessary for the commercialization of NGH basic research results, actively proceed into the relevant EPC business markets, and seek our way into the industrialization possibility of less profitable small and middle sized gas field through the enhancement of economic feasibility.

## Interview

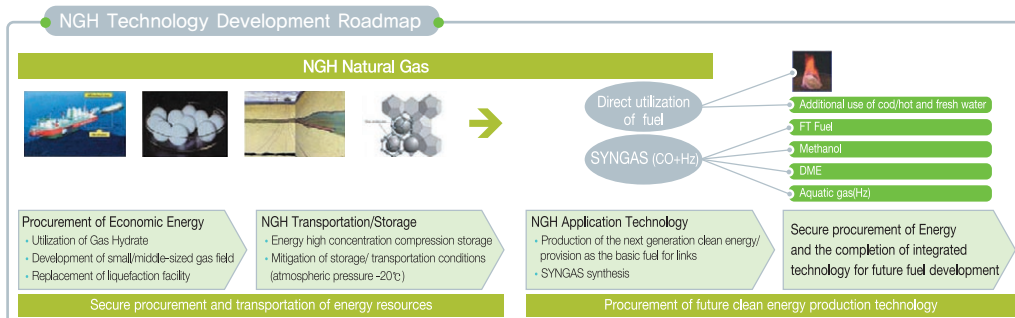


Power & Energy Plant Division, Project Management Dept.  
Deputy General Manager,  
**Kyung Yoon, Lee**

The accumulated technology of Hyundai Engineering is exported throughout the world, and with its outstanding qualities, Hyundai Engineering is raising the international status of Rep. of Korea. From now on, Hyundai Engineering will consistently develop technologies in the field of power & energy, process and infrastructure environmental industries; through the business expansion into relevant fields, we will gradually expand the technological sphere of Hyundai Engineering.



Bio Gas Plant Project





## CO<sub>2</sub> Capture Process Design Using Ammonia Solution

These technologies not only promise environmental · economic · technological · political advantages in reliance to the Climatic Change Convention, but also greatly contribute to Hyundai Engineering in creating and leading a new market.

Hyundai Advanced Nutrients Treatment(HANT<sup>®</sup>) Using Membrane Bio-Reactor

## CNG Bio-Modal Tram Development

Hyundai Engineering suggests the infrastructure construction for bio-modal tram, conducted the development of bridge structure, eco-friendly road pavement system, and trial track construction. The product of R&D project, 'Eco-friendly Track Structure Road Pavement' and 'A Double Eccentric Bridge with Girders & Cables', are registered as patents and additional relevant technologies are also under development.

## The Technology to Use Waste as Materials

As the industrialization and population increases realization of environmental design has also increased. Through eco-friendly clean technology, Hyundai Engineering has contributed to a cycling resource application system by reducing wastes and enhancing efficiency.

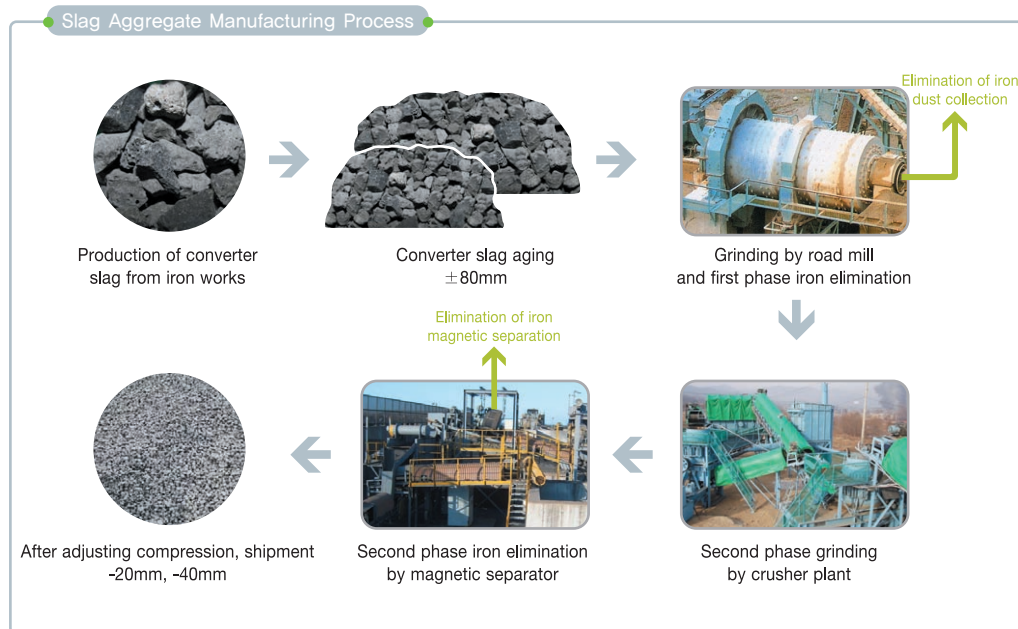
### Hyundai Sludge Composer Technology

Hyundai Sludge Composer(HSC) is a technology composting and reducing the amount of sludge. HSC controls the percentage of water content in sludge, and after mixing it with the returned refined products, the halogenated hydrocarbons are decomposed under aerobic conditions. By applying HSC, it is possible to attain the depression effect of the expansion of foul smell and hygienic insects, improvement of public hygiene and prevention effect of secondary pollution. Moreover, it produces highly applicable decomposed manure (compost) which can be used as fertilizer and cover the landfills, reducing 80% of the treated sewage sludge.

Through the HSC development, along with receiving the IR52 Jang Young-Sil Award given by the Ministry of Education, Science and Technology, Hyundai Engineering has obtained a total of 7 domestic and American patents. HSC is used by private corporations such as Lotte Engineering & Machinery Mfg. Co. Ltd., and also by the local government of Geoje-si, Miryang-si and Gosung-gun. It occupies 50% of the domestic market in the relevant field.

### Light-weighted Steel Making Slag Aggregation

Hyundai Engineering is looking to find ways to recycle the converter slag, the by product of domestic steel mills, into recycled aggregate. The Ascon pavement technology developed by Hyundai Engineering uses converter slag instead of natural slag in order to enhance durability and usability of the roads by reducing the crevice. It allows to double the positive effect by utilizing the converter slag up to 100%, which was previously reused at less than 1%, and at the same time, inhibiting resource depletion by extended road.



The ascon pavement technology utilizing light-weight steel and recycling 4 million tons of steel slag produced as waste that harms the resources. After acquiring new eco-friendly construction technology, Hyundai Engineering is planning to expand towards the pavement field by utilizing it on domestic and overseas on-site infrastructures that are under conduction.

### Interview



Infrastructure &  
Environmental Division  
Senior Vice President,  
**Won Jung, Kang**

I feel pride and dignity to Hyundai Engineering which has focused on environmental problems and taken a leading part in the practice for the last 25 years. Particularly, the wastewater refining system of HSC method is the symbol of the established technology of Hyundai Engineering. Making the sludge produced in the process of wastewater treatment into organic fertilizer is an innovative idea killing 2 birds at once, and it explains the level of technology Hyundai has achieved.



# Eco-friendly Planning & Design

Considerate environmental constructions plans, and quality construction site designs with local citizens in mind - these are the basic obligation of Hyundai Engineering pursuing the change and innovation based on the humanity and environment.

## Interview



Planning Office,  
Head of the Industrial  
& Environmental  
Design Team  
**Kyung Rim, Yoon**

"Environment" is not limited to water, atmosphere, noise and vibration, but all the sphere necessary for human life. Thus, industrial environment design satisfying all 5 senses are under notice. As a leader of the firstly established industrial environmental design team in domestic engineering industry, reinforcing the image of an eco-friendly engineering company will be taken under practice through the creation of eco-friendly space.

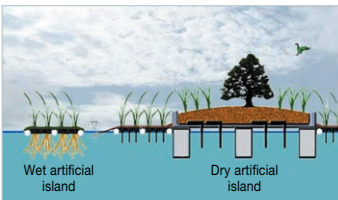
## A Design to Preserve Species Diversity

All living creatures exist in nature. Hyundai Engineering comprehensively analyzed all potential environmental impacts during the practice of the projects, and set up a design to develop a place where humans and natural ecology can co-exist.

### Formation of a Buffer Zone for Man and Nature

Hyundai Engineering has conducted the final design of Taeon Enterprise City Planning which was aimed to develop total 14,62 million m<sup>2</sup> of Chunsu-bay B district, Taeon-gun, Choongnam Province as the world leading tourism · leisure district. The Chunsu-bay, located within the company town, is a global habitat of migratory birds, thus, we faced numerous difficulties from the beginning since there were a plethora of opposition on the development concerning the threats posed on the ecology of migratory birds. Therefore, Hyundai Engineering preserved the 3.82 million m<sup>2</sup> of circular area as the Bird Zone to protect bird migration, its habitats, and has pursued the balance between nature and human by designing 6 eco-friendly ecology park for the habitat for the wild organisms. Additionally, we have converted city planning development which may lead to environmental pollution and ecological destruction into eco-friendly development by establishing water quality improvement plans through the design and construction of waterfront cities.

### Taeon Ecological Polis Aerial View



Artificial Island Construction Plan

### Artificial Island Construction for Otters

While undertaking the Geum River watershed flood control project, we found otters that are listed on the Red List of the ICUN as an endangered species under the environmental effects evaluation. Otters are nocturnal, usually active at night, foraging for food along the Geum River watershed, and due to the unwanted damage of the watershed area during the river environment improvement project, interruption to the otters' breeding areas was expected. Thus, we planned to install an artificial islands where they have been less influenced by the river-flow velocity such as the incurvated area of the upstream. By minimizing artificial intervention and mutually constructing vegetations as reeds, They are able to be used as the breeding habitats and shelters for the otters and while inducing fish inhabitation, resulting in conducting important role for ecology conservation.

## Design Considering Coordination With the Nature

Hyundai Engineering has adopted the design-centered management philosophy to the technology-centered engineering business, and therefore, by adding emotion to industrial environment, we pursue eco-friendly designs harmonizing men and the nature.

### Establishment of The First Industrial Design Division

By adding designs to SOC and plant industrial facilities, we provide a desirable environment to the workers, and designed the industrial site to be a 'place' for cultural network, combining human, culture and art. Thus, in order to improve the quality of life of the industrial site workers and local residents, Hyundai Engineering established an Industrial Environmental Design Team for the first time in the industry. The foundation of the design team was a result of the management philosophy of Hyundai Engineering valuing both the human and environment to scrupulously consider the harmony between building and environment. The quality of life in industrial environment, beyond a design focused only machinery and its technology. Since 2008, we have successfully adapted designs considering human and environment to various projects led by the Industrial Environmental Design Team and each division.

### Equatorial Guinea Mongomo Sewage Project

For 3 years since 2008, Hyundai Engineering has conducted Environmental Plant Project providing clean water and sewage treatment environment to Mongomo of Equatorial Guinea in Africa where many people are suffering from waterborne epidemics. Hyundai Engineering has constructed cutting-edge modern drainage systems by building new sewage treatment plant and sewer system in Mongomo. We have designed, purchased and constructed 5 advanced treatment sewage treatment plants, 3 manhole pump facilities, total 28 kms of sewer system, maintenance complex and 5 generator rooms.

The characteristic of this project is that the high tank, viewed from anywhere in the city, was designed with aquatic hues in mind, which was also designed with lights considering the night view. Through this construction, we were able to enhance the satisfaction of local residents by providing leisure areas, thus the completed high tank became a landmark in Equatorial Guinea which is introduced to honored guests by the president himself.

### Gunsan Thermal Power Plant

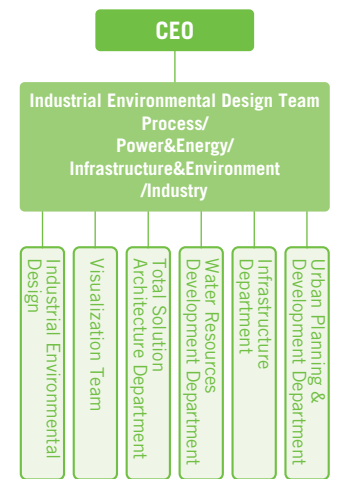
Mongomo Fountain Park Aerial View



Gunsan Thermal Power Plant, 1 unit combined cycle power plant scaling 700MW, was erected after demolishing the previous coal fired power plant and underwent a trial operation presently in May of 2010. Hyundai Engineering took part in the basic and final design service of the CCPP combined by eco-friendly design. The main color of the building was white to express clean and pure image, while orange, which is a symbol of abundance and warmth, was used as the accent color to give fancy, bright and cheerful feelings.

At the time of designing, Hyundai Engineering has located both the main devices, gas turbines and Heat Recovery Steam Generator (HRSG), inside the building and installed sound-proof barriers around the surrounding area to minimize the noise level. Moreover, we underwent landscape design to offer a sports park for the Gunsan residents to improve accessibility. Industrial environment is not a 'gray workplace' only for work anymore, through designing, it has transformed into an art and cultural space invigorated by functionality and emotions, thus enhancing the local residents' quality of life.

Design Personnel Organization



### Interview



Industrial Plant, Total Solution Architectural Dept, Deputy Chief Engineer  
**Jae-Ho, Ahn**

In power plant projects, construction could be literally described as a bowl containing men and machine. The priority to be considered is to design a safe building, secondly, to create relevant environment that goes along with the building. I feel rewarded whenever the power plant designed by our hands appears like a puzzle perfectly harmonizing with the surrounding by naturally concealing the incompatibility of its scale.



## Environment DATA of the EPC Site

Amount of Environmental Investment Cost (unit: million won)

Year	2007	2008	2009
Number of the Project Conducted	10	13	6
Cost	104.7	237.0	183.2
Average per Number of the Project Conducted	10.5	18.2	30.5

The amount of environmental investment in overseas projects was excluded due to the inaccuracy in reliable management system and grounds, thus, we have only conducted calculation based on the domestic projects. The environmental investment cost includes the cost of waste treatment/cleaning, cost of environmental management and cost of rectification or fines due to environmental spill. The EPC project conducted by Hyundai Engineering has no records of overseas spill under the Basel Convention or the violation of domestic and overseas regulations, therefore, the entire amount of environmental investment cost was used in environmental management.

We have collected major EPC projects that Hyundai Engineering has conducted during the reporting period. Due to the characteristics of engineering industry, there are numerous cases of conducting the project with a long term point of view, and the construction processes differ from local conditions. Accordingly, Hyundai Engineering has gathered data conducted in terms of nations and divisions by converting the sales of EPC projects collected among the total annual sales by ratio. We have analyzed and allowed meaningful comparison based on years.

