



The Highest Journey

HJSC

Construction & Shipbuilding

2023

Sustainability Report

✓ HJ Shipbuilding & Construction Sustainability Report

About This Report

HJ Shipbuilding & Construction aims to transparently share the key initiatives and outcomes of the company's ESG (Environmental, Social, and Governance) management through the publication of its Sustainability Report. This inaugural sustainability report focuses on the company's sustainability, highlighting its activities and performance in the areas of environment, social responsibility, and governance.

Significant efforts were made to incorporate the opinions of stakeholders through a thorough evaluation of their inputs, leading to the identification of the major ESG issues. HJ Shipbuilding & Construction has earnestly documented its activities and performance, promising continued annual reporting to convey the company's sustainability reliably and engage actively in communication with stakeholders.

Scope of this Report

This report covers the period from 1 January 2022 to 31 December 2022, encompassing the sustainability management activities and outcomes of the shipbuilding and construction sectors. Some qualitative outcomes also include activities from 2023.

Reporting Cycle

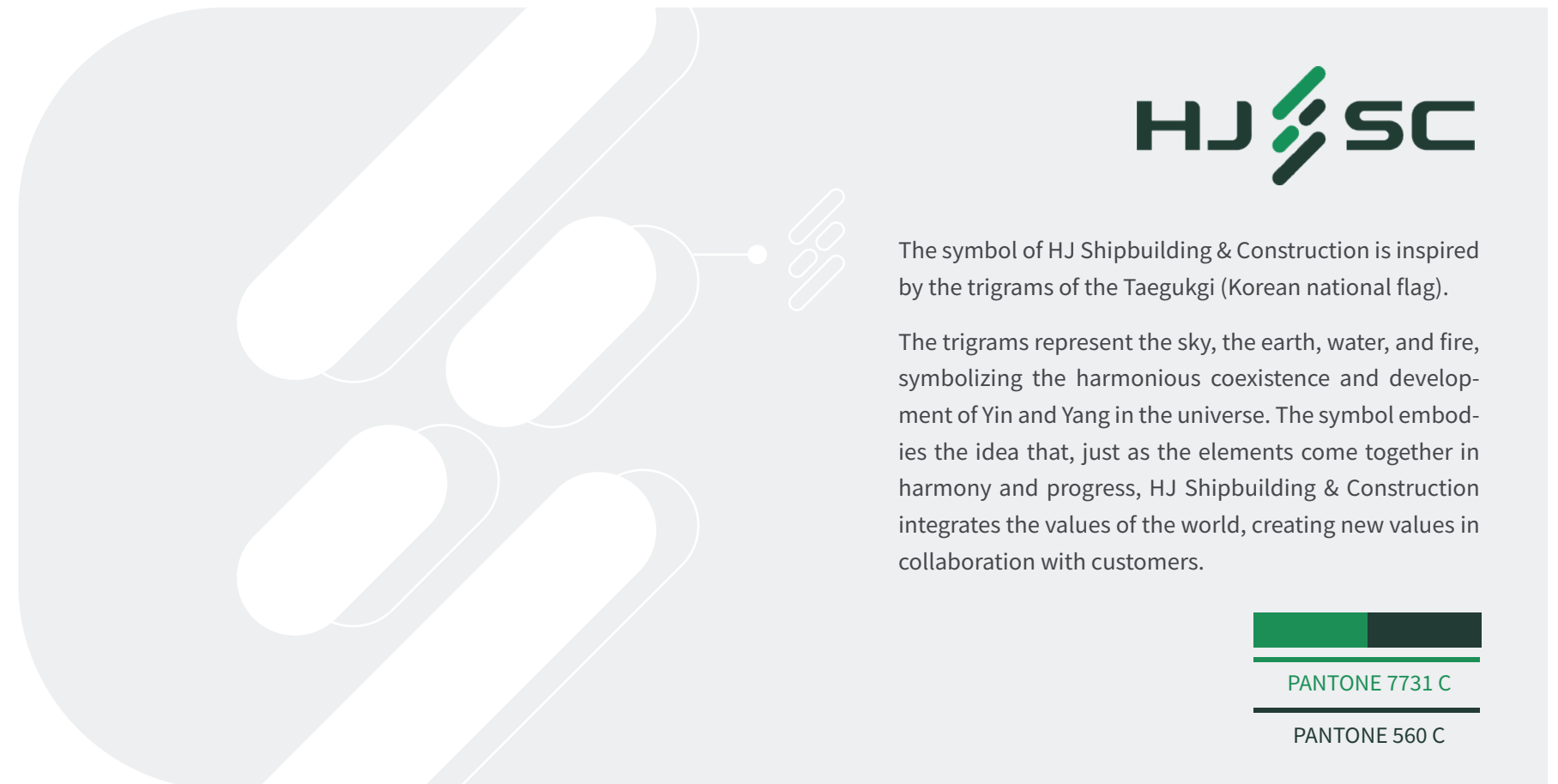
HJ Shipbuilding & Construction commits to informing its stakeholders regarding its ESG performance annually starting from this year.

Reporting Standards

This report adheres to the global standards of the GRI (Global Reporting Initiative) and principles of ISO26000 standards. Financial information follows the reporting standards and definitions of K-IFRS (Korean International Financial Reporting Standards).

For More Information

HJ Shipbuilding & Construction's Sustainability Report can be viewed and downloaded on the website (<https://www.hjsc.co.kr>). Please reach out to us for more detailed information or inquiries.



For Report Inquiries

Address 4, Hangang-daero 71-gil, Yongsangu,
Seoul, Republic of Korea

Department ESG/Corporate Culture Team

Phone 02-450-8114

Email hca9000143@hjsc.co.kr

Website <https://www.hjsc.co.kr>



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Interactive PDF

This report is published as an interactive PDF with embedded links for fast navigation.

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Beyond Into Great



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Construction



Dear Stakeholders,

Since our establishment in 1968, HJSC Construction division has been a cornerstone of the South Korean construction industry, shaping its future. From the iconic Seoul Maritime Center Building, the nation's first steel-frame structure, we've consistently achieved growth across all construction sectors through innovation and unwavering dedication.

Recently, amid challenges such as rising raw material prices, high-interest rates, and inflation in both domestic and international business environments, the construction industry is facing a difficult period. However, our HJSC Construction division remains dedicated to its goal of becoming a century-old company, striving to achieve the ESG management slogan "Beyond Into Green, Beyond Into Great."

As a first step towards aligning with the government's carbon neutrality policy, we are systematically establishing a greenhouse gas inventory management system for creating a sustainable, low-carbon, and eco-friendly workplace. Moreover, we are actively contributing to society by creating shared value and promoting strategic social contributions. We prioritize transparent and efficient responsible management and continuously seek change and innovation for a better future.

HJSC Construction division is now preparing for a new era as a leader in the global construction market. Through this sustainability report, we aim to go beyond our current position and transform into an environmentally friendly and great company. We are committed to creating sustainable value, and we want to share all the achievements we have gained through these efforts with all of you.

We express our gratitude to all stakeholders who always believe in and support HJSC Construction division, and we kindly request your unwavering interest and support as we embark on this great journey towards a century of excellence.

Thank you.

CEO of HJSC Construction
Hong Moon-ki

洪文基

Shipbuilding



Dear Stakeholders,

Since our establishment in 1937 as South Korea's first steel shipyard, HJSC Shipbuilding division has played a pioneering role in the nation's growth as a global maritime powerhouse. Our pride as South Korea's leading shipbuilder and our sense of duty have been passed down through generations. The dedication and passion of our members have combined with accumulated experience and technical expertise, propelling HJSC Shipbuilding division to become a globally recognized shipbuilder with a history of creating legends.

As a global shipbuilder, we actively respond to worldwide carbon neutrality policies to combat the climate crisis.

We have already demonstrated expertise in eco-friendly shipbuilding technologies, including methanol-fueled ships, dual-fuel vessels, LNG DF bunkering ships, No-ballasting ships and carbon capture & storage. We are also at the forefront of research on next-generation green ship technologies, including highly efficient vessels and hydrogen-powered ships.

HJSC has thrived through change and innovation. With our sustainability report, we aim to move forward as a comprehensive industrial conglomerate representing South Korea, guided by a new mission and vision. Rooted in a management philosophy that respects human dignity, we will continue to fulfill our social responsibility with a focus on ongoing and systematic social contributions, safety, health quality, transparent and efficient responsible management as we strive to change and innovate for a brighter future.

HJSC has embarked on a journey to renew itself as a century-old company that contributes to a better future for humanity. Our goal is to be a solid cornerstone for ESG management, as reflected in our slogan, "Beyond Into Green, Beyond Into Great," which encompasses a commitment to a greener environment, social responsibility, and improved governance.

We sincerely thank all our stakeholders for your consistent support of our company. We kindly request your continued interest and support in the future.

Thank you.

CEO of HJSC Shipbuilding
Yoo Sang-Cheol

유상철

Introduction

Company Overview

HJSC's path of innovation, characterized by state-of-the-art technology and outstanding quality, is dedicated to delivering real value to our customers. The company's history is a testament to overcoming challenges and intense competition, setting the stage for South Korea's industrial growth. With commitment and resolve, HJSC is forging ahead toward a thriving future.

As a pioneer in global heavy industries, HJSC has set benchmarks across diverse sectors. Founded in 1946 as Korea's inaugural shipbuilding enterprise, it has consistently been at the forefront of shipbuilding achievements within Korea and beyond. The company's legacy includes the construction of the nation's first steel-framed building in 1968, and since then, it has completed a wide array of construction projects in housing, architecture, civil engineering, and industrial plants, making significant impacts both at home and on the world stage.



General Overview

Name	HJ Shipbuilding & Construction Co., Ltd
Establishment	10 July 1937
Business	Construction, Shipbuilding
Projects	Airports, Apartments, Railways, Power Plants, Container Ships, Tankers, Patrol Boats, etc.
CEO	Hong Moon-ki, Yoo Sang-Cheol
No. of employees	2,050 (As of the conclusion of 2022)
Headquarters	233, Taejong-ro, Yeongdo-gu, Busan, Republic of Korea
Subsidiary	Incheon North Port Operation Co., Ltd

Headquarters and Branches



Industries

Construction



"Pioneering a new history in the construction field with the best technology and expertise."

Shipbuilding



"Leap into becoming the world's leading shipyard with the pride of being the first in South Korea."

Key Financial Performance

Unit: million KRW

Category	2020	2021	2022
Revenue	1,695,815	1,706,532 ↑	1,788,163 ↑
By Sector	 Construction 1,220,226 Shipbuilding 453,607 Others 21,982	 Construction 1,179,774 Shipbuilding 510,009 Others 16,749	 Construction 1,447,177 Shipbuilding 320,185 Others 20,801
Gross Profit	1,565,344	(20,527)	96,635
Operating Profit (Loss)	51,629	(108,991)	6,625
Net Profit (Loss)	78,346	(139,844)	(50,160)

* Based on consolidated financial statements

ESG Ratings (KCGS)

HJSC's ESG ratings have been assessed annually by KCGS, the Korea Institute of Corporate and Sustainability since 2021. HJSC advanced from a B rating to a B+ in the 2023 assessment demonstrating continuous improvement.

2023 Overall B+	Environment(E) B	Social(S) B+	Governance(G) B+	2022 B	2021 B
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Global Business Sites

Construction

“A global construction market leader based on technology, experience and customer trust.”

The HJSC Construction division, with its exceptional technology, vast experience, and customer trust gained across the construction industry, is creating new milestones not only in South Korea but also internationally. Anchored in worldwide competitiveness and bolstered by exceptional talent and established trust, we are growing our business into new markets.



Construction HQ


 4, Hangang-daero 71-gil, Yongsan-gu, Seoul, Republic of Korea


 **TEL** 02-450-8114


 **FAX** 02-450-8101



Manila, Philippines Branch

 Neo Building, 26 Street Bonifacio, Taguig, Global City Metro Manila, the Philippines

 **TEL** + 63-2-837-8888

 **FAX** + 63-2-837-8839


Shipbuilding

“Pursuing the world’s highest quality ships, at the center of the global shipbuilding industry”


The HJSC Shipbuilding division, with over 80 years of master craftsmanship, upholds an impeccable quality management system across all operations. Dedicated to innovation, we consistently produce premium luxury ships. This commitment to excellence has earned HJSC international acclaim, solidifying our status as one of the world's leading shipbuilders.



Shipbuilding HQ


 233, Taejong-ro, Yeongdo-gu, Busan, Republic of Korea


 **TEL** 051-410-3114


 **FAX** 051-410-8465



Busan R&D Center


 6, Chungjang-daero, Jung-gu, Busan, Republic of Korea


 **TEL** 051-410-3064


 **FAX** 051-410-8465



Geoje Factory

 473-7, Yeonhahae-ro, Yeoncho-myeon, Geojosi, Gyeongsangnam-do, Republic of Korea

 **TEL** 055-951-2114

 **FAX** 070-4707-1007

History

Company History

Since its inception, HJSC has prioritized customer satisfaction, earning acclaim for its innovative technology and extensive expertise in diverse construction sectors such as airports, civil engineering, architecture, industrial plants, and housing.

With a solid presence both locally and globally, HJSC is on a strategic path to cement its status as a worldwide construction leader. Building on over 80 years of experience and more than half a century of technological mastery, we are dedicated to enhancing the competitive edge of our core operations, aiming to fortify our market leadership internationally as well as domestically.