The Range of Data Collection and Standard Sales in Won

Category	Unit	2007	2008	2009	Note
No. of Sites	No.	15	24	21	Calculate the sales of EPC project collected among the total annual sales in ratio and convert each into 100% and compare based on years.
Sales	0.1 Billion Won	1,075	4,139	6,247	
Rate of Collection	%	29%	55%	57%	

According to VISION 2010, Hyundai Engineering has inspected our way to transfer from an engineering business focused on design to an overseas grand scale EPC business. Due to the successful propulsion of the change, the number of sites in 2007 compared to those of 2008 and 2009 turned out to be less.

The Amount of Major Raw Material Used

Category	Unit	Total Amount			Amount of Conversion			Rate of Change
		2007	2008	2009	2007	2008	2009	
Steel Reinforcement	ton	3,739	10,968	9,440	12,970	19,918	16,635	
Ready-Mixed Concrete	m³	35,016	136,827	74,579	121,472	248,479	131,424	
Cement	ton	4,633	18,857	25,950	16,070	34,245	45,730	
Sand	m³	6,118	24,763	18,754	21,224	44,969	33,049	
Aggregate	m³	14,223	111,105	27,700	49,341	201,767	48,813	
Ascon	ton	2,564	18,079	4,335	8,896	32,832	7,639	
Mould	m²	77,507	183,078	136,496	268,875	332,471	240,535	

Major raw materials used by Hyundai Engineering are ready-mixed concretes, aggregates and moulds, which are essential in construction. In 2008, since the number of construction such as process plants and 50DF engine factories had increased, the amount of raw materials have increased. To minimize environmental destruction in accordance with the development of replacement moulds and recycled aggregates, Hyundai Engineering is steadily increasing the use of replacement raw materials.

The Amount of Energy Used

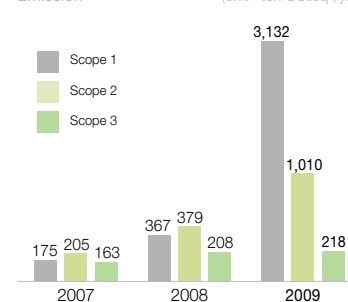
Category	Unit	Total Amount			Amount of Conversion			Rate of Change
		2007	2008	2009	2007	2008	2009	
LPG	GJ	-	0	2	-	0	3	
Gasoline	GJ	170	781	584	590	1,418	1,029	
Diesel	GJ	143	1,966	37,485	495	3,570	66,057	
Kerosene	GJ	269	2,770	38,332	0.17	0.66	6.13	
Electricity	GJ	514	4,369	16,552	0.32	1.04	2.65	
Total	GJ	783	7,139	54,885	0.49	1.71	8.78	

The major reason for the increase in the use of energy in 2009 is due to the unstable procurement of energy on the construction site. In a large scale EPC business under process in the Republic of Equatorial Guinea, due to the lack of electricity in the local area, electricity generator had to be operated in order to power construction equipment. Moreover, another reason in the increased amount of energy used is to test the operation of power plant included in the range of the EPC project.

## The Amount of Greenhouse Gas Emission

Category	Unit	Total Amount			Amount of Conversion			Rate of Change
		2007	2008	2009	2007	2008	2009	
Use of Construction Equipment	ton	23	202	2,828	81	367	4,983	81 367 4,983
Use of Electricity	ton	34	218	828	119	397	1,458	119 397 1,458
Total	ton	58	421	3,655	200	764	6,442	200 764 6,442

Greenhouse gas calculated the carbon dioxide, nitrous oxide and methane gas produced from the use of fossil fuel. The source of greenhouse gas emission of Hyundai Engineering is direct use of fuel to operate on-site equipment, power generators, and direct use by receiving electricity produced by power plants based on fossil fuel. Along with the reduction of the emission in the operation process through the application of greenhouse gas reduction technology, Hyundai Engineering gradually plans to reduce the amount of energy used in the construction phase in order to reduce emission.

Amount of Greenhouse Gas Emission (unit : ton CO<sub>2</sub>eq-/yr)

According to the GHG Protocol, Hyundai Engineering has calculated the vehicle and equipment operation owned by Hyundai Engineering(scope 1), electricity usage(scope 2), the amount of greenhouse gas emission caused by commuting bus operation(scope 3). Hyundai Engineering does not emit nitrogen oxide, sulfur oxide, and ozone depletion materials produced during the manufacturing process.

## Amount of Water Used and Waste Water Produced

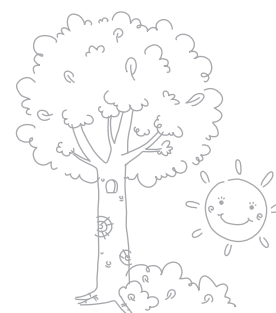
Category	Unit	Total Amount			Amount of Conversion			Rate of Change
		2007	2008	2009	2007	2008	2009	
Water	ton	N/A	10,974	36,488	N/A	19,929	64,300	19,929 64,300
Waste Water	ton	N/A	1,050	23,680	N/A	1,907	41,729	1,907 41,729

The amount of water used and waste water produced have considerably increased in 2009 compared to 2008. This is because the amount of water used in the construction phase and in the process of the trial test of process and power & energy plant has increased. Although waste water is legally treated due to water treatment regulations, Hyundai Engineering does not satisfy with the current conditions, and thus will put effort to systematically manage water along with its preservation.

## The Amount of Waste Produced and Recycling

Category	Unit	Total Amount			Amount of Conversion			Rate of Change
		2007	2008	2009	2007	2008	2009	
Waste	ton	1,811	47,895	15,850	6,282	86,978	27,931	6,282 86,978 27,931
Recycling	ton	1,013	30,320	15,300	3,515	55,062	26,962	3,515 55,062 26,962

We have collected domestic data of the amount of waste produced and recycling from the government-run legal waste treatment system according to the waste treatment and recycling policy. The nations where Hyundai Engineering is conducting an overseas EPC projects are developing countries which lack systematic waste treatment and management standards compared to domestic, thus, it has been excluded from the calculation. In accordance to the domestic waste treatment policy, Hyundai Engineering has established recycling policies in foreign sites and tries to limit the amount of waste produced.



# Eco-friendly OFFICE

Employee's commute, business trips, use of office machines, and supplies also have direct · indirect effects on greenhouse gas emission. Hyundai Engineering works on various energy conservation policies and campaigns to motivate employees to develop Green Mind and to become a Green HEC.

## Eco-friendly OFFICE Campaign

Hyundai Engineering is practicing activities to reduce energy and green house gas in terms of energy and resource conservation not only on site but in the realm of the head office.

### Cool Biz

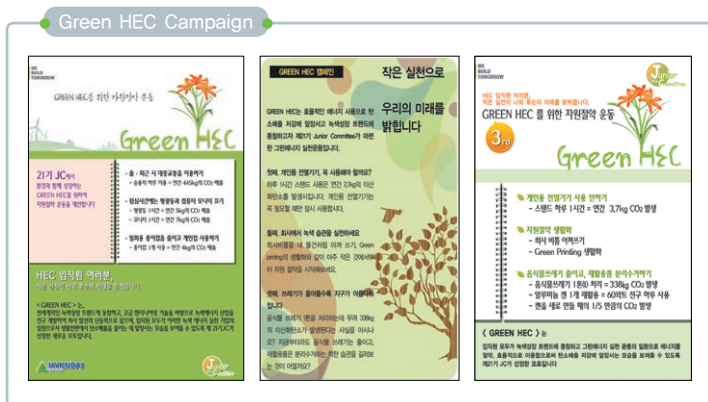
In part of the summer-time energy reduction campaign, from July to the end of August, we conduct the casual clothing campaign, Cool Biz, for 2 months. During this period, employees in Hyundai Engineering have no need to wear neckties or jackets, therefore, working in casual business attires. We are involved in the energy reduction policy by keeping the office temperature at the appropriate level.

### Green day

The Hyundai Engineering JC holds the "Green Day" campaign and tries to awake the eco-friendly mind of our employees through various activities. As a part of the Green Day campaign, it has distributed on-table flower pots with the statement 'Low Carbon In Practice' written. The 'Low Carbon In Practice' campaign encourages employees to reduce the resources and energy by doing simple things such as turning off the lights and computers during the lunch hour, reducing the use of paper cups and replacing them with personal mug cups, using the stairs for the places under third story of the building.

### Reducing the Use of Energy

Hyundai Engineering assigns a person in charge of the office energy reduction and motivates employees to participate in energy reduction activities such as a paper-free meeting culture, saving office supplies, avoiding unprepared business trips and using public transportation.



## Transportation Efficiency of the Employees

The biggest source of green house gas emission of the head office is transportation systems used in employee commute. Hyundai Engineering will begin to systematically manage and decrease direct and indirect sources of green house gas emission including other indirect green house gas emission sources.

### Video Conference

Since the year 2008, starting from the VIPP site of Vietnam, the SADEA in Saudi Arabia and SIPCO/TARU site in Thailand, Hyundai Engineering has started implementing video conference with overseas major construction sites. Through video conference, by receiving reports on ongoing overseas project procedures from the overseas site supervisor and discussing head office assistance along with partner company cooperations, we foster efficient communication with remote branches and, simultaneously, reducing the amount of greenhouse gas emission due to minimized numbers of business trips. In the future, we are planning to preserve the environment and result in efficient communication by adopting a video conference system in more of the overseas construction site.

### Use of Company Bus

In July 2008, Hyundai Engineering purchased a mini bus for 25 people to be used for protocols and ceremonies. We have established an internal vehicle management policy previously conducted on an office or individual level, and gained double the benefit of reducing greenhouse gas emission and cost of transportation.



Video Conference

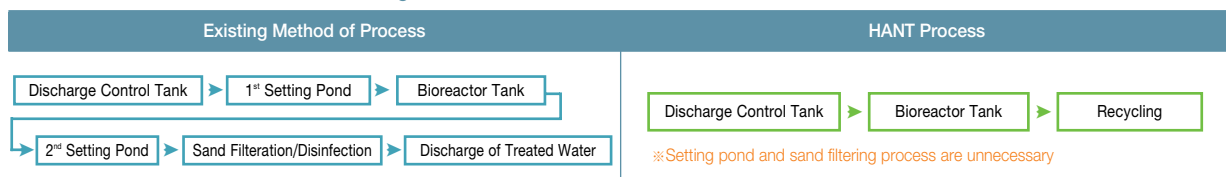
# New Eco-friendly Method of Technology

Hyundai Engineering has the proposition of 'Human Focused Environmental Business Development'. In order to preserve clean, natural, and life environment, we have developed an integral solution on the water environment field are on the process of various domestic and international projects. Hyundai Engineering will contribute to develop eco-friendly and healthy water resources.

## New Eco-Friendly Method of Technology : HANT

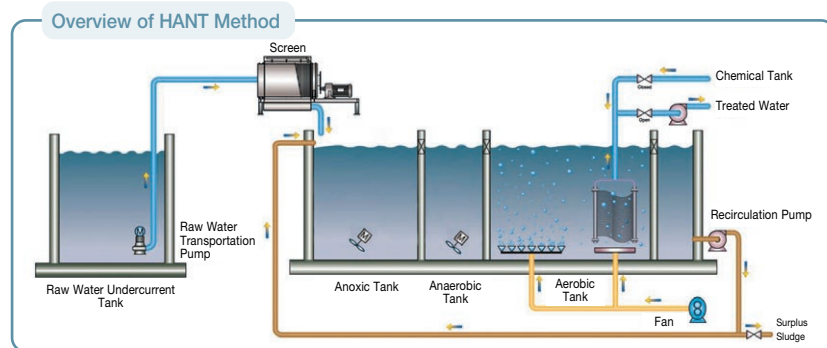
The new environmental technology, HANT developed by Hyundai Engineering, is a wastewater/sewage advanced treatment technology using membrane filtration. In comparison with the existing methods, it doesn't require settling tanks and disinfecting facilities, it enables reducing 60% of the sludge production as well as 50% of the size of the installation area.

### Difference between the HANT and the Existing Methods of Process



### The Characteristics of HANT Different From the Existing Method of Process

Classification	Characteristics
Aeration Tank	Time consumed: No more than 5-7hr Concentration of Microorganisms : 10,000mg/ l
Setting Pond	Unnecessary
3rd Treatment Facility	Unnecessary Procurement of Water Quality of the 2nd Level of Raw Water Collon Bacillus Not Detected
Plottage	50% Compared to existing methods
Amount of Sludge Produced	60% Compared to existing methods



## New Eco-friendly Method of Technology : HSC

The HSC technology developed by Hyundai Engineering is a Free Waste Sludge Composting Method which is the only domestic technology recycling biological sludge. It is able to reduce approximately 80% of the waste sludge using HSC method. The produced decomposed manure(compost) is used as soil ameliorater while landfill covers demonstrate the effect of environmentally harmful elements and reuse of the resources.

### HSC Application Technology & Characteristic

No Additives Required	Additional microbial products, bulking agents not required during the process	
Improvement of Hygiene and Handling	Eliminates hybrid products and germs during the process by aerotropism exothermic reaction	
Optimal Operation	Enables to control optimal operation for each step since the process steps are divided	
Enclosed System	Easy to eliminate offensive odor produced during the operation	
Automated System	Automated operation for the inserting of sludge to packaging	
Rapid Response Time	Enables to produce the compost within 15days (windrow composting takes 3-4 weeks)	



# Safety and Health

The safety and health of employees are rudimentary, essential responsibility and obligation of the company. Hyundai Engineering is undertaking various efforts to enhance safety and health competence. Trainings for employee safety is on of the examples.

## Safety & Health Competence Reinforcement

### Reinforcement of Safety & Health Management System

Hyundai Engineering is trying to offer a safer, healthier, and more desirable working environment for all the employees in Hyundai Engineering along with subcontractors through the reinforcement of HSE. In 2009, we have strategically replenished the personnel from the headquarter to support the build up of HSE system at overseas construction sites. On these grounds, we will integrally manage the HSE system and activities at the overseas sites, and will be in the process of building up tailored HSE system actively considering the local conditions.

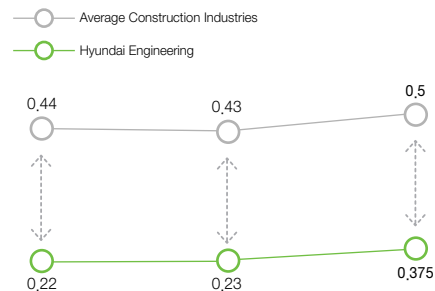
Moreover, Hyundai Engineering expanded the organization's roles and responsibilities of HSE management by developing a guideline, such as on-site personnel environmental safety evaluation tool, enactment of reward and punishment policy on safety which enables to manage the safety recognition, and activities of onsite and headquarter employees. Additionally, by respectively setting up a English website on Hyundai Engineering website, we are planning to allow easy access to required data necessary for bidding document such as monthly reports from overseas EP/EPC sites and website data. To efficiently support the preparation of PQ bidding document, we systematically manage the statistics and activities relevant to safety/health and education. Also, we have secured required data useful in writing a PQ bidding document such as a build-up of English system document and HSE English teaching plan.

### Pursue Accident Rate Zero

Through thorough previous prevention and after services, Hyundai Engineering pursues zero accident rate not only in the head office but in every construction sites. Cases of on-site potential accident(not an actual accident but an activity possibly leading to an accident) are collected by the HSE Mgt. & Control Dept. every month. By taking measures to prevent possibilities of accident in advance, it enables to hinder the possibility of a bigger damage. Moreover, we have established the 'conditional emergency response flow' to define appropriate activity policy and reporting system related to various possible risk of accidents such as political revolution, terrorism, fire, high pressure gas, environmental pollution and flood. The reporting system rapidly proceeds the following procedures; the on-site manager reports to the head of the construction support and HSE Mgt. & Control Dept. This goes through the head of the general management and administration office, the head of the division, and finally to the CEO. With the reported cases, a rapid company-wide response and after services are taken.

The conversion accident rate in 2009 was 0.37% and recorded relatively low rates compared to 0.5%, the average rate of the domestic construction industry, and in case of the overseas accident rate(LTIR) recorded 0.01 in 2009, which is a big improvement compared to 0.18 in 2008.

Conversion Accident Rate (Domestic Standards) (unit : %)

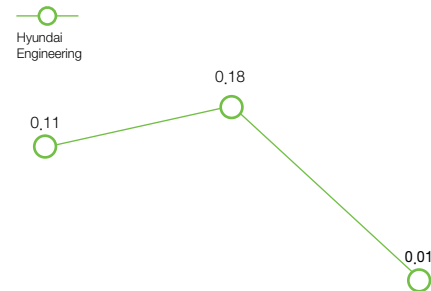


Maintains less accident rate than the average rate of the industry through campaign than safety

2007 2008 2009

\* Conversion Accident Rate = (conversion disaster victim number / regular worker number) × 100

LTIR: Long Time Incident Rate (International Business Standards) (unit : %)



2007 2008 2009

## Onsite Safety Management Activity

### Onsite Safety Meetings

Hyundai Engineering requires regular onsite HSE meetings to prevent potential accidents in advance and promptly take actions of accidents occurred. If an emergency related to employee safety and health has occurred, onsite manager and other employees will hold an immediate meeting to address the problem. On top of that, by organizing the Industrial Safety and Health Committee, through monthly regular committee meetings, we will confirm the HSE conditions of each project and deduce improvements. The Industrial Safety and Health Committee consisted of worker representatives, honored industrial safety supervisors, and less than 9 project workers to decide essential matters on onsite industrial safety and health.



Industrial Safety & Health Committee Regular Meeting

### Regular Safety Management

Prior inspection is always the best prevention for safety and health. Through thorough in-company safety check-ups and third-party institution safety inspection, we take every measure to create safe working environment for our employees and the partner companies. The safety check-up is conducted regularly in a weekly or monthly period, and especially in case of the monthly check-up, it is conducted by the cooperation of the labor and management which shows corporate integration in terms with employee safety. Moreover, before the holidays or during the environmentally dangerous periods, we practice specialized safety check-ups, thus, we are able to prevent possible accidents if left neglected. In addition to company check-ups, through the safety inspections of the Ministry of Labor, local governments, and foreign institutions, we have built up trust on construction site safety with the clients and local residents.



Onsite Safety Checkup

### Partner Company Onsite Safety Management

We encourage the employees of our partner companies, they are regarded as the family members of Hyundai Engineering, to whom we actively observe the safety and health regulations of Hyundai Engineering. We have established partner company HSE management policies, and evaluate whether safety training and health check-ups of employees of partner companies are practiced with the result of the evaluation (reward and punishment policy is applied). Moreover, to help the understanding of partner companies which have to fill out various safety and health documents which are to be submitted before and after the construction, the HSE Mgt. & Control Dept. distributes filled-out partner company site safety management document guidelines. From now on, we are going to expand the practice of safety and health training program for the partner companies and practice various other safety activities for other partner company employees.



Safety Checkup of Partner Companies

### Installation and Use of Safety Facilities & Equipment

To fundamentally eradicate safety accidents, Hyundai Engineering makes sure to install safety facilities and wear safety gears. To prevent falling or dropping accidents, we mandatorily require the installation of safety bars, safety railings, falling prevention nets, and the installed facilities which are regularly inspected. Additionally, near a structure or equipment with potential risk, a safety sign is set up to limit the access of irrelevant employees. On-site employees are obliged to wear safety helmets and safety gears. If the policy is not followed, employees will be warned or disciplinary actions or limiting the access to the site will be implemented.

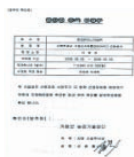


Onsite Safety Facility Installation

### Safety Management Performance

Hyundai Engineering's strong will and efforts on safety drew up numerous meaningful results, and these results once again, provided opportunities for the whole company to reconsider the importance of safety. Especially in SADEA site and VIPP site, we have recorded accident-free hours of 4.5 million hours and 2 million hours in 2009 respectively. Therefore, reward ceremonies were conducted to celebrate the safety performance up until now and encouraged each other to retain the accident-free status for the rest of the construction period.

#### Accident-Free Certification



Kyung Nam APC Construction



PPTChem-EPS Project



SPCO 160MW Combined Cycle Cogeneration



PPTChem-EPS Project



## Employee Health Care Improvement Program

### Employee Health Care Management

The employees in Hyundai Engineering are required to receive regular health check-ups provided by the company. Which are not only offered to the employees but to the family members directly related to the employee.

#### Interview



General Administration & Management Office,  
HSE Management & Control Dept.,  
Manager,  
**Young Tak, Jeon**

The health care management activity directly related to the quality of life enables sustainable corporate growth by managing the members not by latter management but prior approaches. Through independent operation of safety and health programs including hygiene checkups and health educations, Hyundai Engineering maintains employee health and actively improve problems when occurred.

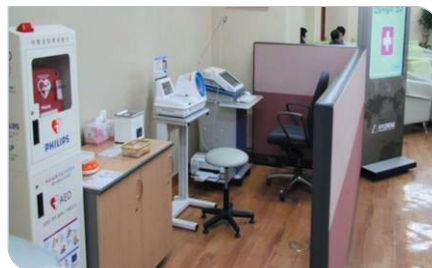
In case of the outbreak of epidemics such as novel swine-origin influenza A(H1N1) and avian influenza, if an employee shows the symptom of the following disease, he or she will be immediately diagnosed and isolated to minimize the infection of other workers and be supported to be cured as soon as possible. Hyundai Engineering is proceeding various activities to protect the health of employees who work with their best contribution in foreign countries. In case of an employee undertaking a long-term overseas business trip, the company supports additional health check up, vaccination before departing, and provides the employee with previous knowledge of a potential disease which might be infected in the local area, thus, making the employees more aware of the danger. By implementing an on-site emergency room in every overseas site, if an employee is injured or infected, he is able to receive simple treatment. When hospitable diagnosis is required, the employee will be quickly sent to a hospital and made sure that he does not experience inconvenience receiving treatment due to language problems and so on. On the Equatorial Guinea sites, in preparation of emergency situations such as disease and accidents, we have joined 'International SOS', a medical security service. Therefore, if accidents or diseases on the site, it is possible to provide medical support along with specialist consultation and measurements.

### Office Environment Evaluation & Hygiene Checkup

For the most of their time in a day, employees stay in the office. Hyundai Engineering regularly checks the office environment and does its best to enhance job performance in favorable environment. The office environment evaluation is based under the Article 5, Section 1 of the Public Hygiene Management Act and the environment is inspected according to 6 categories of fine dust, carbon monoxide, carbon dioxide, noise and intensity of illumination. By instantly refining the sectors which need improvement, we provide a more favorable and satisfying working environment to the employees. Moreover, we try to prevent diseases such as food poisoning and other forms of hygiene related infections in advance through regular inspection of cafeterias and vending machines in the head office.

### Furnishing Health Facility & Equipment

Hyundai Engineering has prepared the 'Hyundai Engineering Health Protection' corner in the service lounge on the 2nd floor of the office building in Mokdong, and has furnished various health related equipment for the employees to use. We have not only set up rudimentary health gadgets like first-aid kits and thermometers but tonometers. Especially, we have implemented stress measuring equipment in September, 2009, and allowed employees to measure employee stress level and aging of the blood vessels which enables workers to prevent cardiovascular diseases in advance. In case an acute cardiac arrest occurs while working, we have set up Cardio-Pulmonary Resuscitation(CPR) device to provide quick CPR to deal with the emergency.



Hyundai Engineering Health Protection



Vending Machine Hygiene Check Up



Cafeteria Check Up



Office Environment Evaluation

## Safety & Health Training & Campaign

### Onsite Safety Training

Although safety and health activities like setting up onsite safety equipment and wearing safety gears are important, the most basic aspect is the recognition and willingness to improve the safety and health of onsite staff members. Hyundai Engineering has realized the importance of onsite employees' safety and health, and offers diverse education to induce voluntary safety activities. First of all, we carry on education to the newly recruited onsite employees about the basic safety and health policies and the use of safety gears, also, onsite supervisors are encouraged to take the lead on the construction site and motivate employees to observe the safety rules. Moreover, to those who work in an enclosed space or operating heavy equipment, we conduct specialized safety training including the ways to wear the SBCA.

HSE Mgt. & Control Dept. annually publishes 'Safety & Environment Failure Casebook' by collecting data on annual onsite safety and environment mismanagement. Through this process, we consider ways to clarify the causes and prevent similar cases recurring in the future. Moreover, the 'Safety & Environment Failure Casebook' is posted on the company-wide intranet in detail, which is distributed to employees to enhance on-site safety and environment recognition.

### Employee Safety & Health Training

Hyundai Engineering requires employees to take safety and health training, enhancing employee recognition on the importance of health and safety to prevent relevant incidents in advance.



Cardiopulmonary Resuscitation(CPR) Training



Onsite Safety Manager HSE Practice Training

### Company-Wide No Smoking Campaign

So as to promote employee health and build up a clean business image, we have enforced a company-wide no-smoking campaign. At the start of the year, we select smokers who want to stop smoking, and provide various programs as no-smoking group therapy, special counseling, offering no-smoking patches, and its results are estimated once in 6 weeks, 6months and 1 year. Employees who have succeeded in stopping smoking until the estimation period will be rewarded with relevant prizes. Additionally, we are making company-wide efforts to demonstrate the negative effects of smoking by watching no-smoking video clips and providing relevant education materials.



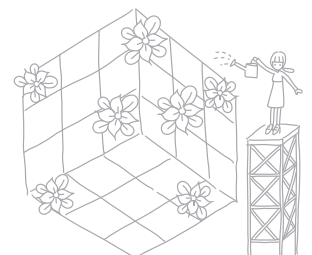
Moving No-Smoking Campaign



In-company No-Smoking Training

### 2009 Safety & Health Training

- >>> Basic training on Health, Safety, Environment for new employees
- >>> Basic training on Health, Safety, Environment for experienced employees
- >>> Practical HSE training for on-site safety managers
- >>> Courses on OHSAS 18001 work experience and auditor
- >>> CPR and first aid
- >>> Evaluation Process of the hazard and risk prevention plan
- >>> Training for HSE internal panel of judges
- >>> Training on operating cardioverter defibrillator
- >>> Courses on health improvement/stress management







# Build a Happier Society

## Social Performance

When asked “whom is the engineering for?”  
The answer will be that “engineering is for all.”  
Hyundai Engineering will never forget that designing a  
happy world ‘for all’ as the top priority in engineering.



## Disclosure on Management Approach

### Management Strategy

Hyundai Engineering's activities and efforts for stakeholders will always be based on respect and trust which will lead us to a better future. Hyundai Engineering's value to open a bigger future starts from the trust between the customers, employees, partner companies, local communities and other stakeholders.

As a company providing the best service, a company primarily treating talented individuals, a company building up the best partnership, a company considering corporate obligation and responsibility as the best law, Hyundai Engineering always wants to be remembered as such a company for everyone.

### Major Issues

#### Customer Satisfaction Improvement

Procuring trust in goods and services and long-term valued customers based on active communication

#### Balance between Work and Life

Establishing the system structure pursuing the increase of work productivity and individual happiness and satisfaction simultaneously

#### Partner Company Mutual Cooperation Management

Reinforcing corporate competence and competitiveness of national industry based on the searching and assisting outstanding partner companies

#### Strategic Contribution to Local Community

Establishing social contribution strategy related to the future corporate vision and value beyond the happiness of sharing

### Major Performances

- 2008 Great Award Of Korea Technical Innovation
- 2009 Integral Customer Satisfaction Center Establishment
- 2009 Social Contribution Team Establishment

Major Indicators	Unit	2007	2008	2009
Newly Recruited Employees	no.	69	101	<b>159</b>
Average Employee Service Period	years	7.26	7.27	<b>7.79</b>
No. of Excellent Partner Companies	no.	9	14	<b>16</b>
No. of Employees in Social Contribution Activity	no.	376	322	<b>374</b>
Total Hours of Social Contribution Activities	hours,	2.2	1.8	<b>8.5</b>

### Future Plan

Through continual expansion and management of customer channels, Hyundai Engineering will make current customers become future customers of Hyundai Engineering. We will find out the potential needs of the customers, and provide solutions to enhance the value of customers. We consistently activate the communication with the customers and make it into the database. Therefore, effective methods to deal with similar customer claims in the future will be set to effectively respond to the requirement.

Establishing a corporate culture imposing positive effects not only on the protection fundamental employee rights but overall quality of life is the future direction pursued by Hyundai Engineering. By joining UNGC, Hyundai Engineering has promised the observation of the social responsibility of global corporations and we will participate in the efforts to protect international human rights and enhance employees' quality of life.

The future way of Hyundai Engineering's partner company mutual cooperation management is to treat partner companies as one of our family members, simultaneously, to follow let them the fundamental social responsibility and obligation. We are planning to unsparingly offer various education and relative support to induce the partner companies to voluntarily observe social responsibility and duty.

Hyundai Engineering considers the assistance to local communities as the biggest value investment for the future. We will discover a social contribution field where Hyundai Engineering can manifest its most capacity and relate it to our business strategy and market development.

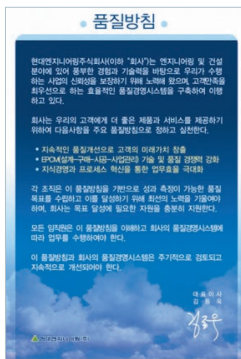
# Customer

Beyond the satisfaction of customers, Hyundai Engineering is a company that dreams to induce customer affection. Hyundai Engineering always stays close by the customers to make the customer's dreams come true through providing the best quality and open communication.

## Quality Management

### Quality Management System

Hyundai Engineering has constructed and operated a quality management system which puts its priority on customer satisfaction. Additionally, to provide better goods and service to the customer, we have established the following quality policies, 'creation of customer's future values by consistent quality improvement,' 'maximization of the competitiveness in technology and quality,' 'maximization of business efficiency through intelligence management and process innovation'.