1937 -

1937

- 07 Established Chosun Heavy Industries Co., Ltd

1949

- 12 Korea Shipbuilding & Engineering Corp. (state-run)

1967

- 08 Established Korea Dredging Corp. (Jun 1990, name changed to Hanjin Engineering & Construction Co.,Ltd)

1968

- 08 Established Hanil Development Co., Ltd (Mar 1994, name changed to Hanjin Construction, present-day Construction division)
- 11 Korea Shipbuilding & Engineering Corp. (Privately company)

1976

- 11 Presidential Commendation (Promotion of national prestige by overseas expansion)

1981

- 06 Won Silver Tower Order of Industrial Service Merit (1st Construction Day)

1984

- 06 Won 2b USD Overseas Construction Export Tower Award

1989

- 05 Korea Shipbuilding Corp. (name changed to Hanjin Shipbuilding & Construction in Jun 1990, present-day Shipbuilding division) incorporated into Hanjin Group

1990 -

1991

- 08 Built air base for Korean Air in Kimp'o

1992

- 11 Incheon Intl. Airport Construction

1995

- 09 Built the first membrane-type LNG carrier in Asia (Hanjin Pyeongtaek)

1996

- 12 Built the world's fastest 5,000TEU carrier (Hanjin London)

1997

- 09 Contracted for light rail transit construction; Manila, Philippines

1998

- 04 Built Korea's first cable ship (Segero)

1999

- 03 Merged Korea Tacoma Shipbuilding Co., Ltd
- 08 Merged Hanjin Construction and Hanjin Engineering & Construction Co., Ltd

2000 -

2000

- 07 Ranked 7th in Korea's construction capability evaluation
- 11 Built Youngdong Grand Bridge (World's first 'Float-mating' method)

2001

- 03 Won the first Gold Tower Order of Industrial Service Merit for a Korean construction company

2003

- 02 Participated in the construction of Kyongbu expressway

2004

- 12 World's first 'Underwater Welding DAM Shipbuilding Method'

2005

- 10 Separated from (the former Hanjin Group)

2006

- 04 Built R&D center in Jungang-Dong, Busan; Declaration of Management of Creation and CI, the new management philosophy; Launched housing brand 'Haemoro'

2008

- 07 Delivered the 1st vessel from the Subic Shipyard

2009

- 10 Completed construction of "Incheon Bridge"
- 12 Achieved annual orders of 2t KRW (Construction division)

2010 -

2010

- 01 Korea's first icebreaking ship, successful icebreaking test in the arctic
- 12 Won tender for Al Duqm Airport Project, Oman

2012

- 10 Started construction on hinterland of Incheon North port

2013

- 04 Contracted for construction of the roadbed facility of Wonju-Gangneung railway

2016

- 11 Jeju Island's first housing reconstruction (Haemoro Richhill)

2017

- 02 World's first LNG bunkering vessel
- 06 Korea's first experience-focused Busan Film Museum built
- 12 Won the Grand Prize in Clients Quality Award of Korea Land and Housing Corp. (A3BL Apartment in Mokgam, Siheung)

2018

- 01 World's largest 21,000TEU Container ship built and delivered
- 04 Won the Great Train Express (GTX-A) Railway construction project
- 05 Won the Busan Opera House construction project

2019

- 10 Construction contract for Incheon Intl. Airport T2 expansion
- 11 Won the shipbuilding contract for Korea's first multi-purpose water surface cleaning ship

2020 -

2020

- 05 Sales of units in Dongdaegu Haemoro Square East/West (First project in Daegu)
- 11 Executed the construction contract for Passenger Terminal II, Incheon Intl. Airport
- 12 Ranked 3rd in total public contract amounts in Korea in 2020 (736.2b KRW)

2021

- 02 Executed the contract to build the cutting-edge 3D/4D geographical exploration research ships
- 10 Won contract for National Maritime Museum
- 12 Ranked 5th in total public contract amounts in Korea, 2021 (466.4b KRW)

2022

- 01 Name changed from Hanjin Heavy Industries to HJ Shipbuilding & Construction (HJSC)
- 03 Announced the renewed B.I for Haemoro; Acquired orders for two 5,500TEU eco-container ships; Contract for roadbed construction for Janghang Line Renovation Project Phase II
- 06 Acquired orders for two 7,700TEU LNG dual fuel container ships
- 07 Acquired the best grade in mutual cooperation evaluation amongst construction enterprises
- 09 Opened Geoe Factory (Shipbuilding division)
- 10 Awarded for Advancing Construction Collaboration (Construction division)

2023

- 01 Won contract for Shinbundang Line Gwanggyo-Homaesil Double Track Railway Zone 1 construction project
- 02 Won contract for Two 9,000TEU Class Methanol-powered Containers; Contracted for KENTECH Campus Construction Project
- 05 Developed eco-friendly 7,500m³ Class LNG bunkering vessel
- 07 Listed as Best Construction Contractor for two consecutive years
- 09 Contract for Boryeong Power Generation Site Division Unit 1
- 11 Awarded for Comprehensive Advancing Construction Collab. (Construction division)

Heading Towards a Future Full of Hopes

HJSC Management Philosophy and Vision

HJSC is forging ahead with a vision that promises progress for individuals, families, businesses, and nations globally. Driven by a clear mission, we are dedicated to relentlessly pursuing this path to a brighter future.

Future Vision

Change, Progress & a Bright Future
Leap to the 2027

2022 Slogan

HJSC, guided by the 2022 slogan "Building a Foundation for Sustainable Development," is charting a course for a brighter future.

Company Mission

Create Value for a Sustainable Future
on the Highest Journey

Commitment to Action

Respect

We respect each other regardless of our job titles.

Efficiency

We strive to improve our team's productivity.

Goal Oriented

We set clear objectives and expectations ourselves.

Collaboration

Collaboration among colleagues is essential as each of us are responsible for detailed sub-divisions.

Positivity

We always believe that a better future is possible.



Change & Innovation

Using creativity to dismantle existing prejudices and customs, and pursuing constant changes for an innovative future.



Safety & Environment

Create a corporate culture that prioritizes safety and health as the most important values in business operations.



Challenge & Achievement

Advance as a sustainable enterprise by sharing achievements with stakeholders and continuing to make investments in the growth of company capabilities.



HR & Technology

Ensure the competitiveness of technology and discover talented human resources with the assurance that "only the best individuals and technologies can make the best enterprise"



CONSTRUCTION

ALWAYS MOVING FORWARD

[INTRO](#)[ESG STRUCTURE](#)[ENVIRONMENT](#)[SOCIAL](#)[GOVERNANCE](#)[APPENDIX](#)

A Globally Competitive Comprehensive Construction Company

HJSC is revolutionizing global construction with exceptional technical skills, experience, and customer trust across various sectors in the industry. HJSC strives to become a leader in the worldwide construction market by focusing on improving the core areas in infrastructure works, architecture, housing and plants, as well as strengthening our renowned reputation for airports, reclamation and ports.

No. 1

No.1 in Korea's
airport construction
experience

**Construction
Industry's****1st**

Gold Tower Order of
Industrial Service
Merit

**Global
Top 100**

Deloitte's Selection
for three consecutive
years (2021-2023)

Construction Division Business Activities



Buildings

- Cultural & Art Centres
- Sports Facilities
- Hotels & Hospitals
- Education Facilities
- Research Facilities
- Shopping Malls
- Offices



Infrastructure

- Roads & Bridges
- Railways
- Subways
- Dams & Sluice Gates
- Dredging & Ports



Plants

- Cranes
- Power Plants
- Industrial Facilities



Housing

- Development
- Redevelopment
- Reconstruction
- Maintenance



Airports

- Site Preparations
- Runways & Aprons
- Airport Terminals
- Control Towers
- Maintenance Facilities
- Auxiliary Facilities
- Maintenance Work

THE WAY OF SPECIALTY

An All-Round Construction Company with World-Class Competence

HJSC is committed to sustainable construction practices that reduce environmental impact and prioritize stakeholder safety. The company integrates sustainability into every phase of its construction projects, ensuring the final structures benefit the environment, society, and the economy.

Busan Cinema Center

Cultural & Art Centres



Daegu EXCO 2nd Exhibition Hall



Sejong Center for the Performing Arts

HJSC elevates cultural and artistic experiences by creating buildings that marry beauty with practicality, linking communities and promoting inclusiveness. The company's architectural efforts, which both conserve heritage and embrace innovation, are instrumental in crafting a sustainable future.

Sports Facilities



Gocheok Sky Dome



Ulsan Munsu Gymnasium

HJSC's architectural designs, centered on spectator experiences, advance sports culture and prioritize eco-efficiency to lessen environmental effects. Their inclusive facilities cater to a wide demographic, fostering accessibility and diversity. This strategy drives balanced sustainability across societal, ecological, and economic domains, nurturing a healthier society.

Hotels & Other Facilities



Courtyard by Marriott Namdaemun



Holiday Inn Express Seoul Hongdae

HJSC's hotel designs merge customer convenience with contemporary aesthetics, reflecting its expertise as a full-service construction firm. Offering more than lodging, these hotels feature a variety of amenities, including restaurants, health clubs, meeting spaces, and pools, thereby enhancing guest satisfaction and contributing to the local tourism sector's expansion.

Hospitals



Ilsan National Cancer Center (Expand Affiliates)



National Seoul Hospital Research and Auxiliary Facilities

HJSC elevates hospital construction, transforming them into leading medical and research institutions that are central to advancing health outcomes and quality of life. Their emphasis on extensive healthcare services is key to promoting public health, societal well-being, and economic stability, positioning these hospitals as vital investments for the future.

THE WAY OF LIFE

Hub of Knowledge Fostering Communication and Creativity

Education and research establishments are crucial for pioneering and sharing new ideas and knowledge. HJ Heavy Industries leverages its technological prowess to enrich national and community intellectual and technological capacity with cutting-edge labs, sustainable design, and energy-efficient solutions.

Korea Brain Research Institute

Education Facilities



Hoseo University Asan
Campus Jang Young Shil Hall



Hansung University
Building (Sang Sang Hall)

HJSC constructs education facilities that are cornerstones for cultural development and knowledge enhancement. These spaces promote diverse learning and creative thinking, offering students a safe and comfortable environment while connecting them with society. HJSC builds eco-friendly, communicative, and creative spaces, shaping the future of globally influential talents.

Research Facilities



KIST L3 Research Building



Incheon Innovation Complex
Corporate Research Center

Cutting-edge research facilities are at the forefront of academic advancements, fostering a knowledge-based society. Exceptional research facilities enable researchers to conduct stable and systematic activities, improving their work. Through the construction of these buildings, HJSC pursues collective progress, boosting the nation's and businesses' competitive edge.

Shopping Malls



Dongtan Agricultural and
Fishery Distribution Center



Seoul Garden Five

Shopping malls play a crucial role as points of contact between consumers and businesses, mediating the flow of products and services. HJSC takes the lead in constructing premium sales facilities contributing to the regional economy, utilizing strategic construction and expertise in securing large spaces capable of accommodating substantial manpower.

Offices



Sejong Complex
Development Building (P3)



Philippines Manila Office
Building

Modern offices go beyond simple working spaces, fostering collaborative and efficient environments. Building landmark structures that enhance productivity and satisfaction through advanced technology and open space design, HJSC demonstrates its expertise in landmark construction that encompasses practicality and artistry.

THE WAY OF CONNECTION

Economic Development for Future Generations

Infrastructure and urban development are pivotal sectors underpinning societal and economic foundations. HJSC employs diverse construction methods and practical expertise to enhance its international prowess. The firm's distinct technical proficiency ranks it among the leading entities in the field, both at home and abroad.



Incheon Bridge

Roads & Bridges



Hwatae Bridge



Yeoju-Yangpyeong Expressway

HJSC is pioneering the future of the road and bridge sector by continually advancing construction techniques and leveraging extensive experience from major national projects. The company prioritizes sustainable methods in design, construction, and maintenance to ensure lasting durability, efficiency, and conscientious environmental stewardship.

Railways & Subways



Ulsan-Pohang Double-Track Railway



Samsung-Dongtan Express Railway Route (GTX-A)

HJSC is advancing as a front-runner in the railway and subway sectors, emphasizing on safety, quality and enhancing vital industries. With railways and subways as greener transport options, they substantially cut air pollution and greenhouse gases. HJSC fuses technology with design to create efficient and eco-friendly transportation networks.

Dams & Sluice Gates



Gunnam Dam



Gyeongin Second Flood Gate

HJSC builds dams and sluice gates that not only manage floods and supply water but also serve as renewable energy sources. With a commitment to eco-friendly structures, the company skillfully balances technical expertise with ecological and water resource management, ensuring the sustainability and efficiency of these vital infrastructures.

Dredging & Ports



Songdo International City (Land Development)



Manila Pier 6 Container Terminal Facility

Drawing on its vast experience, HJSC tries to enhance its worldwide proficiency in substantial reclamation and port projects. The company prioritizes energy efficiency, marine conservation, and carbon footprint reduction, focusing on harmonizing operational efficiency with ecological preservation in essential infrastructures such as ports.

THE WAY OF PROSPERITY

Roots for Societal Advancement at National and Regional Levels

Sustainability in plant construction is crucial for both the industry's future and the planet's health. HJSC uses a sustainable approach to build high-performance facilities, minimizing environmental impact and maximizing resource efficiency. This strategy leads the way to carbon neutrality and increased competitiveness. Sustainable plant construction is a wise investment, fostering collaboration with local communities and environmental protection, aligning with HJSC's goals.



Sinseochon Thermal Power Plant

Power Plants



Yangsan Cogeneration Power Plant



New Sejong Combined Cycle Power Plant

Sustainability of power plants reflects the innovative challenges and opportunities of our time. HJSC is paving the path for future generations by efficiently generating clean energy. The company is committed to continuous research and development in this sector, considering it crucial to harmonize energy industry growth with environmental health

Industrial Plants



Dangjin Coke Oven Plant



Chemical Plant Module

Sustainable development in industrial facilities has been revolutionizing the processes of construction and manufacturing. HJSC, known for its diverse plant construction projects, brings recognized excellence to the sector. The company is committed to developing the technology and expertise essential for eco-friendly construction within the industrial facilities sector.

Eco-friendly Treatments



City Landfill Sewage Sludge Solidification Facility



Shinseochon Dongbaekjeong Restoration Project

As the construction sector sees a rising demand for waste treatment and recycling, HJSC is enhancing its expertise in renewable energy through projects like sewage sludge treatment facilities. The company also commits to environmental stewardship by engaging in the decommissioning and site restoration of waste-to-energy plants.

Harbour Cranes



Harbour Cranes



Busan New Port Phase 2-5 Transtainer Cranes

HJSC shows overwhelming capabilities and achievements in port crane manufacturing. Fully automatic, unmanned gantry cranes at Busan New Port's western side during its Phase 2-5 development. A total of 34 transtainers were domestically engineered, assembled, and rigorously tested, showcasing homegrown technological innovation.

THE WAY OF LIVING

Premium Residence Harmonizing Nature and Advanced Technology

HJSC's premier residential brand, Haemoro, derives its name from 'hae', the Korean word for 'sun', and 'moro', an old term for 'community'. The brand epitomizes eco-conscious living, creating homes that harmonize with nature and are bathed in sunlight.

Daesin Haemoro Center



Haemoro

Adapting with the times, the Haemoro brand embraces simplicity and modernity, focusing on homes that align with the current lifestyle of the smart era. The brand aims to provide homes filled comfort, featuring sunlit spaces that blend nature with comfort for ultimate residential satisfaction.