Hyundai Engineering Quality Policy

The Quality Management Department, an independent organization, is in charge of the overall quality management duties, employee quality management training, ISO 9001 quality certification management, quality management system management, and equipment quality management.

Hyundai Engineering is conducting its quality management activities based on the following four categories; design, equipment, construction, and nuclear power. The products go through thorough management under the process of checking the requirements for quality management such as quality system and document management by the departmental unit, management responsibility, resource management, product practice, measurement analysis, and improvement.

### Quality Management Computer System

Hyundai Engineering has developed a quality management computing system to easily approach and efficiently utilize the documents (company standard) necessary for the employees to process works. Through this system, it is able to inquire company-wide manuals, quality procedures and guides, document lists and forms, moreover, to confirm quality management data including various guidelines and cases necessary when conducting quality activities. To enhance accessibility for foreign-origin workers, the system respectively provides policies, manuals and procedures written in English.

### Quality Management Activities

Hyundai Engineering spares no efforts to provide the best goods and services by systematically conducting company-wide quality management activity through optimal quality management system.

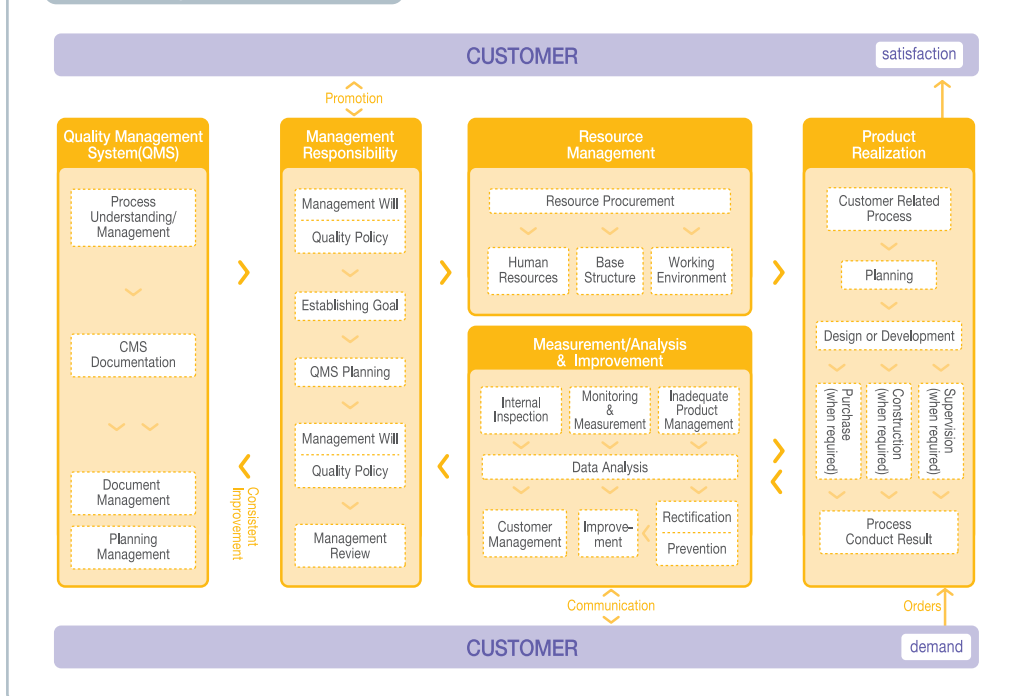
On one hand, we establish quality objectives and plans respective to each organization according to annual ISO 9001 standards requirement, and by introducing specialist verification system, we prevent defaults in advance through the establishment of a company-wide verification system and technology cooperation system between each division on the major design and construction field where fatal defect may occur when errors take place. In addition, through business quality evaluation, we set up a target on the fixed quantity of the quality level. Consistent improvements are taken after evaluation and company-wide quality management inspection takes place yearly to confirm the quality management performance according to the ISO 9001 standards requirements, system validity and continual improvement.

### Quality Management Training

Hyundai Engineering provides quality management competency training for employees and many diverse channels for achievable success in quality management. All employees should take mandatory quality training detailed by several steps and new hires will attend quality management training course by the Department of Quality Management. In each classroom, employees learn about the definition of quality management, as well as the mindset, framework, and skills necessary for quality business management.

Also, we are mindful and vigilant about on-site quality management and conduct quality assessments in project sites. We administered quality consultations in 8 domestic projects sites in 2008 and 5 international sites in 2009, we are also planning to increase the number and range of assessments.

## Quality Management System Process



## Interview



Technology Innovation & Development Office, Manager,  
**Gi Yong, Park**

The value of 'knowledge' in engineering industry is bigger than that in any other industries. Through the establishment and improvement of EPC quality management system and construction of business-directed IT service environment, the Technology Innovation & Development Office will reinforce the core capacity to conduct the EP & CM business.

## Quality Management Performance

In 1994, Hyundai Engineering has obtained the first ISO 9001 from the German TUV. Following the year of 2000, we re-established the quality system in accordance with the 2008 revised standards, and consistently improved the quality management system through the annual ISO certification audit. In 2008, by receiving the New Quality Award in the realm of technology innovation hosted by the New Quality Forum, we demonstrated outstanding quality management performance of Hyundai Engineering internationally. Never content with the current performance, Hyundai Engineering will continue its efforts to provide better goods and service to the customer while creating future value.



2008 Great Award of Korea Technical Innovation

## Quality Management of Hyundai Engineering Employees



Head of the Vietnam VIPP Project  
**Chang Hak, Kim**

"It may be applied to any construction sites, but our creeds to be followed are 'project period' and 'quality'. Either one should be neglected, since it's as important as the other. In addition to this, I would like to accentuate 'trust'. I currently stay in Vietnam, the client state, and Vietnamese people have strong pride and emphasize trust. If we do our best, they also recognize us and treat us sincerely."



Vice-Head of the Equatorial Guinea Mongomo Sewage Project  
**Gwang Ho, Lee**

"When proceeding the Equatorial Guinea Mongomo Sewage Project, we had quality management problems due to the low technology of local firms and workers' capability. Yet, every time, the Hyundai Mind and responsibility made me and my employees step up. Every moment it was important to form voluntary atmosphere to settle the problems and this was to secure individual health and safety and practice customer satisfaction through the best quality management."



Head of Thailand SICO Project  
**Byung Tae, Jin**

"It may sound a little grandiose, yet I think protecting my construction site where I belong, in other words, securing the tens of thousands of workplaces, trillions of won of properties and numerous workers is my duty and responsibility. A good quality product is produced from a safe site where there is no accident, and I believe an accident-free site starts from a clean working environment, therefore, we always try to retain a clean and well-organized site. To achieve this, there should be no compromise made."



## Customer Relationship Management

### Customer Satisfaction Management System

To become a company that puts customer value creation as its priority, Hyundai Engineering is planning to comprehensively manage the customers through various approaches. To achieve this, we operate customer satisfaction TFT and customer satisfaction center.

The customer satisfaction TFT was founded in November of 2009, and proceeding plans on the 'improvement of external customer satisfaction.' The TFT is composed of 11 people of the representatives of each division and the planning office. On the basis of the customer satisfaction result, it conducts activities such as the analysis and ways to improve the customer satisfaction results. Also, it is in charge of monitoring and supporting the thorough practice of deducted improvements in each division.

After the foundation of the customer satisfaction center in 2009, with the purpose of gathering various external customer feedbacks into one channel, it has received and dealt with customer opinion and dissatisfaction until now. In response to the opinions received through the Hyundai Engineering's website and customer satisfaction center hot lines, we have assigned employees to be in charge with the cause of dissatisfaction and consistently check on the dealing process.

### Customer Satisfaction Survey

Every year, Hyundai Engineering puts commission to the Gallup Poll to conduct external customers satisfaction surveys. On the basis of the results, we find out the sectors necessary for improvements and do the best to improve the relevant issues. The customer satisfaction in 2009 has decreased by 3.9 points compared to that of the previous year, and due to the result, we have established diverse measures to enhance customer satisfaction.

To provide differentiated design quality to the customers, we are in process of the enhancement of written document review, precision in LE procedures, complement to finished product checklist. Additionally, to observe the due date and efficient human resources and organization operation, we have reinforced the role and function of the logistics department-expansion of equipment inspection and preventive quality activity, and the evaluation standards of equipment outsourcing companies. In addition to this, in the aspect of construction and after-management service, we are proceeding diverse activities to improve the customer satisfaction, make efforts to provide a greater trust, and satisfy the customers.

### Customer Satisfaction Activity

From 2009, Hyundai Engineering has implemented the company-wide customer recognition innovation campaign for all employees to collectively focus on customer satisfaction. This campaign starts from the simple customer treatment methods such as telephone responses to various activities through company webzine and intranet. By starting from the detailed renovation of minor factors, we have drawn out an innovation of overall customer satisfaction consciousness and behavioral changes.

#### Practice Plan for Hyundai Engineering Customer Satisfaction

##### Find the touch point in terms of the customer viewpoint:

Provide what the customer wants, not what we could offer

##### Inspect current level of each touch point:

Investigate the gap between the customer expectation and the actual offering and consider the causes

##### Reorganize the touch point/ select the practice measures:

Eliminate the unnecessary tasks and actualize the requirements

##### "I" am the one to do:

Important for "me" to deal with it "now; not the other's" work

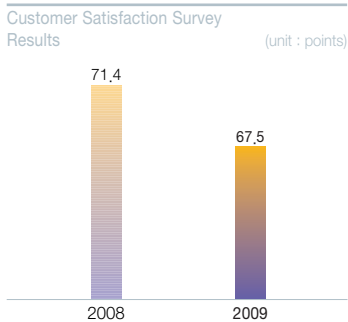
Realization  
of Customer  
Satisfaction

#### Interview



Planning Office,  
Corporate Strategy  
team(Customer  
Satisfaction Center),  
**Ye Ji, Kim**

Under the consideration of customer satisfaction as the foundation of the sustainability management, we do our best to solve customer complaints, moreover, actively achieve customer satisfaction. Internally, by settling down the customer satisfaction culture, we will create a company favored by customers.



### Customer Information Management

Hyundai Engineering thoroughly secures customer and protects related information, and therefore, we do our best to prevent the harm posed on customers related information leakage. Information & security supervisor is assigned-each field of document, facility, and communication is managed by information & security manager to take every measure to maintain information protection. Since the present year of 2010, there was not one case of information leakage related to customer and company secret information.

# Communication Culture

Respect and consideration between coworkers, managers, seniors, and juniors in a corporate organization are the most important aspects to improve the productivity and employee satisfaction. Hyundai Engineering is setting up a corporate culture putting importance on humanities management such as in-company communication and its practice.

## 2 'YESs' and 3 'NOs' of Hyundai Engineering

### There is no barrier between the Communication of Hyundai Engineering.

Hyundai Engineering treats our partner companies and visitors with open minds, and encourages employees to freely express their opinions for the development of each individual and the company. We proceed on regular discussions with the partner companies, figure out work related difficulties and future development. A service lounge equipped computer with internet, printers and stress level measuring device for foreign visitors to use. The C+ policy has been implemented for employees to freely express their ideas to the company and the gathered ideas are actively converged.



### There is Happiness in the Communication of Hyundai Engineering.

With the mind of considering employee's families like our own, Hyundai Engineering closely approaches them. We hold summer/winter training camps for the children of our employees to have a helpful vacation, send a letter of CEO, and various gifts on the day of a coworker's parents' birthdays. Moreover, we have designated the third Wednesday of each month as the family day, recommend employees to leave the office punctually, and spend time with their family.

### There is no high & low between the Communication of Hyundai Engineering.

Hyundai Engineering shares organization culture and develops along with the employees. Once in a month, the CEO recommends a preferable book to read and distributes to the executives and employees. Moreover, by preparing various meetings with the CEO and newly recruited employees or female employees, we give employees the opportunity to share the sense of affection to the company and the will to develop. Through company newsletters such as <Humans & Space>, <HEC TODAY>, employees are able to share company information and useful knowledge.



### There is sharing in the Communication of Hyundai Engineering.

Communicating with the society by sharing, we try to permeate the sharing mind of Hyundai Engineering from place to place. Every month, by gathering and donating the tail of the salary (5,000 won~50,000 won) to social welfare organizations, we are undertaking the 'Happy Tomorrow' campaign. New employees are required to participate in regular volunteer activities as a required training course. For the first time in the engineering industry, Hyundai Engineering has established the 'social responsibility team' exclusively focusing on social contribution and practicing systematic and consistent sharing.

### There is no border between the Communication of Hyundai Engineering.

As a global company, Hyundai Engineering communicates to the world. We give every effort for foreign co-workers to largely take advantage of the corporate structure and adapt to Korean culture. We provide accommodations prepared only for the foreign employees and open Korean language classes. On top of that, we offer monthly opportunities to experience Korean culture, we assign Korean-coworker mentors to help the adaptation to the company and Korean life.



# Employees

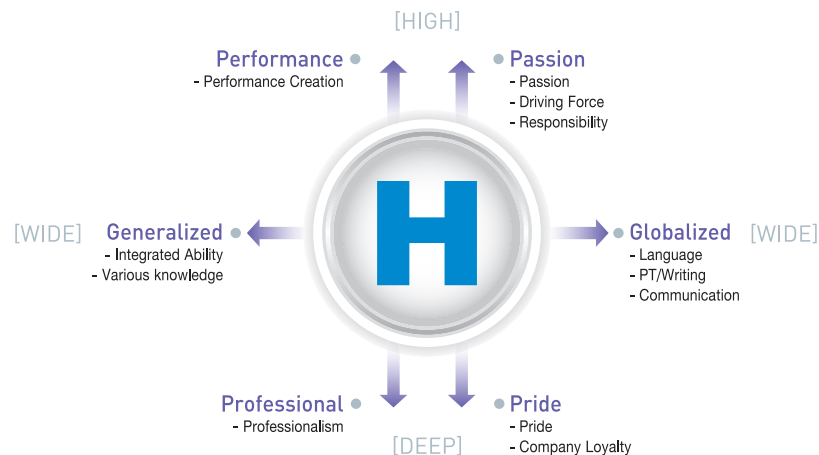
The biggest property of Hyundai Engineering is are the employees. When we move our employee minds, we can move the company, and thus, change the world. Hyundai Engineering will put its best effort for our talented individuals with challenging and creative mind to move the world.

## Human Resources Management

### Personnel Model

Hyundai Engineering pursues H-type personnel. H refers to 'Hyundai' and 'Humanity'. 'H-type personnel' refers to a special personnel model pursued by Hyundai Engineering who has various knowledge, emotion, pride, spirit of challenging, and global intention. All employees in Hyundai Engineering put effort to become talented individuals with extensive global competence, and integral capability, deep expertise, and pride. Therefore, capable of achieving high performance creation and passion, thus, to become the H-type personnel.

Hyundai Engineering H-type Personnel Model



### Current Status of Human Resources

According to the standard of July, 2010, Hyundai Engineering has total number of 1924 employees, 1581 full-time employees and 343 part-time employees. The number of female employees is a total of 183, which is 10 % of the total employees. Due to the job traits, there isn't a large number of female employees compared to other service industries, yet, the number of female employees is expected to increase since the barrier between female and male job responsibilities has gradually disappeared.

Since 2007, Hyundai Engineering has consistently recruited new employees, and in 2009, we have recruited the total number of 159 new employees, contributing to the youth job opportunity creation. From 2010, we are planning to annually select intern employees and incentives will be given to those whoever wish to apply as a regular employee in Hyundai Engineering. When new or experienced employees are recruited, according to the UNGC labor principles, we strictly ban child labor recruitment. There is no discrimination posed in the recruitment procedure due to physical disadvantage, gender(female) and other cultural differences. There is no difference in the regular wage based on the gender of employees. In 2009, the starting salary for the newly recruited employees were 256% high compared to the legally regulated minimum wage, thus, we aid stable economic activities and productivity improvement.

### Current Human Resources Status (2007 ~ 2009)

Category	Unit	2007년	2008년	2009년	Rate of Change
Total Employees number	no.	1,544	1,639	1,780	1,544 → 1,639 → 1,780
Female	no.	206	182	183	206 → 182 → 183
Social Minority	Physically Disadvantaged	5	8	10	5 → 8 → 10
	Person of National Merit	21	23	24	21 → 23 → 24

According to the standards in 2009, the average service years of Hyundai Engineering employees is per 7.79, and the rate of transfer and resignation is 8.6%.



### Employee Training System

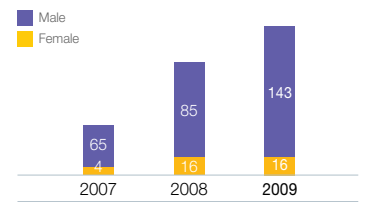
Hyundai Engineering's employee training is organically related to the 4 core strategies of 'HEC VISION 2015', and aims to improve the understanding and individual competence of employees relevant to each core sources.

The training program could be largely divided in 4 sectors, general knowledge training, specialist duty program, specialist training program, and self-development. The training is proceeded after distinguishing the required competence due to the employee's position in each relevant sector. Among these, foreign language training and Vision 2015 training are the ones required regardless of the employee position.

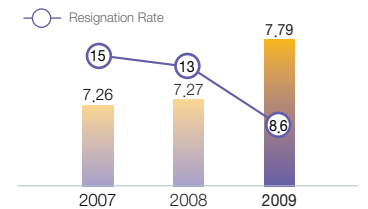
#### 비전 4대 핵심역량과 교육체계



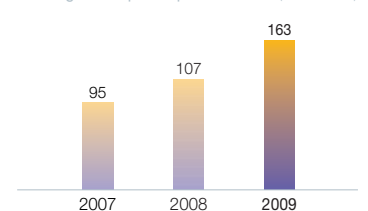
Status of New Employee Recruitment (unit : number)



Service Years and Resignation Rate (unit : years, %)



Training Hours per Capita (unit : hours)



### Online Training

To meet various educational needs of the employees, Hyundai Engineering provides various programs in cooperation with diverse external online education institutions. All of the employees in Hyundai Engineering can freely take courses related to general work capacity, secondary language courses, and other self-development program contents provided by CREDU, Hanhwa S&C, YBM Sisa, Hyundai Research Institute and so on. Especially, a variety of functional trainings are offered for those who are about to retire, supporting to plan a 2nd career after retirement.

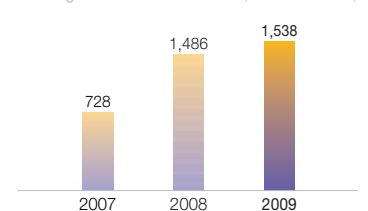
### Partnership with External Universities

We participate in management competence development courses, Advanced Management Programs in domestic universities, ACPMP courses, Master of International Management courses for executives, and executive-to-be, and humanities study for creativity development in Seoul National University, Korea University, KAIST and so on. Additionally, employees within the position of manager to director are required to participate in the advanced consultant courses offered in KIAIST to reinforce SOFT competence.

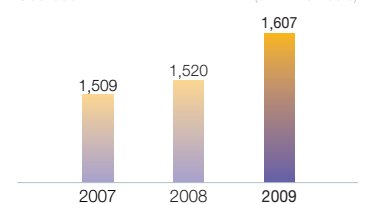
### Fostering In-company Specialists

To foster in-company specialists, based on special overseas training to secure original technology in each sector, Hyundai Engineering is carrying out official special licence training courses on CPM, KPM, CDCS, M&A specialist, process control specialist, assistance development from CIO academy, global business communicator to foster local specialist, local development business specialist, and overseas contract specialist training programs.

Training Investment Cost (unit : million won)



Number of Available Training Courses (unit : numbers)





## Work & Life Balance

### Work & Life Balance

Hyundai Engineering believes that the value of the company and employees correspond when employees' 'Work & Life Balance' is achieved. On the basis of these beliefs, until the present day, we have been practicing a company-wide 'Work & Life Balance' campaign.

The 'Family Day' policy in part of Work & Life Balance campaign is practiced on every third Wednesday of each month. We encourage all employees to leave the office early and spend time with their family. Therefore, the company gym, generally available until 11 pm, can not be used after 6 pm on the day and dinner in company cafeteria is not served, either.

Additionally, free dress code policy is offered every Wednesday allowing the employees to wear casual clothing to work. When these policies were initially implemented, many employees expected it hard to adapt, yet as the policy settled, the employees have actively participated in the observation.

We have various leave of absence policies for employees to spend meaningful time with their families. Employees are able to use 7 days of their annual leave on the day of 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, 25<sup>th</sup>, 30<sup>th</sup> wedding anniversary. On the 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, 25<sup>th</sup>, 30<sup>th</sup> year of the service, vacation incentives are offered and 10 days of one's annual leave can be used. Additionally, employees who are newly appointed or returned from or transferred to domestic or overseas sites are provided with 3 days of annual leave in addition to the weekends to spend more time with the family.

Moreover, when company-wide cultural events are held, we plan programs to motivate the participation of employees and their families to spend a more enjoyable time and strengthen family bonding.

### Interview



Business & Marketing Division,  
Oversea Business Dept., Manager,  
**Jae Hoon, Lee**

According to the life trend of emphasizing lifestyle as much as working, we can no longer recruit talented individual based on the outdated paradigm of past industrial era. In the sustainable growth of Hyundai Engineering, contains the philosophy of Hyundai Engineering balancing work and life is contained.



Employees' Family Invitation Concert

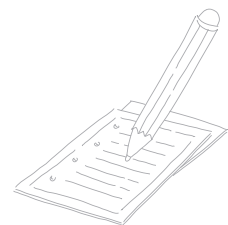
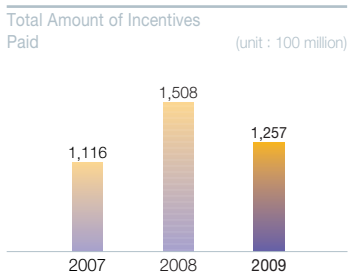


Hyundai Engineering Family Appreciation Celebration Event

### Employee Performance Evaluation

Hyundai Engineering is utilizing systematic evaluation system for all employees to be fairly evaluated due to their job performance. The evaluation is largely divided into personal ability evaluation and performance evaluation. The competence evaluation is categorized into general competence, leadership competence, and job ability evaluation. While performance evaluation is divided in to job achievement, quality of the achievement, level of the job, contribution, and self-development performance. Each evaluation is regularly conducted 2 times a year, and according to the evaluation results, employees' promotion, pay increase, year-end incentive rewards are determined. On top of that, through in-depth discussion between the labor and management, the amount of next year's employee incentives is decided based on that of the previous year. The incentive policy fairly distributes the payment to all employees.

In 2009, the total amount of incentives paid to employees was 12,570 million won.



### Employee Benefits Package

Since the work requires long business trips away from home and the family, Hyundai Engineering has provided benefits package policy not only for the employees but for the families of the employees.

Hyundai Engineering observes legal benefits policies including the national health insurance, industrial accident compensation insurance, national pension, and employment insurance, and the retirement annuity systems are planned to be in effect from 2011. To be in preparation of overseas accidents which are not under the coverage of occupational health and safety insurance, we provide overseas workers' accident compensation insurance. Additionally, we put effort to meet the most required needs of the employees by various welfare systems such as providing commute busses for those who live in remote areas. Moreover, we are on practice of a family-wide welfare system such as summer and winter camps for the children of employees. Participation priorities to the families of long-term overseas workers in case of the company-held cultural events, allowing our loyal overseas workers to relieve concerns on their family and focus on work.

On top of that, through welfare credit card system, we allow employees to freely use it for external leisure activities and tries to improve the employee's quality of life through educational expense grants to employee children, company loan service, and employee recreational facilities.

Hyundai Engineering has also prepared in-company rest areas for employee health and relief to enhance the productivity and satisfaction of the employees. To provide systematic health improvement and training, a physical training center assigned with a professional physical trainer is on the 2nd basement floor on the headquarter in Mokdong which could be freely used by employees in the morning, afternoon, and evening hours. We have improved female workers' welfare by opening female restrooms with appropriate equipment for breast feeding. Additional convenience facilities such as company cafeteria and service lounges are in operation to offer a desirable and comfortable working environment for employees.

#### Hyundai Engineering Family Friendly Management

##### Concert Invitation for the Families of Employees Working Abroad



"My father has been working in Hyundai Engineering since I was young, and by participating in this event, I once again felt that I am a member of Hyundai Engineering family, and was very proud of it."

**Jae-hee, Jo**

Son of Sung-hun, Jo,  
the General Manager of the Power & Energy Plant Division

##### Chunghak-dong Filial Piety Summer Camp For Children







"Thank you for bearing me, mom and dad. Thank you for your love and affection. Thank you for warm clothing and delicious meals. I will be a good son. Thank you for raising me. Thank you."

**Jun-ho, Kim**

Son of Ung-chan, Kim,  
the Deputy General Manager of the Infrastructure & Environmental Division

### Employee Benefits Package Policy

Benefits Package	Explanation	Practice Cases of the Benefits Package
General Medical Examination	Above the manager head : full coverage of the medical examination expenses of the employee and spouse Below the assistant manager : 50% of the medical examination expenses supported	 Flower Delivery on Special Anniversaries
Medial Expenses	Supports the medical cost of the employee, spouse, children	
Educational Expenses	Supports overall education expense of the employees' children, from preschool to university	 Regular Health Checkup of Employees
Optional Welfare System	Welfare credit card given to employees at service for over 3 years	
Offer Parents' Birthday Gifts	Offers birthday gifts for the employee, spouse and the parents	 Hyundai Engineering Children's Camp
Family's Month Meals Coupon	Offers family restaurant meal coupons for May	
Membership Resort Use	Using 2 nights and 3 days of resort facility available for all employees	 Physical Training with Professional Trainers
Gifts on Company Anniversaries & New Year's Day	Gifts offered every February	
Cakes on Employee Wedding Anniversary or Birthday	Greetings cake and letter of the CEO	
Policy on Leaves	Wedding anniversary leaves, long-term service leaves, maternity leaves for male employees, domestic construction site transfer leaves	
Children Education and Camps	Beach, ski, field trip and English camps provided during the vacations	
Filial Piety Policy for Overseas Working Employees	Carnations offered to the parents of overseas working employees	
Nourishing Food on the 1 <sup>st</sup> of Cho-bok	A set of nourishing food is offered to all employees (including outsourcing workers) for Cho-bok	

## Corporate Communication

### Joint Labor-Management Conference



Labor-Management Agreement  
of the Labor-Management Committee

Hyundai Engineering aims to protect the employee rights and interests. The joint labor-management conference set in 2001 to provide a better welfare system and problem solution is consisted of total 6 members elected from each out of the 5 divisions and 1 chairperson to represent the members in internal and external cases.

The major task of the joint labor management conference is to deal with the annual wage negotiation, performance distribution, employee difficulty and problem settlement. The wage negotiation and performance distribution are based on the corporate management performance and are finalized in the conference consisted of the same number of labor and management parties through opinion arbitration with the company reflecting the maximum contents of employee requirements. Moreover, it is required to notify the company at least in advance of 4 weeks in case of important information which may affect the company, overall employees, collected opinion, and requirements of the management of the information should be reported to the company.



The Junior Committee Conversation with the CEO

On top of that, to improve cooperation and corporate devotion of all employees of Hyundai Engineering, the labor-management conference has held one-day beer festivals and company-wide family events. It has also allowed employees to enjoy benefits by adopting necessary policies and supports to improve easily neglected external welfare sectors such as health, leisure and cultural activities (in-company gyms, medical cost/health checkups, club activities, rest rooms, family camps, resort facilities, movie and musical performances).

### In-company Communication Channel

We are trying to create good ideas and construct an office communication culture by vitalizing the integration between the company, and employees.



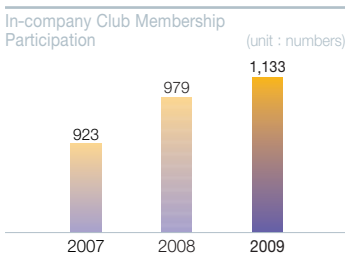
General Meeting of Hyun-En Club

Hyundai Engineering has established the 'Junior Committee' under 3 years of service, and the position of the head of the department so as to excavate and adopt creative ideas of employees, and horizontal communication. During its tenure, the committee is responsible for finding improvements and adoptions for the company development, while undertaking diverse activities such as campaigns and seminars for all employees to share.

Moreover, through numerous communication channels including internal customer management of the customer satisfaction center, publication of the company newsletter 'HEC Today' and the magazine, CEO Message, and monthly morning meetings, we share the corporate vision so that the employees and the company to bond closer to each other.

### In-company Club Activities

Hyundai Engineering wholeheartedly encourages the in-company club activities for employees who share same common interests and liberally integrate in the information. There are total number of 11 in-company clubs, including various clubs like Danhak exercise, saxophone, and rock bands. 1,133 employees are actively participating in the activities.



### Hyun-En Club

Hyundai Engineering considers not only the current employees but the retired employees as one family, therefore, organized the 'Hyun-En Club', a Hyundai Engineering old boys club. Through Hyun-En Club, retired employees are provided with consistent interest and support by current and trend of Hyundai Engineering. Hyundai Engineering offers the Hun-En Club members invitation to various cultural activities and corporate events, thus, prepares time for the employees of the past and present to integrate and establish their will for a better Hyundai Engineering.