Smart Air Quality Management System



Aircon



Heat Exchange



Ventilation



Gas Shut-off

This system integrates an IoT complex with communication networks and home networks for unified app control, connecting to external data like weather and location for various services.



Luxury Details



Exterior Desk



Landscaping

YOUR WAY OF LIVING

Cultivating a Warm Residential Culture

Haemoro, HJSC's residential brand, epitomizes precision in design and modern living with systems at the cutting edge, aesthetics in sync with nature, and a focus on community and connectivity. This brand is redefining residential culture, infusing it with innovation and distinctive insights, and turning a Haemoro address into a prestigious statement.

Daesin Haemoro Central

Castle & Haemoro



Songdo, Incheon

Located in Songdo Global Complex, Castle & Haemoro offer residences from one basement to 40 floors with 1,439 units. The area features amenities like a waterfront park and excellent schools. Notably, the development boasts a floating park larger than a soccer field and expansive green spaces comprising 43% of the complex.

Daesin Haemoro Central



Daesin, Busan

Close to the subway station, Daesin Haemoro Central in the newly transformed Daesin-dong is made up of 733 units in eight buildings and boasts infrastructure vital to the quality of life, including transport and education. As the first of its kind after our rebranding in 2022, it is an official announcement for a fresh chapter in Haemoro.

Baengnyeonsan Haemoro



Eungam, Seoul

Baengnyeonsan Haemoro, with 760 units across nine buildings, resides in the sought-after Eungam-dong area of Seoul, adjacent to Eungam Station. Nestled at the base of Baeknyeonsan and Bulgwangcheon's edge, the complex offers a stellar natural setting. The adjacent park and community amenities highlight Haemoro's commitment to a quality living experience.

Haemoro Richhill



Donam, Jeju

Haemoro Richhill, a pioneering redevelopment in Jeju Island, offers 426 units across ten buildings, from two basement levels up to the 10th floor. Centrally located in Jeju City and close to the airport, its design reflects the island's natural beauty, with elements inspired by hill contours, ocean waves, and the iconic dolhareubang statues.

THE WAY OF TRAVEL

Top Performance and Experience in Domestic Airport Construction

Airports are key drivers in the global transportation infrastructure, essential for economic and regional development. HJSC champions sustainable airport construction, actively reducing environmental impact and noise, and aligning growth with ecological health. Renowned for its expertise, HJSC advances construction practices that reconcile progress with sustainability, shaping the future of global communities.

Incheon International Airport

■ Site Preparation



Incheon Int. Airport
Site Preparations



Incheon Int. Airport
Site Development

Essential airport construction activities such as embankment, drainage, and land reclamation are pivotal for developing major facilities. HJSC guarantees top-notch quality and safety, adhering to stringent work procedures, thorough inspections at each phase, and comprehensive testing protocols.

■ Apron / Runway / Lighting



Incheon Int. Airport
Runway



Davao Int. Airport
(Philippines)

HJSC's expertise is well shown in our construction of durable and safe runways using high-quality materials and strict quality control to ensure resilient airport infrastructure. Our comprehensive approaches also encompass apron and airfield lighting, reflecting a strong dedication to aviation safety.

■ Control Tower / Cargo Terminal / Catering Facility



Incheon Int. Airport
Cargo Terminal



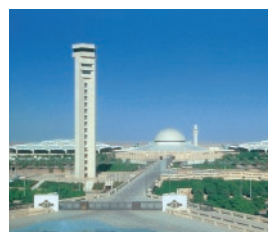
Lagindingan Int. Airport
Control Tower (Philippines)

HJSC's approach to runway construction focuses on exceptional durability and safety. Through meticulous planning, adherence to stringent specifications, and the use of superior materials, the company ensures the highest standards of quality for runways, aprons, and airfield lighting systems, catering to the rigorous demands of aircraft landings under various conditions.

■ Airport Terminals (Global)



Guam Int. Airport
(USA)



Riyadh Int. Airport
(Saudi Arabia)

HJSC demonstrates its excellent airport construction capabilities not only in Asia and the Pacific region but also globally. Since entering the Philippines construction market in 1973, it has completed around 70 projects, including Davao International Airport and Lagindingan Airport, boasting the top performance among foreign construction companies in the Philippines.

THE WAY OF TRAVEL

Incheon International Airport (Construction Phases 1-4)

HJSC has played a key role in various stages of Incheon International Airport's development, from its initial construction to the current Phase 4, significantly aiding its rise as a leading global hub airport. This contribution earned HJSC the Gold Tower Industrial Medal in 2001 the first in the domestic construction industry.

Incheon International Airport

Airport Terminals (Local)



Incheon Int. Airport
Terminal 1



Incheon Int. Airport
Terminal 2 & Expansion

HJSC has been acknowledged both domestically and globally for its expertise in airport construction since the completion of Gimpo International Airport's terminal in 1971. The Terminal Buildings at Incheon International Airport, finished in 2002, stand out as a fusion of traditional Korean elements with contemporary design.

Hangars & Maintenance Facility



Incheon Int. Airport
Repair Hangar



Gimhae Int. Airport
Hangar

HJSC specializes in constructing comprehensive hangar facilities for systematic aircraft inspection and maintenance, ensuring safe operations. Their expertise extends to large-scale, multi-aircraft hangars that facilitate stable management and streamlined aircraft servicing.

Fueling & Auxiliary Facility



Incheon Int. Airport
Fueling Facilities



Incheon Int. Airport
Radar Transmitting Facility

HJSC's advanced fueling systems ensure efficient fuel management and delivery for aircraft operations. Their automated solutions enable centralized control, from receipt to distribution. Additionally, HJSC's expertise extends to building auxiliary airport structures such as catering centers, educational facilities, lodgings, parking lots, and waste treatment plants, all integral to seamless airport functionality.

Maintenance Facility



Maintenance of Control Facility
(Mechanical) & Power/Lighting
Facility (Electrical)



Operation Facility (Civil)
Maintenance

HJSC specializes in comprehensive maintenance for airport operations, covering architecture, electrical systems, communications, and fire safety. Their expert management of cutting-edge airport facilities ensures a secure and pleasant experience for travelers. HJSC's proficiency has significantly contributed to Incheon International Airport's ranking as one of the top airports globally.

SHIPBUILDING

ALWAYS MOVING FORWARD

[INTRO](#)[ESG STRUCTURE](#)[ENVIRONMENT](#)[SOCIAL](#)[GOVERNANCE](#)[APPENDIX](#)

Building the World's Best Ships

HJSC plays a pivotal role in the maritime industry, driving competitiveness with sustainable and eco-friendly practices. Established in 1937 as Korea's pioneering steel shipbuilder, HJSC has been instrumental in elevating Korea to a leading shipbuilding nation.

The company's expertise spans a range of vessels, including container ships, LNG/LPG carriers, oil tankers, bulk carriers, naval ships, and other specialized crafts. HJSC is globally recognized for its technological prowess, committed to pioneering advanced, valuable maritime solutions.

**1,000+
Vessels Built**

Achieving
High-Value
Production

**Top
in Korea**

for Modern
Shipbuilding &
Cutting-Edge Tech

Shipbuilding Division Business Areas



Commercial Ships

- Container Carriers
- Gas Carriers
- Tankers
- Bulk carriers



Special Purpose Ships

- Research Vessels
- Training Vessels
- Diving Support Vessels
- Cable Laying Ships
- Oil Spill Response Vessels
- Ocean Exploration Vessels



Naval Defense Ships

- Naval Ships
- High-speed Patrol Vessels
- High-speed Landing Craft
- Patrol Vessels
- Salvage Vessels

YEONGDO SHIPYARD

HJSC is the birthplace of the South Korean shipbuilding industry and the embodiment of advanced shipbuilding technology.



GEOJE FACTORY

HJSC has established the strongest competitiveness globally with amassed technology and mastery,



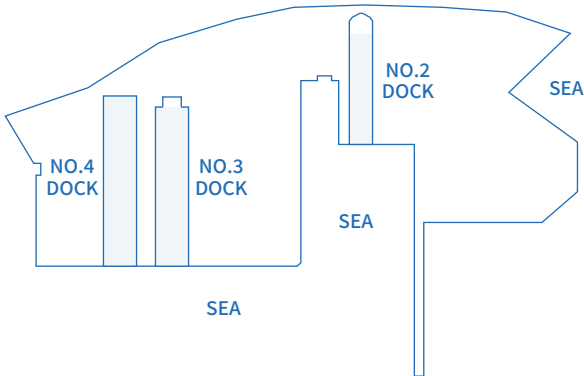
Yeongdo Shipyard BUSAN



Yeongdo-gu, Busan

Yeongdo Shipyard has revolutionized the global shipbuilding industry, becoming a symbol of South Korea's maritime industry. Specialized vessels and high-value ships built at Yeongdo Shipyard will continue to provide top-notch services worldwide.

DRY DOCKS	DIMENSIONS (L x B x D) (m)	MAX. CAPACITY (DWT)	CRANES
No. 2	230.00 x 35.00 x 9.00	60,000	80, 20T
No. 3	300.00 x 50.00 x 10.50	180,000	100T x 3
No. 4	300.00 x 50.00 x 10.50	180,000	100T x 3



Geoje Factory GEOJE



Geoje-si, Gyeongsangnam-do

The Geoje Factory, employing HJSC's shipbuilding expertise, assembles blocks needed by the Yeongdo Shipyard. From assembly to preloading, painting, and completion, Geoje Factory supplies high-quality blocks annually to support ship construction at Yeongdo Shipyard.

The Geoje Factory serves as the second engine, enhancing HJSC's production capacity.

ARTICLES MANUFACTURED	PRODUCTION CAPACITY	AREA
Block Assembly for shipbuilding	20,000 ton / year	51,210m ²
Small / Medium / Large / GPE Steel Structure		

THE WAY OF TRADE

CMA CGM ANTOINE DE SAINT EXUPERY
21,000TEU Container Carrier

Container Carriers

HJSC holds a global reputation for constructing premier ships. The company's portfolio includes an array of vessels such as cargo ships, container ships, gas carriers, tankers, and bulk carriers, showcasing our technical expertise showcasing optimized designs and superior quality.

Container Carriers



ZIM DANUBE, 5,500 TEU Container

World-leading Confidence and Technology

HJ Shipbuilding has cemented its position as a leader in the container ship sector since 1990, with the construction of over 200 container ships. The company's dedication to research and development has placed it at the forefront of eco-friendly ship construction, pioneering hybrid and methanol-powered vessels.

Gas Carriers



STX KOLT, 153,000m³ LNG Carrier

Result of Technological Integration

Since launching its first LPG carrier "Ulsan Gas" in 1988, HJ Shipbuilding has marked significant achievements in LNG construction with notable vessels like "Hanjin Pyeongtaek" and "Hanjin Muscat." The company's innovation continued with enhanced designs in 2008 and the world's inaugural LNG bunkering ship in 2017, solidifying its expertise in gas carrier technology.

Tankers



GENER8 HECTOR, DWT 300,000 VLCC

From Korea's First to The World's Best

HJ Shipbuilding began its legacy with the first domestic oil and chemical product transport ships in 1974 and 1978, respectively. The company's status in the tanker market was cemented when its 2000-built chemical transporter was named the world's best ship. A milestone 2014 order for a 300,000-ton VLCC (Very Large Crude Carrier) reinforced its prominence in the global tanker industry.

Bulkers



CHRISTINA BULKER, DWT 180,000

Pathfinder in Large Ship Construction

HJ Shipbuilding launched the first large cargo ship in South Korea in 1972, marking the beginning of the era of large ship construction in the country. With extensive experience and trust, the company continues to build bulk carriers tailored to the demands of global shipowners, showcasing competitiveness even in constructing 180,000-ton Capesize ships with maximized high-efficiency production systems.

THE WAY OF COMPETENCY

Special Purpose Ships

HJ Shipbuilding is a leader in the production of specialized vessels, with a portfolio that includes submarine cable layers, polar research icebreakers, deep-sea dive support vessels, multipurpose disaster response ships, and advanced 3D/4D seismic survey ships. We are very proud of our ability to construct high-function, eco-friendly ships tailored for specific, sophisticated operations.



Ice Breaking Research Vessel ARAON

Ocean Explorer / Research Vessel



HANNARA, Korea Maritime & Ocean University

Pushing to Expand Marine Territory through Advanced Technology and Innovation

HJ Shipbuilding has helped develop maritime talent and resources by building advanced research and training vessels for local research institutions and universities. The company is committed to expanding South Korea's maritime domain through ongoing technological innovation.

Diving Support Vessel



GULMAR ATLANTIS, Diving Support Vessel

High-Tech, High-Value Production, leading the Shipbuilding Industry

Acknowledged both domestically and internationally for its high-tech shipbuilding capabilities, HJ Shipbuilding leads in the industry with pride. As the first in South Korea to build a diving support vessel, the company focuses on adding value and technological advancements in shipbuilding.

Multi-purpose Large Oil Spill Response Vessel



ENDAM, Multi-purpose Large Oil Spill Response Vessel

Enhancing National Capabilities with Unparalleled Technological Prowess

HJ Shipbuilding constructed the first multi-purpose response vessel, capable of effectively responding to maritime pollution incidents. Leveraging its technological prowess, we are committed to building advanced special purpose vessels, research ships, and cable laying vessels to enhance national capabilities.

3D/4D Geographical Exploration Research Vessel



TAMHAE 3, 3D/4D Exploration Vessel

Expanding Exploration Capacity for Marine Resources with Advanced Technology

HJ Shipbuilding has advanced South Korea's capacity for underwater resource exploration with the construction of its inaugural oceanographic research vessel, designed for global marine energy exploration. The company is committed to enhancing the nation's exploratory reach into critical areas such as continental ridges and the polar regions.

THE WAY OF PROTECTION

Elite Flagship of the ROKN, Marado

Leader in Building Advanced Combat Ships and Naval Support Vessels.

Beginning with the 'Haksaeng-ho' patrol boat in 1972, HJ Shipbuilding has delivered a wide array of vessels such as high-speed craft, frigates, escorts, support ships, landers, and submarines. By exporting to regions including the Middle East, Asia, and South America, the company has solidified South Korea's position in global naval defense.