### Employee Satisfaction

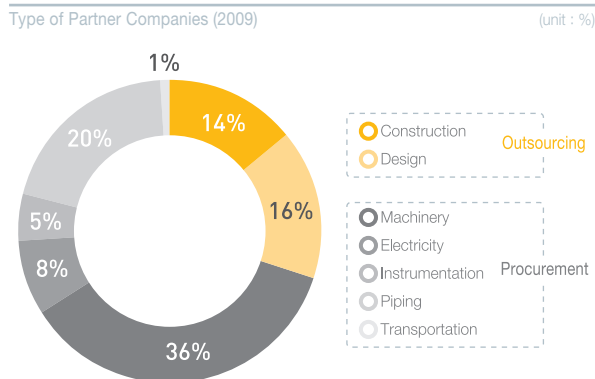
The internal employee satisfaction survey inquires Hyundai Engineering's business duties, policies, organization culture, satisfaction, and dissatisfaction on the company vision. Through this, overall employee satisfaction of the employees are evaluated. By confirming the weak points and improvements, it is applied in the decision of management innovation and strategy establishment.



According to the internal employee satisfaction survey conducted from February of 2010, total number of 1,551 employees has participate. Compared to 2008, overall company satisfaction has increased, it was an impartial increase throughout all of the positions.

# Partner Companies

Hyundai Engineering's 'All Together!' spirit means for everyone to proceed towards the front. Hyundai Engineering pursues mutual cooperation management to retain the stable bonds with the partner companies for over 100 years.



partner companies to pursue mutual Win-Win interests through the improvement of construction quality and observation.

The outsourcing & procurement office receives registrations on equipment supplies, subcontractors, and partner companies through the business operating department. It evaluates the registered companies according to the suppliers while partner company document evaluation forms and the companies which passed the document evaluation again receives actual evaluation, quality evaluation, and environment evaluation. These evaluation procedures are fairly conducted based on quality and competitiveness to select eco-friendly partner companies. Especially, in case of selecting heavy equipment suppliers such as tower cranes, we consider various major evaluation standards for selection including consistent equipment maintenance, safety mind of the driver and whether the safety rules were followed.

Hyundai Engineering implements the electronic procurement system when undergoing over all tasks like bidding/contract/establishment/warranty. By computerizing the bidding/contract/establishment/warranty processes, we have simplified the tasks to be taken, especially, in case of the companies located in local areas, the inconvenience in the process of registering for bidding/contract/establishment/warranty and contract delays have naturally decreased.

## Partner Company Evaluation and Monitoring

The evaluation and monitoring of the partner companies are taken based on several sectors to consistently retain the outstanding quality and maintain superb competitiveness in environmental aspects, and in social aspects.

To keep the qualification as a partner company, partner companies are required to consistently manage the quality of goods and services along with environmental aspects by taking inspections once every 3 years.

The partner company assigned on the construction site is evaluated by the construction site chief, maintenance manager, business manager, tool & equipment manager, construction manager and HSE manager. The major standards of evaluation are resource and quality management, efficient communication, on-site management and safety management. HSE manager puts strong emphasis not simple safety activities but on preliminary actions taken to prevent safety accidents.

We evaluate the equipment and management of installing environmental safety equipment and tools to secure other environmental regulations to increase healthy life of the local citizens.

## Partner Company Mutual Cooperation Management

### Partner Company Selection and Contract

When conducting business, Hyundai Engineering considers the infinite mutual trust relationship with the partner companies the most important factor in success. Therefore, to establish the trust relationship from the selection process of the partner companies, we have set up selection system and regulations to follow to conduct the process.

To conduct impartial selection of partner companies, the registration requirements and procedures are operated transparently, in addition, the process of the open bid is consistently expanded. Additionally, to prevent extremely low bidding for construction orders, we are operating low-price deliberation system, thus, securing stable management and adequate amount of benefits for the

### Interview



Outsourcing & Procurement Office,  
Procurement Dept.,  
Manager  
**Ik Sung, Jo**

Smooth purchase and procurement of raw materials should be essentially managed in order to conduct successful business. In accordance with its independent ethics policy practice regulations, we select partner companies; by establishing measures to support and foster partner companies, we do our best to not only maintain smooth purchase and procurement but develop long term mutual relationship.

### Table of Company Safety/Environment Evaluation

Evaluation Standards (Evaluation Methods : superior5/10, good4/8, average3/6, poor1/2, bad0)

Category	Contents
Preliminary safety management & safety activities	1. On-site PCM meetings conducted (preliminary safety management plan)
	2. Assigning employees responsible for safety management
	3. Implement safety management plans according to the risk of each field
	4. Equipping the risk evaluation/implementation and relevant documents
	5. Participation status of the morning meeting and TBM meetings
	6. Safety education for the newly employed and worker management
	7. The participation rate of various safety meetings
Safety facilities & expenses	1. Installation status of falling and crashing preventive facilities
	2. Installation of electric shock and fire preventive facilities
	3. Safety status of equipment and harmful dangerous device and tools
	4. Self safety inspection/education by the head office of the partner companies
	5. Execution documents on safety management expenses and status of legal use of the expenses
Environmental management	1. Status of environmental recognition and installation of environmental facilities
	2. Status of recycling and management of the waste



## Partner Company Value Improvement

### Partner Company Communication

Hyundai Engineering pursues the Win-Win strategy based on a true mutual trust relationship for the partner companies to liberally demonstrate their opinions through various channels.

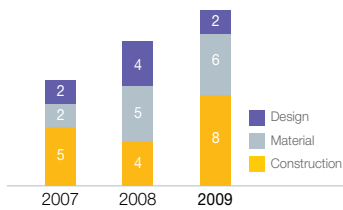
The annual partner company meeting is to listen to difficulties and proposals to form networks among the partner companies. Through the meeting, the partner companies are able to directly express the difficulties and improvements they had experienced to mutually search for a better solution for the future. Especially, the president attends the meeting in person so that a tighter relationship could be formed by opening the ears to the voices of our partner companies. Partner companies can also express their opinions on Hyundai Engineering websites and outsourcing partner companies' counseling center. When the feedback is registered through the counseling center, it is helpful in overall outsourcing supply for the company, we wholeheartedly adopt it and apply it to business.

### Partner Company Training Management

The partner companies of Hyundai Engineering should take every measures to do their best in the business conduct and pursue the best quality. Thus, capability of substantial business competitiveness along with understanding and belief on Hyundai Engineering are essential. To achieve this, we provide diverse education opportunities for the partner companies to enhance their business capabilities and positive minds toward Hyundai Engineering. Since 2003, to support the lack of 3D Modeler to design in partner companies, we opened 3D CAD Modeler training courses to improve the quality management level of the partner companies. We are planning to also open quality management guideline trainings courses. Additionally, we are in process of developing technological development and cooperation with the partner companies in various field of Plant IT.

Good Partner Company Selection

(unit : numbers)



In case of overseas sites, the local employees receive thorough ethics management and quality training in order to maintain high ethics policy and quality management of Hyundai Engineering in oversea business conduct. On the Equatorial Guinea site, we have undertaken on-site safety training and ethics management training for all the employees including the local contract workers while respective training materials have been placed in each camp and office. on top of that, we have conducted vehicular safety trainings to the drivers, company security and emergency reaction education to the security managers. Thus, we allow employees to effectively conduct business based on systematic educational programs.



Partner Company Meeting



Certification Ceremony for 3D CAD Modeler Training Program



Certification of the Recognition of a Good Partner Company

### Good Partner Company Management

Good partner companies selected through the annually conducted partner company regular evaluation receive various benefits and form long-term positive relationship with Hyundai Engineering. Good partner companies have priorities in bidding participation, and in optional contract cases, they are offered the opportunities to preferentially make an agreement. Moreover, a certain amount of supplies based on the recent 3 years of average partner company contract amount is assigned. Additionally, good partner companies are invited to various cultural events held by Hyundai Engineering and are awarded with the 'Good Partner Company Certificate'. Through various benefits, we maximize the bonding with good partner companies and motivate other partner companies to achieve higher standards of performance.

# Local Community

Hyundai Engineering's social contribution philosophy is on the basis of 'the management philosophy and social contribution philosophy of late chairman, Ju-yung, Chung'. Which pursues a mutual growth of customers, employees, partner companies, and the improvement of human happiness, and social responsibilities based on ethics management, and mutual cooperation management.

## 3 Practice Principles of Social Contribution

1. Happy Mutual Cooperation  
We will build happy local community with our neighbors.
2. Sustainable Sharing  
We will stand closely to our neighbors for a long time.
3. Practical Participation  
We, employees, will all participate and sweat along with our neighbors.

"Volunteers of Love" in order to help teenagers with tuition, deliver food to the handicapped, helping the needy, and other various ways in regards to social contribution. In 2009, social responsibility team was established. Formation of this group was important because this was one of the few proclaimed as an organized and systematic group towards fulfilling responsibilities of a corporate citizen.

## Social Contribution Mission, Vision and Symbol



## Social Contribution System

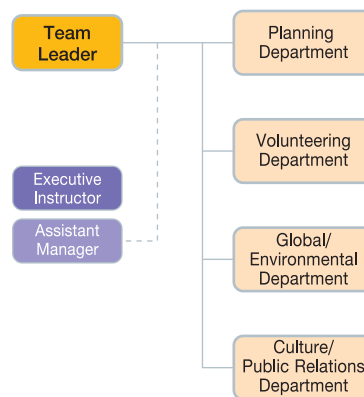
### Social Contribution Vision

In the 'HEC Vision 2015', Hyundai Engineering puts emphasis on the role of Hyundai Engineering to improve the happiness of humanity and social responsibility. To achieve this and become a happy energy sharing company by providing technology with a relaxing environment, in 2009, we have established the social contribution team, and proceed on brisk activities. On the basis of the 3 practice principles, 'happy mutual cooperation, sustainable sharing, practical participation', we will do our best to lead our 36-year of the best tradition in the industry.

### Organizing Social Contribution Team

Hyundai Engineering's employees have voluntarily funded and created the group,

## Social Contribution Team Organization



### Social Contribution Philosophy



"A corporation is one of the most valuable possession of a nation. Corporate development is essential for every sector of a nation to develop. In this sense, we, entrepreneurs, should have a tremendous social responsibility.

... finally, I would like to point out the 'Noblesse Oblige' spirit of corporations. The fifth provision of Hyundai Management Philosophy is 'to contribute to the construction of a wealthy state and development of human society.' That is to pursue a company voluntarily works for the nation and humanity..."

(November 11th, 1983, at The Dong-A Ilbo Executive seminar)

## Social Contribution System Operation

To promote social volunteer activities, support balanced activities and efficient management operation, Hyundai Engineering has opened and practiced the Social Contribution System since August 2010.

- Mileage Policy** A self(individual, team)-directed social contribution system which is based on 8 mile/year for all employees. Planned to be extended.
- Returner Policy** A policy supporting volunteer work expenses and volunteer work during the office hours. Maximum 50 thousand won per activity is granted regardless of the number of activities.



The Main Screen of Social Contribution System

## Happy Energy Sharing Activity

### Interview



Head of the Social  
Contribution Team  
**Kyung Man, Kim**

The social contribution spirit of Hyundai Engineering is based on Noblesse Oblige of Business. Through happy mutual cooperation, sustainable sharing and practical participation, Hyundai Engineering will undertake happy sharing.

### Sharing Social Workplace

In April 2009, Hyundai Engineering supported the Yangcheon-gu Social Job Sharing Event and greatly contributed to the local economy by supporting the creation of job opportunities for the low income people who have difficulty in looking for jobs and by allow the locals of remote areas to be economically independent. In July 2010, we supported equipment to open the 「Hope Cultivation Center」(Sinteuri Techno Tower, Yangcheon-gu), a job center for the handicapped. The 「Hope Cultivation Center」 supports occupational social society and economic activities of approximately 40 severely handicapped people having difficulty finding a job and will be used to provide early career support trainings for the handicapped.

### Happy Senior Citizen Center Environment Improvement Activity

In May 2010, Through the improvement of 6 old and worn-out senior citizen centers (plastering, flooring, painter's works and facility repair) located in Shingok, Yangcheon-gu, Hyundai Engineering has practiced the local community facility support sharing activities by providing rest areas to the senior citizens who might be easily neglected.

### Habitat Activity

Along with Habitat, the international NGO, we not only provide opportunities to become independent by offering accommodations for those who suffer from poor residential environment, but try to participate in true sharing activities for them to step up again, and our employees take part in the funding at Hwasung and Yangpyeong.

### Supporting the Social Weak Within Yangcheon-gu

Hyundai Engineering supports the annual year-end parties for the local handicapped and participates in the event to support the progress of the event. We have also signed a memorandum of understanding(MOU) for social contribution with the Yangcheon Community Center for the Handicapped to undergo a more efficient social contribution activity through the partnership with the local community center.

Moreover, employees of Hyundai Engineering visit the disadvantaged people or seniors living alone in Yangcheon-gu in person to deliver briquettes before Chuseok (Korean Thanksgiving Day), we also deliver home-made songpyeon (Korean traditional half-moon-shaped rice cake) and gifts to low income households or the seniors living alone. In addition to this, in Yangcheon-gu Office Shinmok Community Center, we hold events providing free lunch and gifts for the seniors living alone while saxophone performances of the Hyundai Engineering saxophone club will open a stage for our employees and the seniors.

Hyundai Engineering has supported the 'Funding for Multicultural Family and Low Income Children' held by Shinmok Community Center. Also, by supporting diverse activities such as education programs, events for multicultural family, and low income children, we will help them to live in a happier world.

### Hyundai E&C Family Social Volunteer Group Activities

Hyundai E&C Family has been undergoing 'Sharing Hope and Lunchbox Volunteer Activity' since the winter vacation of 2009 by visiting and handing out lunchboxes for the children skipping meals. Freshly made lunch boxes as well as books and reference books necessary for emotional development are provided to the children as presents.

## Environmental Conservation Activities

### Environmental Campaign

The employees of Hyundai Engineering pick up trash, clean the Surrounding road of Mt. Jiri, and adjacent flooded river, allowing the local residents to enjoy sightseeing in clean environment while conserving the environment of Mt. Jiri.

### Anyang River Restoration

Under the motto of 'Let's restore the Anyang River', Hyundai Engineering regularly picks up trashes nearby Anyang River.

## Overseas Social Contribution Activities

### Vietnam VIPP Site, Funding the Nearby Flooded Area

In September 2009, when many countries in Southeast Asia were hit by the 16th Typhoon Kestana, employees on VIPP site quickly moved the nearby refugees to safe houses and provided food and drinks. Moreover, they provided equipment they possessed and helped to restore the damage caused by the typhoon near the site.

### Africa Equatorial Guinea Site, Supplies to the Small Scale Schools

Employees of the Equatorial Guinea site have supported stationeries, soccer balls, and necessities for the children living in slum areas adjacent to the site.

### Supports on Cambodia Jjangeorai Children's Center Construction

In May 2010, Hyundai Engineering has funded the construction of children's center in Jjangeorai, Cambodia.

## Supporting Activities

### Supporting the International Vaccine Institute

Hyundai Engineering regularly supports the International Vaccine Institute to save the valuable lives of children in global society.

### Supporting the Future Hopes

Hyundai Engineering has consistently supported child head households to let them grow up brightly and healthy.

### Donation of Tails of the Salary

To form a voluntary donation culture and operate stable social contribution fund, Hyundai Engineering deducts the amount of donation and employee wishes. The company practices a matching grant policy that the company contributes more money than the employee funding when we have reached the goal.

### 100 PCs of Love Donation

In order to expand the information access opportunities of the socially disadvantaged, Hyundai Engineering has donated 100 business PCs to 'Seoul IT Hope Sharing World' co-hosted by Seoul Metropolitan Government and the Community Chest of Korea.

### Current Status of the Happy Energy Sharing Activity

Category	Contents
Teenagers	Tutoring Service(urban area), Study Programs after school(community center), Children Invitation to Movies, Support Sports days/camps, Support scholarship and stationary, Delivery of lunchbox, Green umbrella and sharing book centers(support welfare cafe)
Seniors/ Handi-capped/ Social Weak	Holiday and New Year's Eve Party, Picnics for the handicapped, Delivery of side dishes, Delivery of briquette of love, Free lunch volunteer service, Happy senior citizen center(environmental Improvement), Hopeful Workplace(a cooperative workplace for the handicapped), HABITAT construction of love houses
Globe	Support the construction of schools(Equatorial Guinea), Support the recovery of flood damage(Vietnam), Construction of education centers in fallen-behind places, Hangeul classes for foreign employees, Support cultural experience activities and multi-cultural households
Environment	Conservation of our river and mountains, Clean office activity, Recycling jumble sale
Donation/ Education, Promotion	Support the PC of Love, Support the vaccine labs, Support Korea HABITAT, Support local community centers, Support the Korean Organ Donor Program, Employee education on social contribution, Develop Volunteer Activity Management System

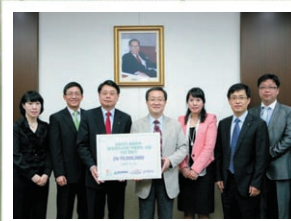




Habitat



Songpyeon (Rice cake with stuffing) Sharing Event



Funding of Cambodian Children's Center



Supporting Spring Picnics for the Handicapped



Delivery of Briquettes



Restoring the An-yang River



Happy Senior Citizen Center



Scholarships from the Volunteers of Love



Sharing Lunch Boxes of Hope



Opening the "Hope Cultivators"



Habitat

Sharing  
Management

HYUNDAI  
ENGINEERING

GALLERY



# APPENDIX

- Abstracts of Financial Statement
- HEC Ethics Policy
- Third Party Verification Report
- GRI Index
- Glossary
- Awards and Corporate Status
- Reader' s Opinion

# Abstracts of Financial Statement

## Abstracts of Balance Sheet

\* In thousands

Category	Korean Won		U.S. Dollars	
	2008	2009	2008	2009
<b>Assets</b>	<b>431,892,948</b>	<b>608,971,068</b>	<b>369,898</b>	<b>521,558</b>
Liquid Assets	352,369,280	510,421,984	301,789	437,155
Illiquid Assets	79,523,668	98,549,084	68,109	84,403
<b>Liabilities</b>	<b>272,169,112</b>	<b>349,781,798</b>	<b>233,102</b>	<b>299,574</b>
Current Liabilities	256,893,301	334,584,070	220,019	286,557
Non-Current Liabilities	15,275,811	15,197,728	13,083	13,017
<b>Capital</b>	<b>159,723,836</b>	<b>259,189,270</b>	<b>136,796</b>	<b>221,984</b>
Capital Stock	20,215,000	20,215,000	17,313	17,313
Capital Surplus	1,401,326	1,401,326	1,200	1,200
Capital Adjustment	826,272	826,272	707	707
Accumulated Other Comprehensive Income	788,140	926,330	675	780
Earned Surplus	136,493,098	235,820,342	116,900	201,969

## Abstracts of Income Statements

\* In thousands

Category	Korean Won		U.S. Dollars	
	2008	2009	2008	2009
Sales	752,738,609	1,101,680,077	644,689	943,542
Cost of Sale	629,258,743	902,611,775	538,933	773,049
Gross Margin	123,479,866	199,068,302	105,756	170,493
Selling & Administrative Expenses	36,406,872	46,629,375	31,181	39,936
Operating Profit	87,072,994	152,438,927	74,575	130,557
Non-Operating Revenue	47,977,289	41,799,847	41,090	35,800
Non-Operating Expense	27,587,663	59,771,864	23,627	51,192
Income & Loss Before Income Taxes	107,462,620	134,466,910	92,038	115,165
Income Tax Expense	30,626,678	31,096,666	26,230	26,633
Net Profit During The Term	76,835,942	103,370,244	65,808	88,532

## Surplus Appropriation Statement

\* In thousands

Category	Korean Won		U.S. Dollars	
	2008	2009	2008	2009
Retained Earnings Before Appropriations	135,612,388	234,535,332	116,147	200,870
Transfers form Voluntary Reserves	-	-	-	-
Appropriated Retrained Earnings	4,447,300	4,447,300	3,809	3,809
Earned Surplus Carried Forward To The Following Term	131,165,088	230,088,032	112,338	197,061

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## HEC Ethics Policy

One, we conduct our tasks with responsibility, honesty, and sincerity to establish a corporate culture of mutual respect and trust.

One, we do our best to enhance corporate benefits to maximize the interest of shareholders through transparent and efficient management.

One, we consider customer satisfaction the top priority to provide the best goods and services required by customers.

One, we establish fair and clean orders of business with partner companies, to pursue mutual development by reinforcing partner relationship.

One, we respect our competitors, observe relevant regulations, and business practices to pursue fair and liberal competition.

One, as an eco-friendly company, we make efforts for sustainable development to contribute to the conservation of the planet and prosperity of humanity.

One, we observe laws and take corporate responsibilities by attributing to national and social public interests.



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# 'Third Party Verification Report' of 'the 2009 Sustainability Report of Hyundai Engineering'

## To the Stakeholders of Hyundai Engineering

The Korea Productivity Center (hereinafter referred to as "the verifier") was asked by Hyundai Engineering Co. Ltd., to conduct an independent verification of Hyundai Engineering's Sustainability Report 2009 (hereinafter referred to as "the report"). Its opinions are given below.

## Responsibility & Independence

Hyundai Engineering has full responsibility for gathering the information and writing the report, and the verifier is only responsible for providing its professional opinion of the content, and as an independent verification agency, it has not participated in any documentation process of the report and established no relationship which can impede the independence.

## Assurance Methodology

Based on the AA1000AS (2008), this verification was conducted in accordance with the Type 1 verification and Moderate verification standards; ensured the suitability of the principles, inclusivity, materiality and responsiveness according to AA1000APS (2008). Additionally, whether the report has observed GRI G3 Guideline was confirmed.

## Limitation

According to the verification standards mentioned above, this verification doesn't include the confirmation of the reliability of the data provided in the report. Moreover, on-site inspection was conducted limited to the head office in Seoul, while domestic and overseas sites were not included. Therefore, in case of the practice of additional verification procedures, the ramification will vary.

## Works Undertaken

This verification was proceeded to verify the report through the following methods.

1. The suitability of the selection of major issues and the statement was examined through media research and benchmarking analysis.
2. By inspecting the reporting rate on each indicator of the GRI G3 Guideline and its methods of statement, it is verified to satisfy the requirements of GRI application level A+.
3. Based on the GRI G3 Guideline, the observance of the principles regarding report contents and quality has been confirmed.
4. The suitability of the statement written in the report and expressional errors were inspected through inspection and analysis with other reference sources.
5. Through the on-site inspection of the head office in Seoul, the grounds of major data and information and internal process and systems were confirmed.

## Conclusions

The verifier has confirmed that the report sincerely and impartially reflect the sustainability management activities and performances of Hyundai Engineering. The verifier has confirmed that Hyundai Engineering satisfied the requirements of the self-declared GRI application level A+.

### 1. Inclusivity : Participation of the Stakeholders

Through the report Hyundai Engineering has concretely demonstrated stakeholder communication channels and major issues publicly, and the verifier confirmed that stakeholder participation is actually taking place through various methods. However, the report does not definitely state the standards and process of selecting the stakeholders and how each stakeholder directly and indirectly influence the sustainability of Hyundai Engineering. The verifier recommends to construct a more systematic stakeholder participation process and definitely define the relationship between Hyundai Engineering and its stakeholders in the future.

## 2. Materiality: Selection and Reporting of Major Issues

Hyundai Engineering has established systematic evaluation process to select major issues affecting the sustainability management of Hyundai Engineering. Moreover, By undertaking inspection of specialists, CSR TFT, and management according to each level, the verifier confirmed the suitability of issues. However, the process is not exclusively limited to the research for the report publication but to comprehensively analyze and reflect the accumulated issues through existing stakeholder communication channels was not included. The verifier recommends consistent management of major issues and their reflection to the report by constructing systematic stakeholder participation in the future.

## 3. Responsiveness: Organizational Response to Issues

Hyundai Engineering is performing various activities to respond to major issues related to sustainability management and established a mid-long term plan by 2015 for a systematic response. Additionally, the response and performances in terms with the major interests of stakeholders are described in detail through out the report. However, in terms with a major issue, favorable working environment, it is stated based not on comprehensive performances and plans but partly focused on specific cases. In order to more systematically respond in the future, the verifier recommends to coordinate with Hyundai Engineering's overall strategy system(VISION 2015) and state comprehensive response strategy, performance and plan in the report.

### Additional Opinions

The verifier highly evaluates informing stakeholders of Hyundai Engineering's efforts and performances to reinforce sustainability through the publication of the first sustainability management report; the following statements are suggested to improve future report publication and the level of sustainability.

1. The environmental data in this report was stated based on the specific construction site data which were able to be collected in certain sites. In the future, it is recommended to provide comprehensive information of the relevant factor by establishing a company-widely organized data management system.
2. Although a temporary CSR TFT organization to undertake sustainability management is under operation, the verifier recommends to systematically and consistently pursue it by setting up a new organization exclusive to sustainability management.
3. Although risk management TFT and ethics committee are under operation, the verifier recommends to establish a respective organization accompanying CEO participation in order to comprehensively inspect the performance and plan of Hyundai Engineering's sustainability management.
4. The verifier suggests to develop various performance indicators, enabling the inspection of an overall performance of sustainability management in the scope of the company, set up the goals and gradually manage them.

September, 16, 2010

Head, Korea Productivity Center Dong-kyu Choi

*Dong-kyu Choi*



Head of the Center  
Dong Su, Kim

*김동수*

Senior Specialist Agent  
Jae Won, Park

*Jae Won Park*

Researcher  
Ju Mi, Park

*Ju Mi Park*

Researcher  
Ik Hyun, Bae

*Ik Hyun Bae*

Since its inception in 1957, the Korea Productivity Center (KPC) has played a leading role as a management consulting agency that nurtures talents and provides professional level training programs. In particular, KPC has established a Sustainable Management Center to support sustainable management activities, thereby promoting sustainable management across all of Korea's business sectors. In partnership with Dow Jones Indexes and SAM, KPC established DJSI Korea in 2009, encouraging domestic companies to compare their levels of sustainability with other global players and improve their own. The members of KPC's Sustainable Management Center Verification Committee are experts with a wide range of experience and expertise in the field of sustainable management. (<http://www.smcenter.or.kr>)

# GRI Guideline Index

● Full Reporting ● Partial Reporting ○ Omission n/a Not Available

Indicators	Description	Pages	Reporting Status	Note
<b>I . Strategy and Analysis</b>				
1.1	CEO message	6, 7	●	
1.2	Opportunities and challenges	6, 19	●	
<b>II . Corporate Profile</b>				
2.1	Name of the company	10	●	
2.2	Major products and brand	12, 13	●	
2.3	Operational organization	13	●	
2.4	Location of the head office	14, 15	●	
2.5	Nations with major businesses	14, 15	●	
2.6	Possession structure legal form	10	●	
2.7	Sales market	14, 15	●	
2.8	Corporate size	10, 66	●	
2.9	Major changes in corporate size, organizational structure, and possession structure during the reporting period	11	●	
2.10	Awards	10, 11, 88	●	
<b>III . Report Parameters</b>				
3.1	Reporting period	2	●	
3.2	Recent date of reporting	-	n/a	This is the first report
3.3	Reporting Cycle	2	●	
3.4	Contact point for questions regarding the report or its contents	2	●	
3.5	Process for defining report content	2	●	
3.6	Boundaries of report	2	●	
3.7	Limitation on the scope or boundary of report	2	●	
3.8	Reporting limitation which may impose crucial impact on the information comparability	40, 41, 52, 53	●	
3.9	Data measurement technology and bases of calculation of data	56	●	
3.10	Re-statements of information provided in earlier reports	-	n/a	This is the first report
3.11	Crucial changes in reporting scope, limitation or measurement methods	-	n/a	This is the first report
3.12	GRI content index	82-86	●	
3.13	Recent practice and policy on third party inspection	80, 81	●	
<b>IV . Governance</b>				
4.1	Corporate governance	18	●	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	18	●	
4.3	Composition of the committee	18	●	
4.4	Mechanisms for shareholders and employees to provide recommendations or directions to the committee	18	●	
4.5	Relation of the corporate performance and compensation for the members of the committee and management		●	Remuneration for BOD is determined by general shareholder' s meeting
4.6	Process in place for the committee to ensure conflicts of interest are avoided	18	●	
4.7	Process for determining the expertise of the members of the committee leading the strategy of economic and social sectors	18	●	
4.8	Management Principles		●	

● Full Reporting    ◐ Partial Reporting    ○ Omission    n/a Not Available

Indicators	Description	Pages	Reporting Status	Note
4.9	Procedures of committee for management of economic, environmental and social performances	18	●	
4.10	Process for evaluating committee performance, especially on economical, environmental and social performances	18	●	
4.11	How the precautionary approach or principle is addressed by the organization	19	●	
4.12	Externally developed economic, environmental and social charters, principles or other initiatives observed by the company	11, 88	●	
4.13	Membership in industrial/national/international organization	88	●	
4.14	List of stakeholder groups engaged	22, 23	●	
4.15	Bases for identification and selection of stakeholders with whom to engage	22, 23	●	
4.16	Approaches to stakeholder engagement	22, 23	●	
4.17	Key topics and concerns raised through stakeholder engagement and relevant responses	22, 23	●	
1. Economic Performance Indicators				
EC1	Direct economic value generated and distributed	40, 41	●	
EC2	Financial implication and other risks and opportunities for company's activities due to climate change	37	◐	
EC3	Coverage of benefits plan	69	●	
EC4	Significant financial assistance granted by the government	36	●	
EC5	Range of ratios of standard entry-level wages compared to local minimum wage at significant locations of operation	66	●	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	31	●	
EC7	Procedures for local hiring and proportion of senior management hired from within local community	31	●	
EC8	Infrastructure investments and services provided primarily for public benefit(type of assistance included)	31	●	
EC9	Understanding and describing significant indirect economic impacts (coverage on the impacts included)	41	●	
2. Environmental Performance Indicators				
EN1	Materials used by weight or volume	52	●	
EN2	Percentage of materials used that are recycled input materials	46, 49, 53	●	
EN3	Direct energy consumption by primary energy source	43, 52	●	
EN4	Indirect energy consumption by primary source	43, 52	●	
EN5	Energy saved due to conservation and efficiency improvements	45, 54	◐	
EN6	Reductions in energy requirements as a result of energy-efficient- or renewable energy-based products and services	47	◐	
EN7	Indirect energy conservation businesses and achievements	54	◐	
EN8	Total water withdrawal by source	43, 53	●	
EN9	Water sources significantly affected by withdrawal of water	48	◐	
EN10	Percentage and total volume of water recycled and reused	48	◐	
EN11	Location and size of land owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity	50	◐	
EN12	Description of significant impacts of activities, products, and services in or adjacent to protected areas and areas of high biodiversity	50	◐	
EN13	Habitats protected or restored	50	●	