Naval Ships

Unrivalled Technology & Experience on Advanced Combat Ships and Naval Support Vessels



Korean Navy First Multipurpose Large Transportation ship, Dokdo



MTB (Multi-purpose Training Boat)

Patrol Killer Guided Missile/Rocket

New High-Speed Patrol Vessel for Korean Navy



Guided Missile High-Speed Frigate PKG



Next-Generation High-Speed Craft PKMR

Hovercraft

High-Speed Frigates Developed for Coastal Guard for Korean Navy



LSF- II



LSF- II

Patrol/Salvage Vessels

Stability and Maneuverability Suitable for Various Activities, Including Coastal Guard



Coastal Guard 3000-ton Patrol Vessel



Coastal Guard 1000-ton Patrol Vessel

Retained Technology

Construction

PROFESSIONAL ACHIEVEMENTS

HJSC is reinforcing its leadership in the global construction sector, enhancing our main operations across civil engineering, architecture, residential construction, and energy facilities. Continually advancing our technology and pioneering new methods, HJ Construction aspires to evolve from a key player in South Korea's construction field to a pivotal force in the international field.



New Construction Technologies

- [No. 680] Method for producing modified asphalt mixture using modification material injection device at moderate temperature
- [No. 751] Precast concrete slab method for bridges using reinforcement ribs, hunch, and wave-like connection material (Rib-deck method)
- [No. 795] Tunnel-type soundproofing facility using pipe truss beams, transverse detachable side soundproof plates, and right-angle groove elements (PosLST Method)
- [No. 800] Construction method for building synthetic boards (HyFo boards) by bolting 2 Z-shaped upper formed steel pipes and 1 “□”-shaped lower formed steel plate with high-strength bolts
- [No. 817] Synthetic cover plate method with four divided circular plates and vertical reinforcement bars settled in the reinforced concrete bottom plate
- [No. 834] Synthetic lamppost method (Isolation system using plate) with permanent similar hinge system applied between wall and foundation
- [No. 860] Construction method for irregular precast synthetic boards integrating slab and partially projected steel members (H-shaped steel, T-shaped steel) inserted throughout the entire length of PC materials
- [No. 894] Construction method for assembly-type synthetic resin tunnel boxes utilizing roof water and inspection structure composed of underground rainwater utilization facilities
- [No. 953] Assembly-type precast concrete joint structure construction technology using anchor cones and pleated sealing index plates (KC System)



New Safety Technologies

- [No. 88-5] Emergency recovery capable lamppost method with separation of beam moment transmission in the lower part of the alternating wall and simple support upper structure connection part
- [No. 2022-32-1] Construction technology for precast structures such as dams, reefs, etc., Using bidirectional anchor-type steel wire settling device with enhanced joint seismic performance and pleated sealing index plates
- [No. 2023-7-1] High-efficiency bridge drainage system combining horizontal and vertical flow plates, trumpet-shaped drainage pipes, and excessive water treatment devices



Green Technology Certification

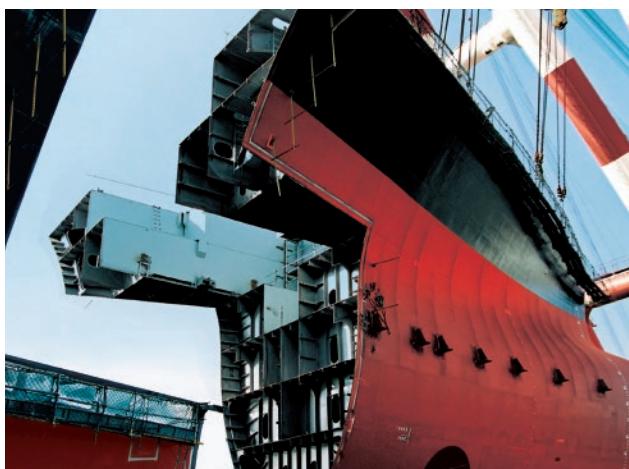
- [No. GT-22-01406] Technology for underground rainwater utilization facilities composed of assembly-type synthetic resin tunnel boxes and inspection structure

Retained Technology

Shipbuilding

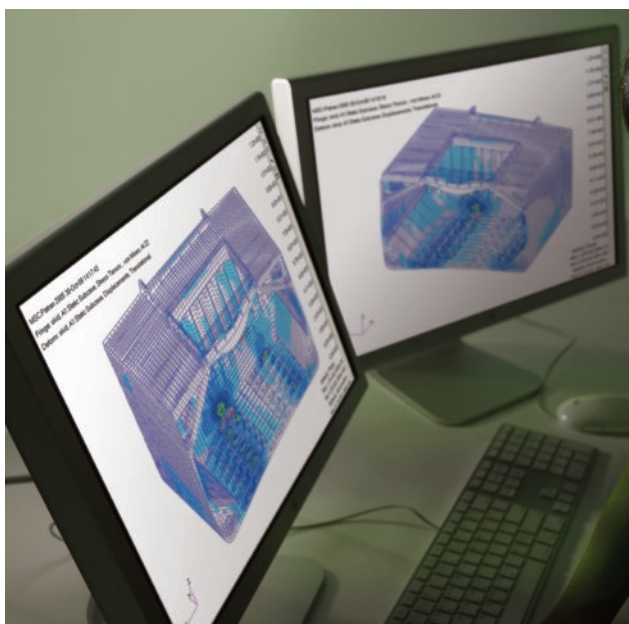
PROFESSIONAL ACHIEVEMENTS

HJ Shipbuilding is enhancing its high-value shipbuilding with an advanced production system to achieve unparalleled global technological leadership. The company is striving to evolve from South Korea's shipbuilding focal point to a pivotal force in the worldwide industry by innovating new technologies and practices.



Shipbuilding Methods

Shipbuilding division boasts over eight decades of shipbuilding expertise, introducing pioneering methods like using a 3,000-ton offshore crane for moving large blocks, installing ship sections underwater, and innovating the first underwater welding dam technique. These developments bolster HJSC's status as a top-tier global shipbuilder.



Research & Development

HJ Shipbuilding revolutionizes the processes of manufacture by innovating large pre-installed blocks to cut build times and using DAMs for constructing larger vessels. The firm is advancing eco-friendly, efficient linear development, aligning with global standards. The company's continuous innovation is transforming it into an advanced smart yard that showcases safety and efficiency.



Patents

[No. 1120889]	Welding marking device	[No. 1148243]	Ship heating system
[No. 1417357]	Electro-gas welding device	[No. 0631805]	Air cushion line's buoyancy air adjustment device
[No. 1177637]	LNG ship membrane welding guide device		



Technical Methods and Achievements

Underwater Installation Method	Reduced the number of installations in the ship section area from 14 to 5
Vertical Automatic Welding Method	Reduced welding time by 10 times
DAM (Dock Alternative Method) Construction	Utilized DAM structures to construct ships with a length exceeding 325m, surpassing the 300m length of a traditional dock
Crane Launch Method	Reduced ship launching timeline by approximately 80%



Research & Development Awards

R&D Achievements

Automatic plasma welding apparatus for LNG cargo hold membranes	Structural optimization using FEM analysis
Obtained basic design cert for an LNG dual-fuel container ship	Developed icebreaking ships for polar navigation
Marine waste collection and treatment ship on hydrogen technology	Automated welding device for medium-sized ship outer panels
Developed 8,500TEU container ship with applied CCS technology	Core tech for non-ballasting waterline ships
Obtained pre-approval	High-performance hull for high-speed container ships using CFD
- Basic design of a 700TEU LNG dual-fuel container ship (KR class)	High-efficiency, low-vibration propeller using hydrodynamic theory
- Basic design of a 1,900TEU LNG dual-fuel container ship (LR class)	
- Basic design of a 7,700TEU LNG dual-fuel container ship (LR class)	

Ongoing R&D

Safety standards for hydrogen storage tanks and fuel supply systems	Carbon-neutralization and digitization of ships
Conceptual design of an eco friendly ship powered by ammonia fuel	Advancement of LNG ship technology
Safety assessment software for IMO 2nd generation restoration	Establishment of a smart yard
Big data-based container loading integrity verification system	

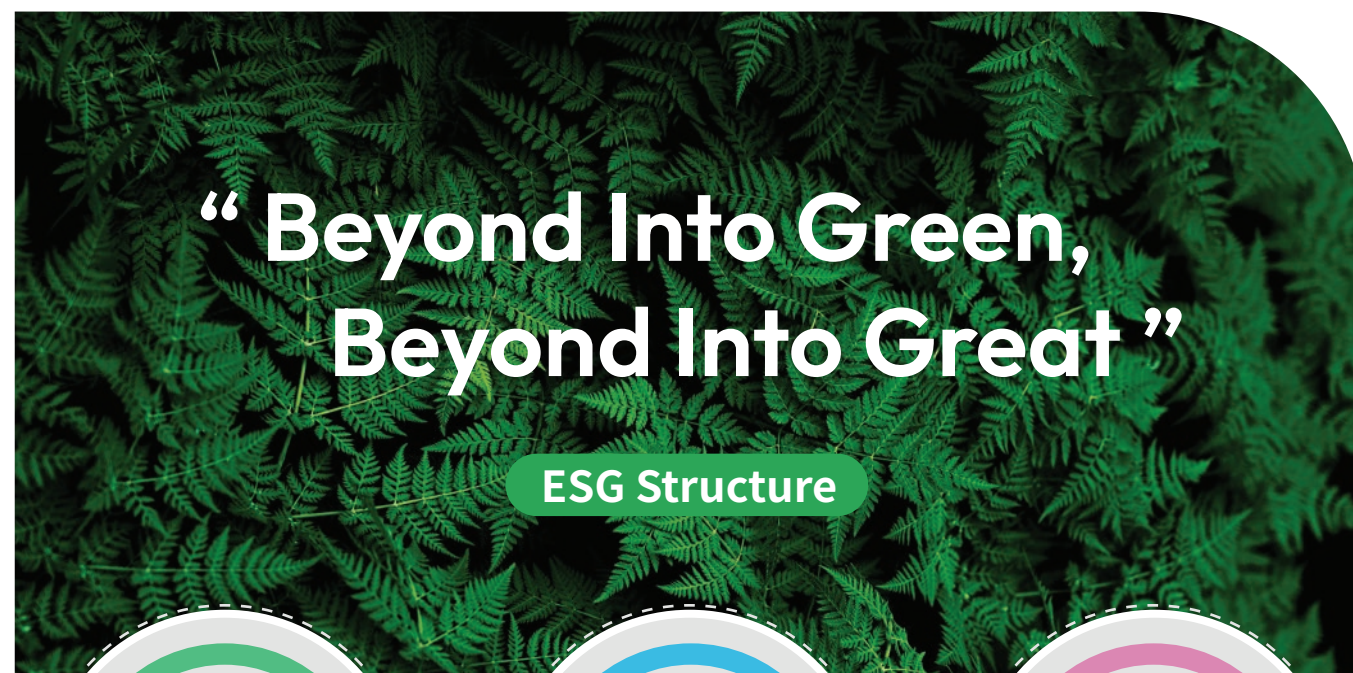
27 ESG Management System

29 Stakeholder Engagement

30 Materiality Assessment



ESG Vision



E

HJSC actively embraces ESG management in pursuit of SUSTAINABLE GROWTH

In response to global shifts towards sustainability, including efforts in decarbonization and climate change mitigation, the emphasis on Environmental, Social, and Governance (ESG) factors is increasing, becoming key indicators of a company's long-term value and growth potential. HJSC is committed to fostering a sustainable business model centered on eco-conscious management, societal contribution, and robust, transparent governance practices.

S

HJSC progresses to create value and growth in accordance to our SOCIAL RESPONSIBILITIES

The emphasis on corporate environmental and social stewardship has placed ESG, Environmental, Social, and Governance, at the forefront of business strategy. HJSC has responded by forming a specialized ESG division, crafting a strategic ESG framework, and continuously refining its sustainability efforts.

Simultaneously, the company is solidifying its risk management frameworks, focusing on safety, quality, and stakeholder collaboration, setting clear objectives and responsibilities to drive forward-thinking development.

G

HJSC is transforming into a leading global ESG-FOCUSED enterprise.

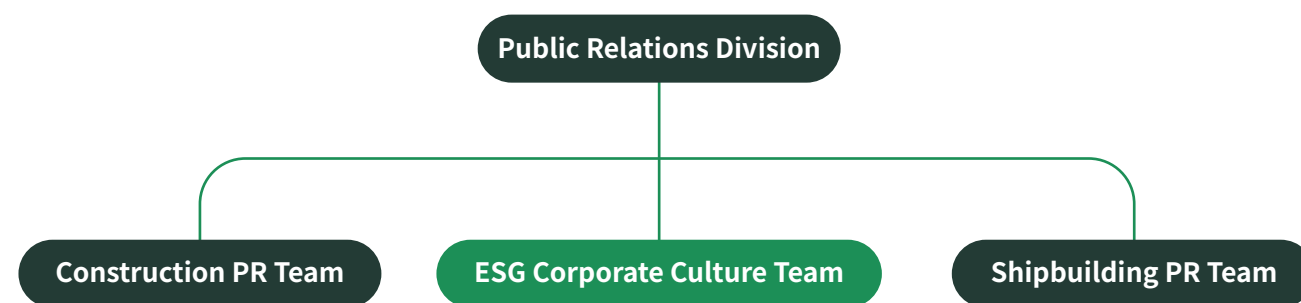
Not only the financial value but also the social value is a fundamental standard for HJSC in modern society. Consequently, the company plans to faithfully adhere to international standards and recommendations as a global corporate citizen, including the United Nations Sustainable Development Goals (SDGs), the Universal Declaration of Human Rights, OECD guidelines, and others.

HJSC is committed to practicing genuine ESG management through rigorous ethical and legal practices, proactive and systematic safety management, and prioritizing human life. Additionally, the company will make efforts to widely share and communicate information on sustainable management with stakeholders to reflect and expand upon it.

ESG Management Team

ESG Initiative Team Structure

HJSC operates internal ESG governance for the implementation and specialization of ESG management, continually monitoring its performance. To oversee the comprehensive tasks related to ESG management, the ESG Corporate Culture Team was established in 2022. This team takes charge of ESG management, formulates ESG strategies, oversees task implementation and monitoring, and ensures ESG indicators are included in business plans. Quarterly, the team collects and manages performance data.

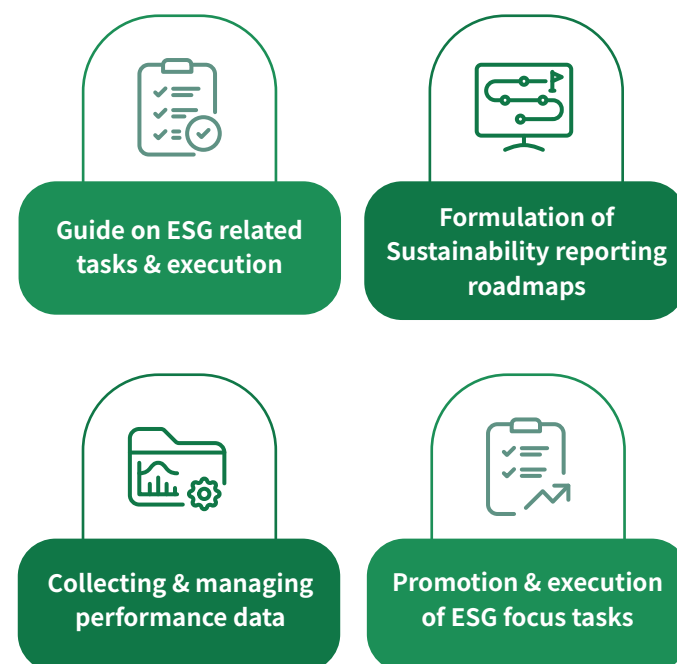


ESG Corporate Culture Team

The ESG Corporate Culture Team proactively adapts to both internal and external changes in the macro-management environment. It focuses on reshaping the perceptions of organizational members and driving sustainable growth through ESG management.

The team collaborates closely with relevant departments to enhance understanding of ESG management, execute assigned tasks, and organize and share task progress data for sustainable management reporting.

Furthermore, the team guides detailed task execution and fosters collaboration to improve ESG evaluation ratings across various departments.



ESG Management Activities

Setting ESG Management Strategies

The ESG management strategic system, including the 'ESG Management Slogan,' 'ESG Management Direction,' and 'ESG Management Goals,' was developed by gathering employee feedback aligned with ESG management objectives.

Sub-group Communication on ESG

To promote the purpose of ESG management and ensure it takes root, a total of 14 subgroup communication activities were conducted from May to July 2022. This involved 144 employees from 26 departments associated with ESG management in the construction and shipbuilding sectors.



ESG sub-group communication activity

ESG Explained on YouTube

To enhance the understanding of our employees and stakeholders interested in ESG management, the company has created informative YouTube videos that cover an overview, significance, and detailed explanations of each aspect of ESG management.



ESG management explained via YouTube

ESG Evaluation & Management

The company has implemented a task system to address the ESG evaluation by KCGS and attained an integrated "B+" grade in the 2023 ESG rating. We are actively working on a roadmap and practical actions to improve the rating further.

ESG Briefing for Site Managers

On July 1, 2022, HJSC held an ESG management briefing for 38 construction site managers. The session emphasized the significance of ESG management, provided an overview of the company's ESG initiatives, and aimed to enhance awareness and engagement among team members.



ESG management briefing for site managers

ESG Committee

In 2022, HJSC initiated the development of its ESG management system, commencing with the establishment of an ESG Corporate Culture Team. The company plans to establish an ESG committee to further reinforce the system, with a primary



Stakeholder Identification & Communication


Stakeholder Identification & Communication

HJSC defines stakeholders as customers, employees, business partners, local communities, and shareholders & investors. We actively collect their feedback through various channels and consider it when identifying key issues. Our goal is to build trust and satisfaction by addressing high-interest issues for each stakeholder through effective communication.

Stakeholder	Topics of Interest	Channels
 Customers	<ul style="list-style-type: none">QualityProduct PricingDelivery TimeCustomer Satisfaction	<ul style="list-style-type: none">WebsiteCustomer ServiceYoutube ChannelInstagram
 Employees	<ul style="list-style-type: none">Welfare BenefitsEducationGreen Management	<ul style="list-style-type: none">Employee Satisfaction SurveysIntranet, Internal MessengerYoutube ChannelInstagram
 Local Community	<ul style="list-style-type: none">Social ContributionsLocal Community InvestmentEthical Management	<ul style="list-style-type: none">WebsitePublic Service CenterYoutube ChannelInstagram
 Business Partners	<ul style="list-style-type: none">Mutual GrowthFair TradeJob Safety	<ul style="list-style-type: none">Customer ServiceBusiness Partner MeetingsBusiness Partner Council
 Stakeholders/ Investors	<ul style="list-style-type: none">Management PerformanceStock PricesDividendsManagement Risks	<ul style="list-style-type: none">Shareholders' MeetingIRInformation DisclosureMeetings & Conferences

Communication Channels


HJSC's communication channels are inclusive and accessible to all, featuring a wide range of events and internal news. To reach a diverse audience, the company maintains YouTube and Instagram channels. We are actively working to expand and enhance our communication channels to better understand and address the interests of key stakeholders, promoting sustainable management.



YouTube @hjsc

<https://www.youtube.com/@hjsc>

The YouTube channel serves as a forum for HJSC's workforce, internal and external partners, and customers.



Instagram @hjsc

HJSC (@hjsc.co.kr)

The Instagram profile serves as a communication platform for both HJSC employees and the public.

ESG as Essential Competence in the Global Era

“Data-driven ESG development and advancement are essential competencies demanded by the global market.”

ESG principles transcend transient trends or superficial checklists; they are indispensable for addressing the profound challenges within the global business landscape. Looking ahead, the intertwining of ESG and financial performance will be recognised as intrinsic, gaining escalating significance in the Asian markets.

ASMI is actively laying the groundwork for essential ESG-related data, including greenhouse gas emissions accounting, enlightening companies and shipyards in the Marine & Offshore Energy sector. We are committed to providing necessary training through designated officials. Additionally, we organize seminars and workshops to consolidate industry knowledge and explore diverse developmental pathways in response to the growing interest in eco-friendly ships and renewable energies.

HJSC's greenhouse gas inventory showcases a commitment to ESG management, a cornerstone for sustainable growth. We are optimistic that collaborative efforts and focused initiatives within Asian markets, including Korea, will significantly advance the marine and offshore energy industry. ASMI remains dedicated to fostering a collective effort for a sustainable future.

WILSON ANG

Executive Director of ASMI, Singapore

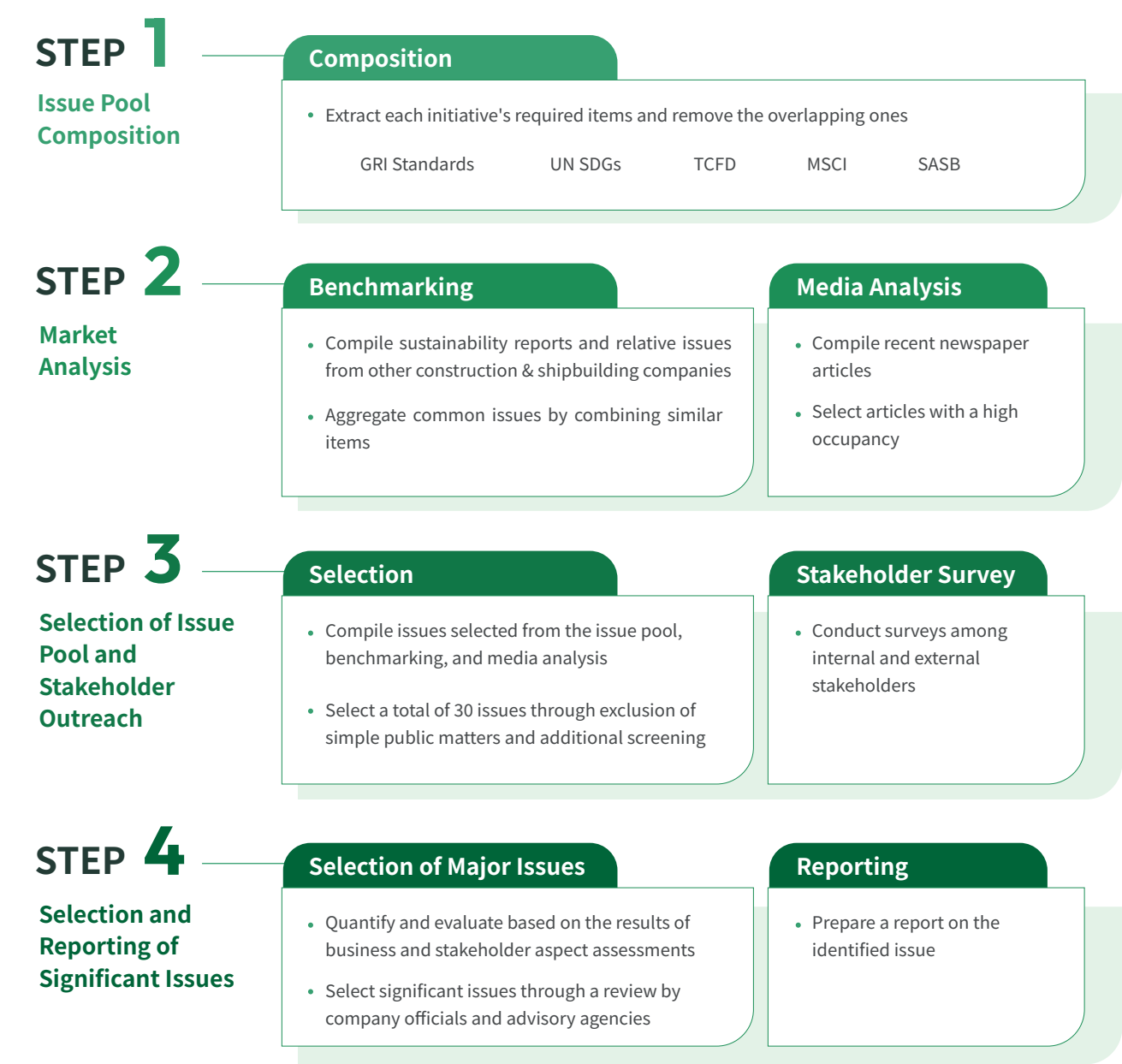


Materiality Assessment

Sustainability Management Through Materiality Assessment

HJSC conducts annual impact assessments to identify sustainability management issues, tracking changes, removals, and new concerns compared to the previous year. This evaluation, considering both business and stakeholder perspectives, informs our management strategy by identifying risks and opportunities. The results of this assessment will be disclosed annually in our Sustainability Report.

Materiality Assessment Process



Result of the Assessment

Identifying Significant Issues

The assessment, encompassing both business and stakeholder impacts, has identified the top six key issues, with detailed reports on related activities and outcomes provided in this report.

Strategic Approach

The strategy for the six core issues is outlined below, ensuring systematic and effective management of ESG issues, fostering relationships with stakeholders and team members, and facilitating sustainable development through risk management.

Assessment Results

Core Issues and Approaches	Customers	Employee	Community	Partners	Stakeholders	Pages	UN SDGs
1 Reduction of GHGs and Air Pollutant Emissions Implementation of Emission Inspection System						34, 39, 41-42	
2 Development of Green Tech Securing Competitiveness through green tech development						36-38	
3 Strengthening Safety and Health Management System Prevention of Major Accidents & Introduction of Smart Management System						51-55	
4 Fair Performance Evaluation and Compensation Introduction of Performance-oriented Evaluation System						47	
5 Establishing and Operating an Ethical Management System Establishing an organizational culture of compliance and ethical management.						68	
6 Performing Sustainable Business Activities Improvement of Corporate Structure through Innovation						69	

Environmental Issues

Abnormal climate events due to global warming are now frequent, requiring collective action. The international community is pushing for carbon neutrality by net-zero greenhouse gas emissions. In response to the domestic 2050 carbon neutrality declaration, the government is prioritizing carbon capture, utilization, and storage projects. The shipbuilding and construction sectors must actively reduce emissions to combat climate change.

- 32 Eco-friendly Management
- 33 Response to Climate Change
- 35 Eco-friendly Value Creation
- 39 Strengthening Environmental Management

HIGHLIGHTS



4.4 b KRW
Total
Green Investment



280%
More Investment
in Green Tech



**GHG Inventory
Establishment**



**Application of
CCS on Ships**
Design Concept
Development

UN SDGs



Committed to the Environment

Environmental Management Policy

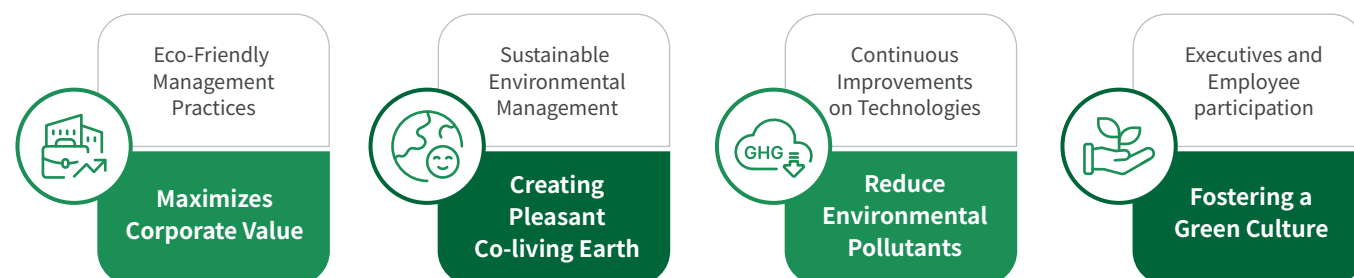
HJSC is working towards carbon neutrality by 2050, committed to its economic and social duties and focusing on sustainable progress. We have established a green strategy to minimize the environmental impact in all construction and shipbuilding facilities. HJSC has a system to monitor its goals and results with everyone involved, like workers and business allies.



Environmental Management Strategy

Creating a Top-tier Company through Customer-focused Quality Management & Sustainable Environmental Management

HJSC values green management as a core aspect of its corporate culture as global issues and strengthening regulations may bring new opportunities. We adhere to ISO14001 environmental standards, systematically engaging in conservation efforts, setting goals, strategizing, addressing climate risks, exploring new markets, and fostering environmental responsibility among employees. We also aim to balance customer satisfaction with environmental preservation and enhance green values continually.