● Full Reporting ○ Partial Reporting ○ Omission n/a Not Available

Indicators	Description	Pages	Reporting Status	Note
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	50	○	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	50	○	
EN16	Total direct and indirect greenhouse gas emissions by weight	43, 53	●	
EN17	Other relevant indirect greenhouse gas emissions by weight	43, 53	●	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	45, 48	○	
EN19	Emissions of ozone-depleting substances by weight	53	●	
EN20	NOx, SOx, and other significant air emissions by type and weight	45, 53	●	
EN21	Total water discharge by quality and destination	48, 53	●	
EN22	Total weight of waste by type and disposal method	43, 46, 53	●	
EN23	Total number and volume of significant spills	52	●	
EN24	Weight of transported, imported, exported, or treated wastes deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII	52	●	
EN25	Name of water bodies significantly affected by the reporting organization's discharges of water and runoff	48	○	
EN26	Environmental impact reduction activities and performance of goods and service	45, 48	●	
EN27	Renewal rates of sold products and relevant packaging	-	n/a	
EN28	Fines and suspensions imposed due to the violation of environmental regulations	46, 52	●	
EN29	Crucial environmental impact from product & raw material transportation and employee relocation	47, 54	○	
EN30	Total amount of environmental conservation and investment	43, 52	○	
3. Social Performance Indicators				
LABOR				
LA1	Current status of the type of employment, employment contract and local labor	31, 66	●	
LA2	Number and rate of employee transfer(age, gender and location)	66	○	
LA3	Benefits provided only to full-time employees, not to temporary or part-time employees (according to major business sites)	69	●	
LA4	Percentage of employees covered by collective bargaining agreements	70	●	97.3% (based total employees in 2009)
LA5	Minimum notice period(s) regarding significant operational changes (included whether to indicate collective bargaining agreements)	70	●	
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees	57	○	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities (according to locations)	56	●	
LA8	Education, training, prevention, and risk-control programs on serious diseases to assist workforce members, their families, or community members	58, 59	●	
LA9	Health and safety topics covered in formal agreements with labor unions	70	○	
LA10	Average hours of training per year per employee	67	●	
LA11	Programs for skills management and lifelong learning for continued employability and managing career endings	67	●	
LA12	Percentage of employees receiving regular performance and career development reviews	68	●	
LA13	Composition of governance bodies and employees (per category such as gender, age, minority by indicators of diversity)	18, 66	●	
LA14	Ratio of basic salary of men to women by employee category	66	●	

● Full Reporting ○ Partial Reporting ○ Omission n/a Not Available

Indicators	Description	Pages	Reporting Status	Note
SOCIETY				
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities	41	○	
SO2	Percentage and total number of business units analyzed for risks related to corruption	19-21	○	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	21	●	
SO4	Measures taken on the case of corruption	21	●	
SO5	Public policy positions and participation in public policy development and lobbying	22	○	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions, by country	41	●	
SO7	Total number of legal actions for anti-competitive behavior and monopoly practices, and outcomes	-	●	There is no case during this reporting period
SO8	Monetary value of significant fines, and total number of non-monetary sanctions for non-compliance with laws and regulations	-	●	3,528,500 Won for breaching the Health and Safety Act (2008) One suspended case (2009)
HUMAN RIGHTS				
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	85	●	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights	71	○	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operationsg (including percentage of employees trained)	21	●	
HR4	Total number of incidents of discrimination and actions taken	-	●	
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk	70	●	
HR6	Operations identified as having significant risk for incidents of child labor and measures taken	66	●	
HR7	Operations identified as having significant risk for incidents of forced labor and measures taken	-	●	Forced labor is strictly prohibited by UNGC principles and our HR rules
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning human rights relevant to operations	72	●	
HR9	Total number of incidents of violations involving rights of indigenous peoples and actions taken	-	○	
PRODUCTS				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed, and percentage of significant products and services subject to such procedures	44	●	There is no relevant case because of our industrial characters
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	-	○	There is no relevant case because of our industrial characters
PR3	Type of product and service information required by procedures, and percentage of products and services subject to such information requirements	-	n/a	There is no relevant case because of our industrial characters
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling(according to the type of results)	-	n/a	There is no relevant case because of our industrial characters
PR5	Activities relevant to customer satisfaction such as customer satisfaction	64	●	
PR6	A voluntary observation program on the regulation and standards on relevant to marketing communication such as advertisements, promotions, and sponsorship	64	○	

● Full Reporting ● Partial Reporting ○ Omission n/a Not Available

Indicators	Description	Pages	Reporting Status	Note
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communication such as advertisements, promotions, and sponsorship	-	●	There is no case during this reporting period
PR8	Number complaints related to the violation of customer private information regulation and customer data loss	-	●	There is no case during this reporting period
PR9	Amount of fine imposed due to the violation of laws and regulations related to the distribution of goods and services	-	●	There is no case during this reporting period

## UN Global Compact

Category	Principles	GRI
HUMAN RIGHTS	1. We respect and support human rights declared internationally.	HR1, HR2, HR3, HR4, HR5, HR6, HR7, HR8, HR9
	2. We confirm not to be engaged in human rights abuse.	HR1, HR2, HR8
LABOR	3. We ensure the freedom to associate and the rights of collective bargaining.	HR5, LA4, LA5
	4. We exclude all the forms of forced labor.	HR7
	5. We efficiently appeal child labor.	HR6
	6. We eradicate discrimination in recruitment and job performance.	HR4, LA3, LA10, LA13, LA14
	7. We support preventive approach to environmental problems.	4.11
ENVIRONMENT	8. We lead to take a much more environmental responsibility.	EN2, EN5, EN6, EN7, EN10, EN13, EN14, EN18, EN21, EN22, EN26, EN27, EN30
	9. We support the development and distribution of eco-friendly technology.	EN2, EN5, EN6, EN7, EN10, EN18, EN26, EN27
Anti-Corruption	10. We try to eradicate all the forms of corruption such as inappropriate acquisition and bribery.	SO2, SO3, SO4

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# Glossary

## Biochemical Oxygen Demand

The amount of oxygen aerobic microbes use when decomposing organic materials in water for certain amount of period. Used as an indicator to demonstrate the pollution level of water

## Tonnage of Oil Equivalent

A unit indicating the amount of Energy. 1 Tonnage of Oil Equivalent is the amount of produced energy when 1 ton of oil is burnt

## Slag

A byproduct produced in the refining process to treat impurities in metals of minerals, or other metal working and burning process. Prevents oxidation of the metal surface by floating up to the surface of molten metal. The produced slag is divided as blast furnace slag and steel slag. It is used as cement raw materials, concrete, pavement materials, sources of phosphate fertilizer

## New Renewable Energy

A concept including new energy sources like hydrogen, fuel cells, coal liquefaction gas, solar heat, sunlight, bio-energy, wind power, hydropower, geothermy and bio gas

## Ascon

An abbreviated term of Asphalt Concrete, A mixture of asphalt and aggregates (sand and pebbles) or pavement filler (mineral filler) heated or mixed at room temperature

## Greenhouse Gas

A type of gas causing greenhouse effect. The 6 greenhouse gases assigned by the WRI/WBCSD are carbon dioxide(CO<sub>2</sub>), Methane(CH<sub>4</sub>), Nitrous Oxide(N<sub>2</sub>O), Perfluorocarbons(PFCs), Fluoroform T(HFCs), Sulfur hexa-fluoride(SF<sub>6</sub>)

## Materiality Test

A comprehensive analysis of major issues deduced through stakeholder communication and internal issues relevant to sustainability management according to importance priorities of internal/external issues

## NOx : Nitrogen Oxides

Nitrogen Oxides emitted into the air during combustion, production and treatment processes

## Chemical Oxygen Demand

The amount of oxygen refers to the amount of the consumed oxidizer put into the water to oxidize organic materials. Used as an indicator to demonstrate to level of water pollution

## Environmental Impact Assessment

A policy to primarily evaluate the environmental impacts of various development businesses. Includes review, analysis, and evaluation procedures to minimized environmental destruction and maximize the potential of environmentally healthy and sustainable development

## SOx : Sulphur Oxides

Sulfur or the sulfuric compounds emitted into the air produced in the process of combustion, production and treatment

## AA1000 (Assurance Standard)

A verification standard enhance the reliability of sustainability reports developed by Account Ability, an English non-profit organization related to sustainability management

## G3

G3 is a sustainability report guideline revised by the GRI in 2006 which amended and supplemented the G2 guideline of the 2002 edition. In suggests standards based on Triple Bottom Line, economy, Environment and Society. Consisted to use the Triple Bottom Line as the frame of corporate information disclosure

## GRI (Global Reporting Initiative)

An organization established by UNEP in 1997 to develop the guideline of 'Sustainability Report'

## HSE

An abbreviation of Environment, Safety, Environment

## ISO 14001

Refers to Environmental Management System, requirements for consistent environmental improvements set by International Organization of Standardization(ISO)

## OHSAS 18001

A minimum requirement standard to liberally prevent industrial accidents for an organization through health and safety management system and find out the risk factors and consistently manage them

## UNGC (United Nations Global Compact)

A voluntary UN affiliated organization which the former secretary of UN, Kofi Annan, used to induce the world economic leaders to participate, the agreement is consisted of total 10 principles which regulates organizational responsibilities on human rights, labor, environment and anti-corruption sectors. According to December 29<sup>th</sup>, 2009, total 8,497(Korea 172) global organizations are taking part in it



## Awards(2007~2009)

Years	Description	Institution
2007	This Year's Civil Engineering Structure Awards, Silver Award (2 <sup>nd</sup> Jindo Bridge)	Korea Society of Civil Engineers
	Great Award of International Golden Valve Award 2007, Animation Sector	Intergraph Corp.
	National Environmental Management Prize(Wastewater Treatment Method)	Ministry of Knowledge & Economy
2008	Great Award of Korea Technical Innovation Construction Engineering Sector	The Kyunghyang Shinmun
	Great Award of New Quality Convention Innovation Sector	Korean Foundation For Quality
	The 17 <sup>th</sup> Dasan Management Award, Professional Manager Sector	The Korean Economic Daily
	CEO Award	Korea Engineering & Consulting Association
2009	Won the First Prize in Engineering Section at 'Overseas Construction'	Money Today
	Won the 'Prize of Minister of Land, Transport and Maritime Affairs'	Ministry of Land, Transport & Maritime Affairs
	International Golden Valve Award 2007, Animation sector of the Honorable Mention Awards	Intergraph Corp.
	35 <sup>th</sup> Anniversary, the 2009 International Business Award, Company History Sector Finalist Awards	IBA
	First Prize in The 10th Korea Financial Management Awards	New Industry Management Academy
	2009 Engineering Day, Industrial Pavement and Department Minister's Award	Korea Engineering & Consulting Association
	"Eco-friendly Industry Development and Low-carbon Green Growth Recognition Award", received the certificate from Minister of Environment	Korea Environmental Industry & Technology Institute
	Korea Communication Awards, Private Company Sector, First Prize in the Award of Good Private Company less than 50 Years	Korea Company Newsletter Association

## Membership

Korea Association For CFO	21 <sup>st</sup> C Business Forum	Korea Society of Steel Construction	Korea Software Industry Association
Korean Management Association(KMA)	Construction Manager's Forum	Korea Construction Consulting Engineers Association	Korea Engineering & Consulting Association
Korea New Transit Association	Korea Society of Construction Engineers	Korea Construction Engineers Association	Korea Electric Engineers Association
Korea Atomic Industrial Forum	Transportation Investment Evaluation Association	Korea Construction Quality Association	Korea Computational Structural Engineering Association
Korea Association of Natural Disaster Reduction Industries	Construction Association of Korea	Engineers Korea	The Korean Society for Railway
The Korea Railway Association	Korea Association of Surveying & Mapping	Korea Road Traffic Association	Korea Railway Association Overseas Cooperation Committee
Korea Wind Energy Industry Association	Korea Invention Promotion Association	The Membrane Society of Korea	Korea Project Management Association
Korea River Association	The Korea Seoul Chamber of Commerce & Industry	The Korea International Trade Association	Korea Plant Industries Association
Korea Environmental Consulting Association	World Water Council(WWC)	Korea Radioactive Waste Society	Korea Plant Engineering Conference
Environmental Affairs Evaluation Conference	Korea Renewable Energy Association	Korea Disaster Prevention Association	International Construction Association of Korea
The Federation of Korean Industries	Korea Industrial Technology Association	KITA CEO Breakfast Conference	Construction Manager's Forum
Korea Electrical Construction Association	Korea Water & Wastewater Association	Society of Korean Value	The Korea Gas Union
Korea Fire Construction Association			

## We are waiting for your precious feedbacks.

We appreciate the reader's interest in the 'Sustainability Management Report' of Hyundai Engineering.  
Hyundai Engineering has prepared the following questionnaire to listen to the stakeholders' feedbacks  
and publish a more satisfactory report in the future.

### About the Hyundai Engineering Sustainability Management Report 2009

1. Which of the following group do you belong to?

①customer ② employee ③ government ④ subcontractor ⑤ local citizen ⑥ civil organization ⑦ media ⑧others( )

2. Is this report helpful to understand the sustainability management of Hyundai Engineering?

① very good ② good ③ average ④ poor ⑤ very poor

3. Which areas are you most Interested in?

①Overall Business Performance of Engineering ②Economic Performance ③Environmental Performance

④Social Performance ⑤Other( )

4. Does this report include issues considered important?

① very good ② good ③ average ④ poor ⑤ very poor

5. Is this report satisfactory in overall aspects?

① very good ② good ③ average ④ poor ⑤ very poor

6. Please state your feedbacks on the overall context of the report and its improvements or the sustainability management activity of Hyundai Engineering.

Please send mail or fax to the contact information written below.

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A PDF version of this report is available at:

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If you have inquiry or opinion on Hyundai Engineering Sustainability Report, please feel free to use the contact information below.

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