Environmental Management System

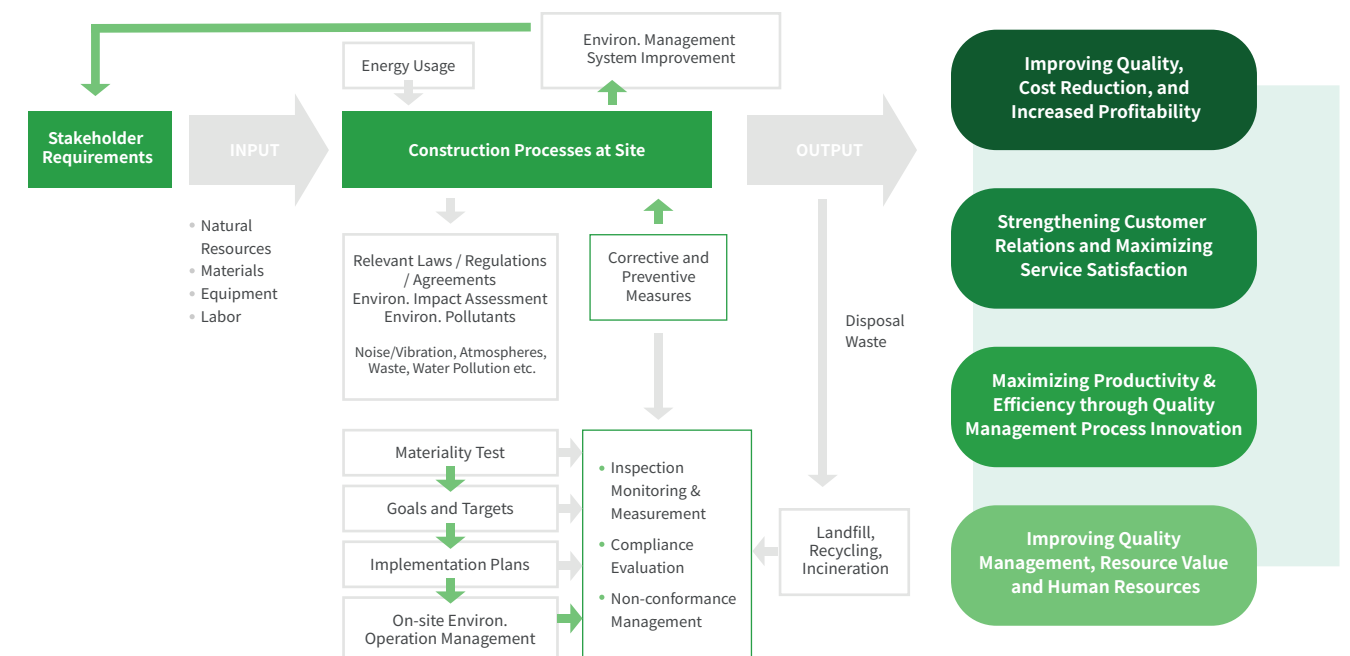
HJSC prioritizes environmentally friendly technology for responsible environmental management hence the related topics have been selected as one of the key issues for the company to tackle. Known for our continuous effort in greenhouse gas reduction, energy conservation, and environmental risk management, the company holds and maintains ISO14001 certification.



Environmental Management System (ISO 14001) for the Construction/Shipbuilding Sector

Environmental Management Operating System

HJSC integrates environmental performance evaluation into its construction and shipbuilding processes, from acquisition to design and construction. In shipbuilding, the company develops green ship technologies to meet global regulations and stakeholder expectations. To become a leading green company, HJSC boosts its eco-tech capabilities, enhances its internal environmental management, and advances eco-friendly practices.



Environmental Management Organization

HJSC assigns environmental management departments to each construction and shipbuilding division, ensuring compliance with environmental policies. We set strategic goals, creates implementation plans, and actively practices environmental management.

Construction



Shipbuilding



✓ Risk Management

Strategy Against Climate Change

HJSC evaluates and analyzes physical and transitional risks related to climate change through climate-related scenario analysis. We review the financial impact of these risk factors on the company and considers risk management measures. HJSC aims to establish a comprehensive climate change response system through a multifaceted examination of climate change factors.

We seek to enhance its competitiveness in environmentally friendly business through the formulation and continuous execution of strategies that generate quantitative and qualitative performance outcomes.

	Category	Type	Risk Factors & Opportunity Factors	Short-term	Mid/long term	Financial Impact	Level	Response Strategies
Physical Risks		Acute	Extreme Climate Events (Floods, Heatwaves, Droughts, etc.)	✓	✓	Additional Cost for Facility Restoration & Operations (Material Loss, Rushed Operations etc.)	LOW	Systematic Construction Management & Preparations for Extreme Weathers
		Chronic	Rising Sea Levels		✓	Depreciation of Asset Value Due to Damage or Loss of Ships Under Construction (Shipyard)	LOW	Climate Change Damage Insurance & Regular Facility Inspections
		Chronic	Long-Term Climate Changes (Abnormal High/Low Temperatures)		✓	Decreased Productivity (Efficiency) of Workers → Recovery Cost Due to Delayed Projects & Lowered Quality	LOW	Establishment and Management of Rest Facilities for Improved Working Environment
Transitional Risks		Regulatory	Emissions Regulations (Reduction of GHG Emissions)	✓	✓	Increased Cost for Complying with the New Climate Change Related Policies	MEDIUM	Monitor Local/Global Climate Change Policy & Regulation Trends By Setting GHG Emission Reduction Goals Through GHG Inventories at Operational Sites
		Market	Changes in Stakeholder Needs	✓	✓	Decreased Revenue Due to Low Sales Resulting from Failure to Satisfy Shipping Companies' Environmental Requirements	HIGH	Enhancement of Green Competitiveness Through Continuous R&D Support on Low-Carbon Technology
		Market	Rising Cost on Raw Material and Energy Usage	✓	✓	Reduction in Profitability Due to Increased Cost of Production, Transportation of Raw Materials Resulting from Climate Change Related Policies	MEDIUM	Monitor Trends in Raw Material Prices & Adoption of Joint Purchase Considering Quantity/Time
		Reputation	Pressure for Increased Sustainability		✓	Change on Investment Policies & Increased Insurance Premiums Based on the Level of Climate Change Risk Response	HIGH	Ensuring Corporate Sustainability Competitiveness Through the Introduction & Enhancement of ESG Practices
		Technology	Demand for Green Technologies	✓	✓	Increased Cost for the Development of Green & Low-Carbon Ship Technologies	MEDIUM	Expansion of Green Ship Contracts and Profit Generation Through Technological Development
Opportunities		Market	Market Opportunity for New Green Businesses		✓	Increased Revenue Through Entry into the Green Construction Market	MEDIUM	Enhancement of Eco-Friendly Corporate Image Through Expansion of Green Building Constructions & Acquiring Environmental Building Certifications
		Technology	Expansion on the Market Share of Green/Low-Carbon Ships		✓	Increased Revenue from Contracting Eco-Friendly Ships Developed in Compliance with IMO Emission Regulations (CO ₂ , SO _x , NO _x)	HIGH	Increased Investment in the Development of Green & Low-Carbon Ship Technologies

Climate Change Risk Management

Greenhouse Gas Reduction

With the initiation of the new climate regime in 2021, all UN climate agreement parties are striving to limit the increase in global average temperature by 1.5°C or less by 2100 compared to pre-industrial levels. Global competitive companies are declaring carbon neutrality and taking actions to achieve climate change goals, while various stakeholders prioritize the societal value of environmental friendliness/low carbon. HJSC keenly recognizes the necessity of climate change response, striving to achieve '2050 Net Zero' and making the utmost effort for global environmental protection activities.

Construction

Establishment of GHG Inventory

HJSC's construction division has built a GHG inventory to track and control greenhouse gas (GHG) emissions and energy use at our construction sites, educating employees about the importance of managing emissions, fostering an understanding of the necessity to comply with domestic regulations.



We are also working on an ERP system to streamline collecting GHG data, which will help in ongoing management and in setting future reduction goals starting in 2024. More details of the ERP system are shared on page 77 of this report.



Greenhouse Gas Emissions

H1 2023 (Confirmed)			2023 Total (Estimated)		
Type	GHG Emission (tCO ₂ -eq)	Emission Percentage	Category	GHG Emissions (tCO ₂ -eq)	Emission Percentage
Scope 1 (Direct Emissions)	1,173	24.6%	1H (Confirmed)	4,761	41.6%
Scope 2 (Indirect Emissions)	3,588	75.4%	2H (Estimated)	6,673	58.4%
Total	4,761	100%	Total	11,434	100%

Shipbuilding

The shipbuilding division annually manages GHG emissions to comply with the GHG and Energy Target Management System and achieve reduction targets. We've implemented a Corporate GHG Management System (NGMS) based on international standards by the IPCC and domestic guidelines. This system monitors energy usage and GHG emissions by facility, collecting data for emissions calculations. Third-party organizations verify GHG emissions for accuracy and transparency. Additionally, facility energy usage efficiency is verified annually to improve the company's environmental impact.

Greenhouse Gas Emissions

Category	2020	2021	2022
Total Emissions (tCO ₂ -eq)	10,754	18,700 ↑	19,539 ↑
By Emission Type	<div><div></div><div>Direct 1,798</div><div>Indirect 8,956</div></div>	<div><div></div><div>Direct 6,113</div><div>Indirect 12,587</div></div>	<div><div></div><div>Direct 11,451</div><div>Indirect 8,088</div></div>
Emissions per Unit (tCO ₂ -eq/100m KRW)	2.4	3.7	6.1

Energy Usage

Annual Energy Usage (TJ)	208	340	320
Emissions (TJ/100m KRW)	0.05	0.07	0.10

* Based on shipbuilding division facility standards

Symbiosis with the Environment

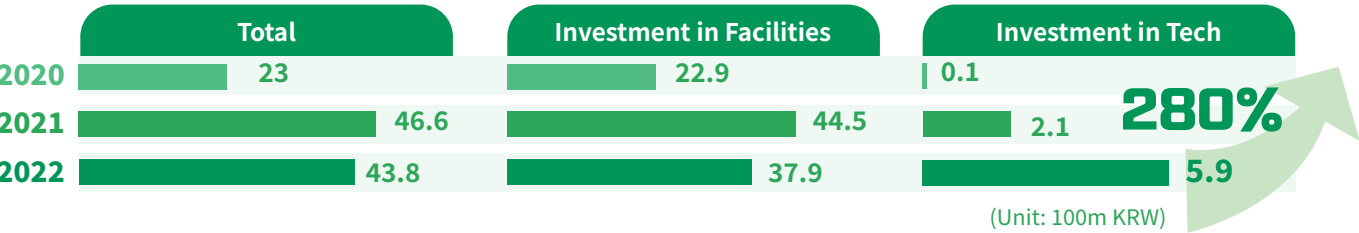
Maintaining the Co-Living Earth

Legal sanctions, consumer aversion, and reduced brand value from environmental harm can result in substantial financial losses for companies. Additionally, anticipating cost savings and addressing resource scarcity amid stricter environmental regulations can open doors to eco-friendly innovations and new business prospects. Achieving harmony with the environment is a crucial factor for HJSC's long-term growth and stability.

Increased Investment into Green Businesses

HJSC is increasing its investments in green facilities and technology development to establish a low-carbon green management approach. We allocate resources to pollution prevention facilities, addressing dust, noise, waste, and water pollution. These efforts manage environmental aspects, fostering eco-friendly growth for both construction and shipbuilding sectors.

Environmental Investment Overview



Reduction of Hazardous Air Pollutants (HAPs) at Yeongdo Shipyard Painting Factory

In 2022, HJSC invested 1.8 billion KRW in the large painting factory to prevent air pollution. As Yeongdo Shipyard is near residential areas, the company takes measures to manage air pollutants. Facilities for reducing hazardous air pollutants (HAPs) were installed to prevent pollution and adsorb harmful substances per Article 38-2 of the Clean Air Conservation Act.



Reduction of Micro Dust at Geoje Factory Painting Facility

HJSC installed air pollution prevention facilities at the Geoje Factory, including civil engineering, exhaust ducts, and an AC Tower. This aligns with Article 38-2 of the Clean Air Conservation Act, helping manage THC concentrations and supporting our environmental strategy.



Eco-Conscious Purchase

HJSC considers the eco-friendliness of supplies and materials by practicing eco-conscious purchasing. This includes considerations for carbon neutrality, minimizing environmental impact, and using resources efficiently to support sustainable business operations.



Eco-Conscious Purchase History (Recycled Materials)

HJSC has prioritized eco-conscious procurement over the past three years, focusing on sustainability. The company actively utilizes recycled materials like aggregates and shotcrete, with plans for gradual expansion. Efforts are ongoing to incorporate environmentally certified materials with labels, reducing the environmental impact at sites.

In the construction sector, HJSC adheres to green design guidelines, including Green Building Certification, integrated into the design and procurement process. The company aims to increase the usage of green materials, such as environmentally declared products, low-carbon materials, and resource-recyclable options. Additionally, there's a focus on reducing hazardous substances in major construction materials like ceilings, floors, and windows. In the shipbuilding sector, there are plans to gradually increase the utilization of recycled materials, including shotcrete, aligning with the company's commitment to sustainability.

Category	Unit	2020	2021	2022
Recycled Aggregates	m3	1,609	7,612	3,349
Purchase Amount	1m KRW	10	38	26

Recycled Sand	m3	-	-	3,485
Purchase Amount	1m KRW	-	-	62.7

Shotcrete	ton	68	60	30
Purchase Amount	1m KRW	51	68	35

Conscious Purchase Amount(A)	1m KRW	61	107	124
Total Purchase Amount(B)	1m KRW	375,097	404,611	844,122
Conscious Purchase Ratio (A/B)	%	0.016	0.026	0.015

Green Technology

Technology Development

Decarbonization is imperative across all industries, and HJSC is actively engaged in developing effective carbon neutrality technologies in alignment with international objectives. The company's investments in green technology represent a strategic approach to mitigate future environmental risks. Furthermore, HJSC is actively pursuing partnerships and investments in collaboration with relevant industries and institutions to not only meet environmental regulations but also to foster the growth of eco-friendly business models.

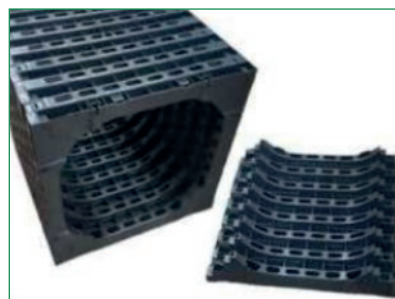
Construction

Green buildings must optimize resource utilization and ensure long-term sustainability. HJSC is committed to fostering a more efficient and enduring green future through ongoing technological advancements.

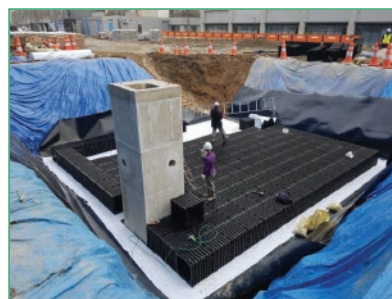


Rainwater Treatment and Retention Technology (Green Certification No. GT-22-01406)

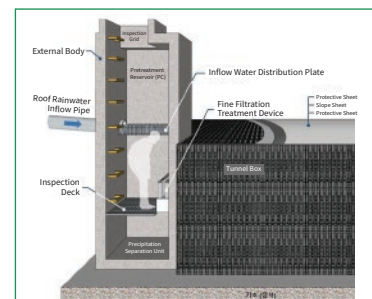
Interest in sustainable water resource acquisition has increased due to climate change-induced droughts and water pollution. The use of rainwater is emerging as the most effective alternative. HJSC has developed rainwater treatment and retention technology to address the challenges associated with traditional underground rainwater retention tanks. This technology allows for the assembly of standard blocks in the ground outside the building to construct rainwater retention facilities and enables the reuse of rainwater stored during the rainy season for landscaping purposes, prevents overflow during peak flow, and includes a natural drainage function for excess water. It also contributes to reducing carbon emissions, as the main material, tunnel boxes, is permanently reusable and has a higher recycling rate during demolition compared to concrete retention tanks.



Unit Block



Construction Overview



Pre-Processing Tank with Access Hole

The advantages of PC concrete retention tanks include greater carbon emission reduction by approximately 37% compared to conventional materials. Moving forward, HJSC will continue to pursue the development and adoption of green technologies with various benefits, such as ease of construction, cost savings, and flexible design, to sustainably contribute to growth.

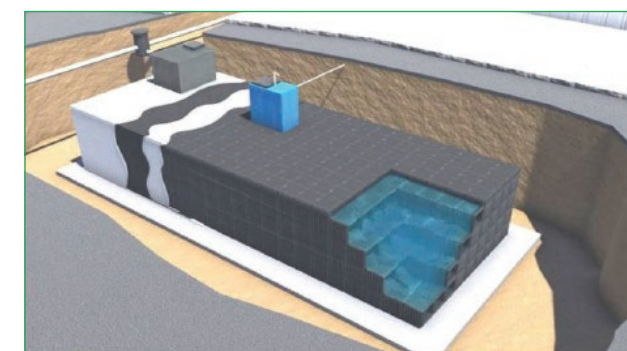
Tunnel-type Noise Barrier Facility (New Technology No. 795)

With the expansion of high-speed highways to combat traffic congestion, there is a growing concern about increased residential area density and the resulting road traffic noise. This innovative technology entails the installation of sound-absorbing materials on the ceiling of a noise barrier tunnel using a pipe truss beam, detachable transverse soundproof panels, and orthogonal sound absorbers (PosLST method). This approach reduces the weight of the noise barrier tunnel structure, leading to steel savings and a more maintenance-friendly construction process. The detachable soundproof panels and absorbers are easy to install and offer superior noise reduction compared to traditional noise barrier facilities.

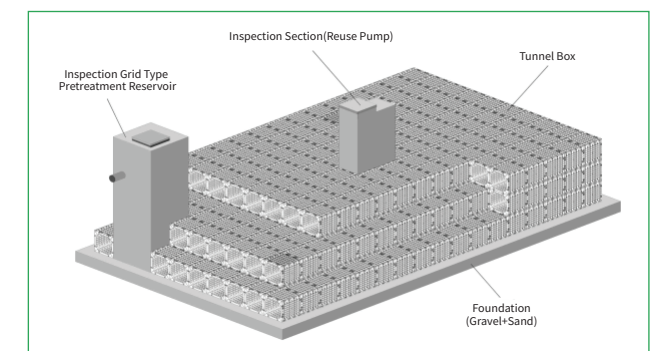


Subsurface Rainwater Utilization Method (New Technology No. 894)

Installing an appropriate rainwater management system can reduce urban flooding and decrease water runoff, allowing for groundwater collection. This new technology involves the construction method of a subsurface rainwater utilization facility composed of an assembly-type synthetic resin tunnel box for efficient roof utilization and an inspection grid-type pretreatment reservoir. It is the first of its kind in Korea for rainwater utilization facilities. By temporarily storing runoff (rainwater) from building roofs, it allows for the reuse of stored rainwater during dry periods, contributing to water resource conservation. With the increasing frequency of disasters such as floods and droughts due to climate change in Korea, this technology is expected to contribute to water cycle restoration.



Stacked Rainwater Detention Basin Using Synthetic Resin Boxes

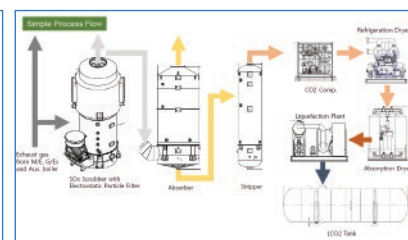
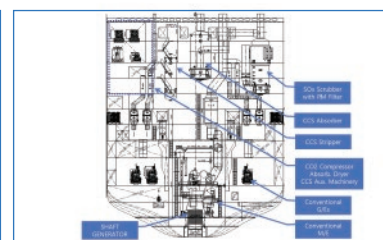


Shipbuilding

Climate change, with global warming, extreme weather, and rising sea levels, is a pressing challenge. Excessive GHG emissions constitute a key driver of this phenomenon, making greenhouse gas reduction pivotal in addressing climate change. The International Maritime Organization (IMO) mandates carbon emission reporting and reduction for international shipping since 2023, requiring responses to evolving carbon reduction regulations. In response, HJSC's shipbuilding sector explores solutions, including concept designs for ammonia-fueled ships and Approval in Principle (AIP) from classification societies. We partner with various other entities and associations on technologies like hydrogen storage tanks, fuel supply system safety, and Carbon Capture and Storage (CCS) in ships.



Carbon Capture & Storage (CCS)



HJSC has proactively addressed stringent maritime environmental regulations in line with the International Maritime Organization's (IMO) '2050 Net-Zero GHG Emission' goal. Through a collaborative agreement with Wärtsilä, a global ship engine manufacturer, we successfully developed an eco-friendly 8,500 TEU container ship. This vessel incorporates Carbon Capture & Storage (CCS) technology, efficiently capturing and liquefying CO2 emissions from the ship for storage. CCS plays a crucial role in achieving net-zero goals, with the global CCS market projected to grow by over 30% annually, reaching 7.6 billion tons of capture by 2050. HJSC actively pursues technological advancements in CCS, demonstrating high efficiency in CO2 capture even with conventional petroleum-based fuels, not just methanol. It also outperforms conventional ships in reducing CO2 emissions when used with LNG or methanol-powered vessels. The CCS system is seamlessly integrated into the ship's hull without affecting cargo capacity, and energy-saving equipment minimizes fuel consumption for CCS operation. Captured CO2 can be stored onboard or utilized in industries requiring CO2. This development of an eco-friendly 8,500 TEU container ship enhances HJSC's technological competitiveness, cost-effectiveness, and positions it as a global leader in the CCS ship market. In line with the increasing global demand for eco-friendly ships, HJSC plans to expand its business through proactive sales and promotional activities.



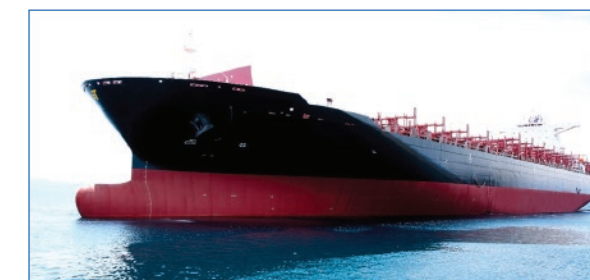
Automatic OutHull Blasting Equipment

HJSC has developed an advanced hull outer plate automatic blasting robot system to address the issues associated with conventional manual grinding and open blasting processes during surface treatment for quality coating and removal of contamination areas on steel plates during ship construction. This high-value system improves efficiency in work processes and is applied in painting pre-treatment operations at Dock Stage and GPE yards.



LNG Dual-Fuel Vessels and Methanol Vessels

In response to evolving environmental regulations, including IMO requirements for low sulfur fuel content (below 0.5%), and changing market demands, HJSC leads the way in eco-friendly shipbuilding with diverse fuel options. The company has developed a "High-Efficiency Eco-Friendly LNG Vessel" equipped with a dual-fuel engine running on LNG and heavy oil. Furthermore, HJSC has pioneered construction technology for "Methanol Vessels," utilizing methanol as a more accessible and lower-risk eco-friendly fuel compared to LNG, adding positive effects on vessel orders from clients.



LNG Dual-Fuel Vessels

- Record of Orders
 - 7,700TEU N282/3 SERIES 2 Vessels
- Basic design development and pre-approval from classification societies for small container LNG DF
 - 700TEU & 1,900TEU

Methanol Dual-Fuel Vessels

- Order records
 - 5,500TEU N274/5/6/7/8/9 SERIES 6 Vessels (Methanol Ready Design)
 - 9,000TEU N284/5 SERIES 2 Vessels

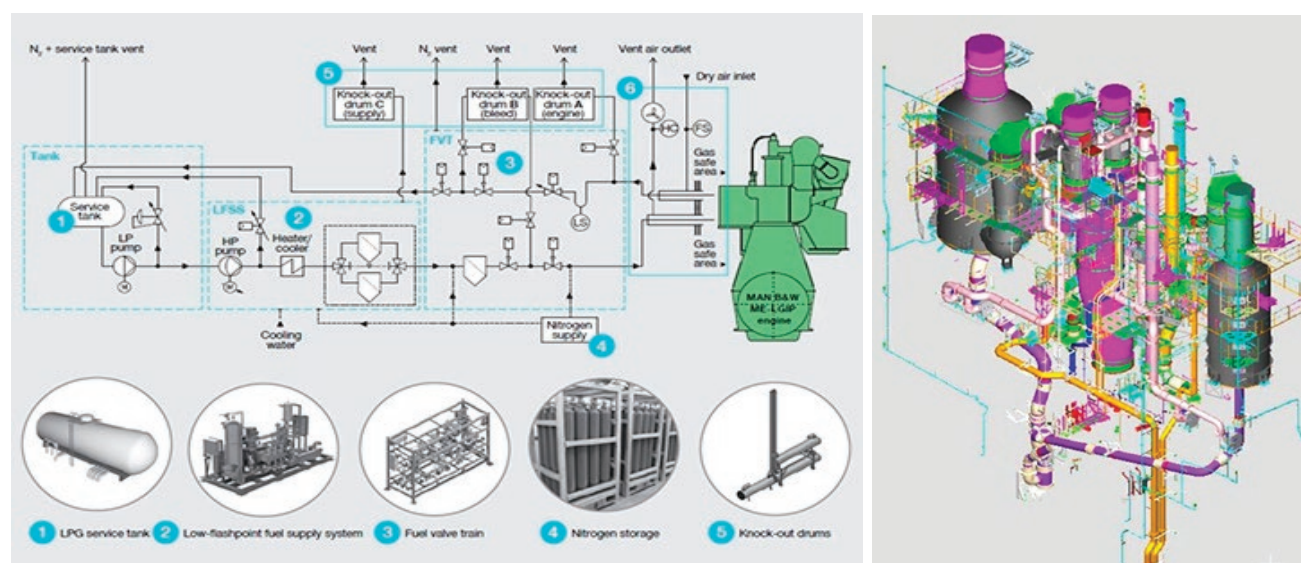
• New 7.5k LNG Bunkering Vessel (LBV)

In anticipation of the increasing demand for small LNG supply vessels due to the rising use of eco-friendly LNG fuel, we have successfully developed construction technology for a 5K size "LNG Transport-Supply Vessel." This vessel incorporates innovative design features that shift the ship's center of gravity forward for balance even in light-load conditions. It also includes a new linear design with residential and machinery areas towards the bow for the 7.5k LNG Bunkering Vessel (LBV). This design eliminates the need for traditional Ballast Water Tanks, relying instead on Freshwater Tanks for trim adjustment during ballast and loading operations. The vessel's basic design has received Approval in Principle (AIP) from LR classification.

• Other Technologies and R&Ds

LPG Fuel Propulsion Conversion & SOx Scrubber Retrofit

To adhere to IMO environmental regulations regarding ship exhaust gas (requiring fuel oil sulfur content below 0.5%), we are actively engaged in projects to develop essential design technology for converting existing systems to utilize LPG as a greener, cost-effective marine fuel. Furthermore, we have expertise in the installation and retrofitting of desulfurization devices (SOx scrubbers) for ships using conventional bunker C fuel, ensuring compliance with environmental standards.



Non-Ballast Water Ship Implementation

In response to preventing marine pollution from ship ballast water and complying with strengthened IMO international regulations (Ballast Water Management Convention), we have successfully developed a 7,500m³ size LNG bunkering vessel featuring an eco-friendly "non-ballast water" system. This innovative system ensures the ship's integrity without the need for ballast water intake and discharge, providing safe navigation by addressing root causes, unlike traditional Ballast Water Management Systems (BWMS) installation methods.

Green Antifreeze Application

Commonly, ethylene glycol serves as a ship cooling water antifreeze to prevent freezing. However, it demands caution due to its colorless, odorless properties, potentially leading to skin contact or nerve damage from inhalation, as stated in the Material Safety Data Sheet (MSDS). Consequently, we have adopted a more eco-friendly antifreeze, propylene glycol, recognized for its harmlessness to the human body and approved as a food additive. This substitute material is utilized in the ship's air conditioning chilled water production system, particularly in areas closely linked to onboard living spaces.

Application of Ballast Water Treatment System

To ensure cargo loading and unloading while preserving the ship's stability, ballast water is discharged. Before discharge, we employ a treatment system that includes UV sterilization and fine filters. This system effectively removes suspended particles and foreign substances from the ballast water within the hull, mitigating its impact on the marine ecosystem.

• Government Projects and Industry Collaborations

R&D on Eco-friendly Ammonia Fuel Vessel (Ongoing Government Project)

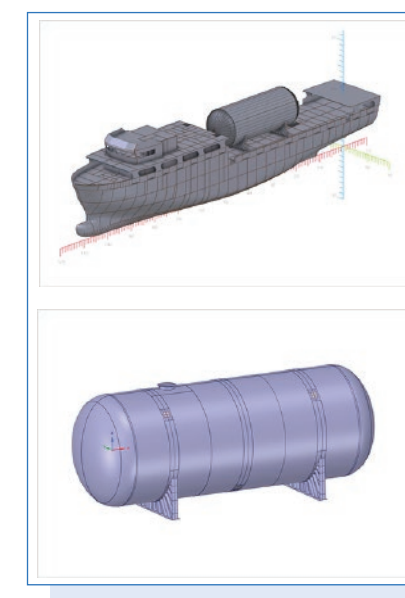
In response to IMO and EU environmental regulations, we are working on a government project to develop and certify a conceptual design for an eco-friendly ammonia-fueled propulsion vessels, employing ammonia as a zero-carbon fuel.

Marine Debris Collection/Processing Ship With Applied Hydrogen Tech (Ongoing Government Project)

As an eco-friendly vessel for collecting and processing marine debris, this vessel employs cold energy from LNG vaporization to solidify and crush floating plastic. It boasts a dual-fuel engine that uses natural gas and conventional oil to generate hydrogen. This hydrogen powers a fuel cell that supplies and manages electricity for both propulsion and living quarters.

Development of Hydrogen Storage Tanks and Fuel Supply System Safety Standards (Ongoing Industry Collaboration)

In light of tougher ship exhaust gas regulations, particularly for CO2 emissions, we're developing safety standards for using hydrogen as a carbon-neutral fuel. Our focus is on determining the required properties for hydrogen storage containers in liquid, gas, or solid states to ensure their suitability. Furthermore, we seek Approval in Principle (AIP) by contributing to government projects for designing and certifying hydrogen-fueled fishing guidance ships and liquid hydrogen storage tanks.



Domestic Regulations

Proactive Response & Understanding of Regulations

The Greenhouse Gas Target Management System, under the Carbon Neutrality Basic Act, sets and monitors annual emission reduction targets for companies. Since 2014, the Ministry of Land, Infrastructure, and Transport has enforced this system for companies emitting over 50,000 tCO₂-eq and single business sites over 15,000 tCO₂-eq annually. With the 2022 law amendment, all construction sites owned by the same company are now considered a single business site. HJSC has created an inventory to manage greenhouse gas emissions across all its construction sites.

ESG Mandatory Disclosure

As the demand for sustainability reporting grows globally, Korea's Financial Services Commission introduced the 'Comprehensive Improvement Plan for Corporate Disclosure Systems' in January 2021 to encourage ESG-responsible investment. Mandatory sustainability disclosures will start in 2026 for listed companies with assets over 2 trillion won in the securities market, expanding to all KOSPI-listed firms by 2030. HJSC is vigilant in monitoring these regulations to ensure proactive compliance.

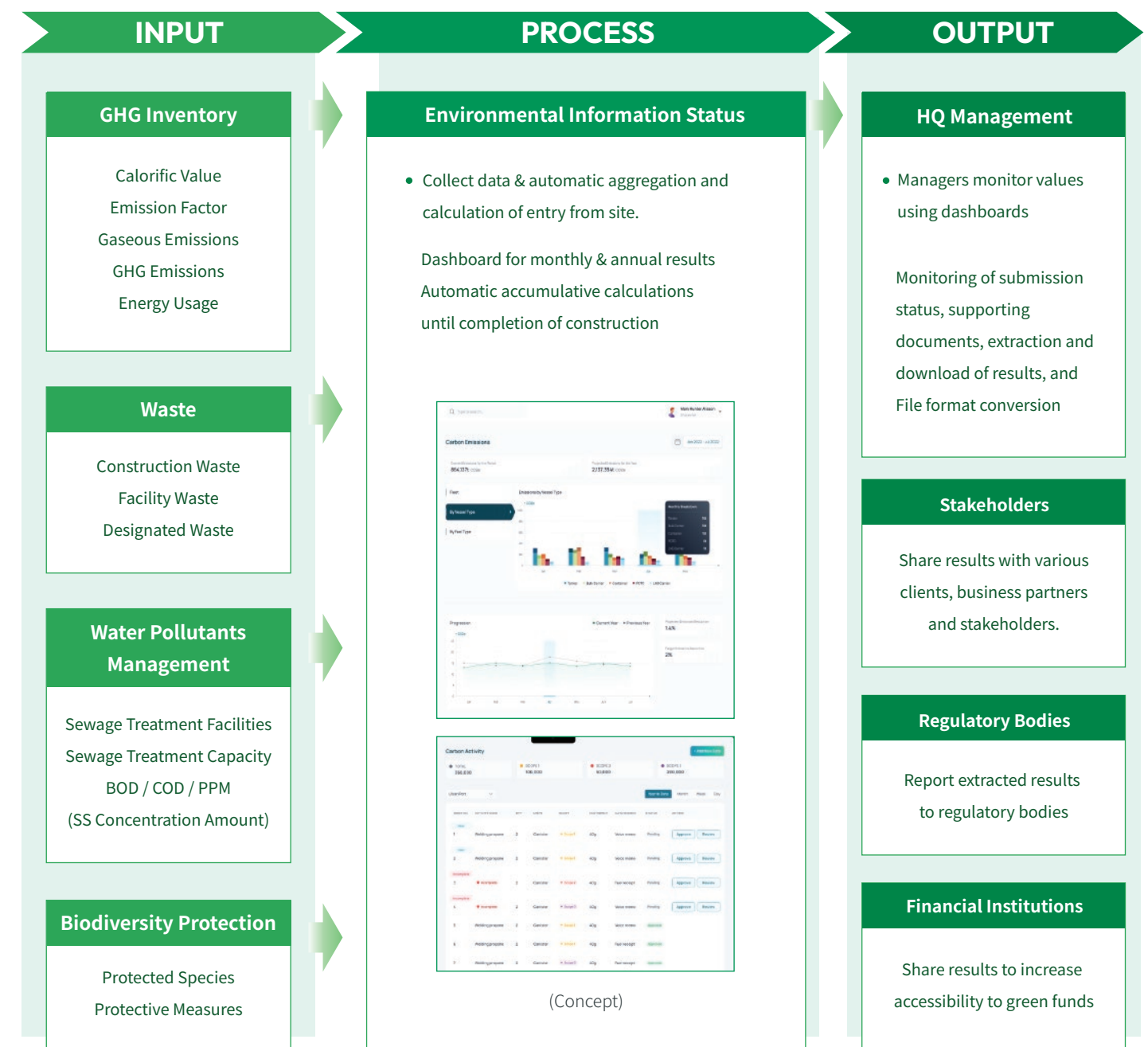


Amendment of GHG-related Laws

In March 2022, the definition of emission facilities was revised, impacting reporting requirements. Instead of treating individual construction sites as separate, we are now asked to collectively consider all sites as a single business site. If combined greenhouse gas emissions from all sites exceed 15,000 tons, the overseeing company must report. HJSC in the construction division acknowledges the importance of compiling and managing environmental data, including greenhouse gas emissions.

Construction Site Environmental Information Management System

With tighter government greenhouse gas reduction targets and escalating ESG standards, data-driven inventory management is crucial for future compliance. Starting in 2024, HJSC intends to implement an environmental information management system for construction sites to monitor and plan for future reductions in various environmental impacts. This will encompass systematic data management on fuel and gas use, electricity consumption, waste generation, water use, water pollution control, biodiversity conservation, and green building certification.



International Regulations

Tightening International Regulations

The International Maritime Organization (IMO) now requires the calculation and reporting of carbon emissions from ships beginning in 2023, aiming for a progressive reduction of emissions by 2050. HJSC's shipbuilding division acknowledges the need for eco-friendly shipbuilding technologies and is actively researching and collaborating to boost global competitiveness.

CII

CII (Carbon Intensity Index) rates ships from A to E based on their annual carbon emission data. Ships that receive a D grade for three consecutive years or an E grade in a single year need to take corrective action.

EEDI

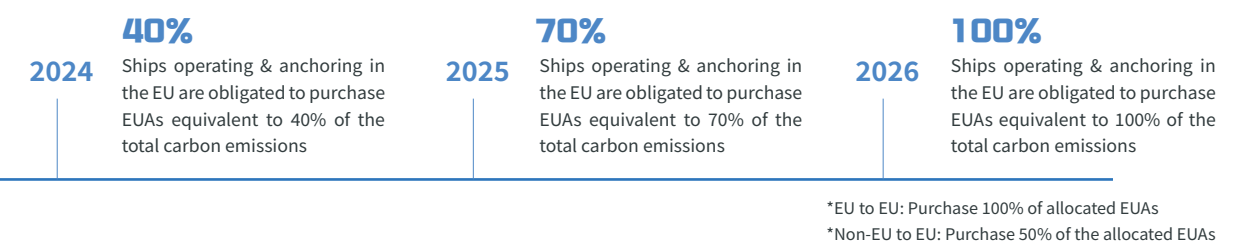
EEXI


Energy Efficiency Design Index (EEDI) assesses the energy efficiency of newly built ships, while Existing Ship Energy Efficiency Index (EEXI) pertains to ships that are already in operation, showcasing their energy efficiency.

IMO INTERNATIONAL MARITIME ORGANIZATION					
	GHG Reduction Targets		GHG Reduction Regulations		
	Carbon Intensity	Total GHG Emissions	EEDI	EEXI	CII
2015			PHASE 1 10% Reduction		
2020					
2023			PHASE 2 20% Reduction	EEDI Baseline Regulatory Approval	Grade A-E Carbon Emission Measurement A } Sufficient B } C } D } Corrective E } Action Plan Required
2024					
2025			PHASE 3 30% Reduction		
2030	40% Reduction by 2030 compared to 2008	20% Reduction by 2030 compared to 2008			
2040	70% Reduction by 2040 compared to 2008	70% Reduction by 2040 compared to 2008			
2050	Net Zero by 2050	Net Zero by 2050	PHASE 4 In discussion		

Stringent Penalties

In 2023, the EU expanded its Emissions Trading System (EU ETS) to encompass the maritime industry, establishing a carbon market for the sector. Vessels in European waters are now required to account for their CO2 output, acquire EU Allowances, and face significant fines for non-compliance. The financial advantages of utilizing eco-friendly ships are now widely recognized.

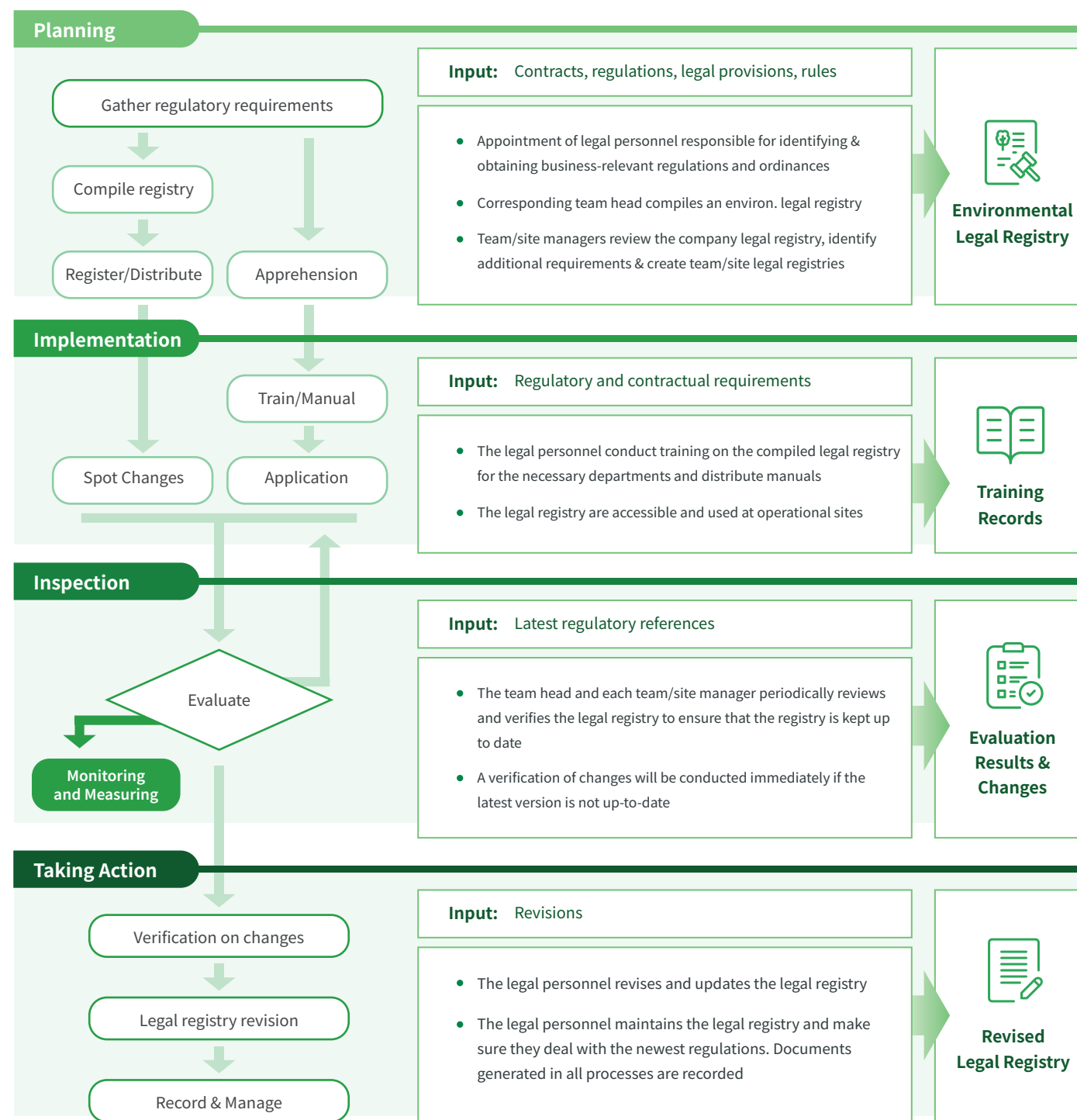


<div> EU</div>			
	GHG Reduction Targets	GHG Reduction Regulations	
	Total GHG Emissions	Emissions Trading System	GHG Emissions from Marine Fuels (Well-to-Wake)
2015			
2020			
2023			
2024			
2025			
2030	40% Reduction by 2030 compared to 2008	55% Reduction by 2030 compared to 1990	6% Reduction compared to 2020
2040			31% Reduction compared to 2020
2050	Net Zero by 2050	Net Zero by 2050	80% Reduction compared to 2020

Strengthening Green Management

Establishment of Environmental Laws Compliance Process

HJSC is dedicated to minimizing the environmental footprint of its operations through a clear and systematic environmental laws compliance process. By proactively overseeing and enhancing our practices, we aim to avert potential risks and strictly adhere to environmental regulations.



Site Management

Environmental Inspections on Sites

HJSC proactively complies with environmental regulations by creating annual inspection plans through dedicated departments. They inspect and manage environmental vulnerabilities at each site and use the results to evaluate site-specific performance, raising employee awareness of environmental management.

Employee Training on Environmental Management

HJSC complements environmental inspections with education to bolster staff awareness and commitment to ESG management and ecological preservation. Training encompasses ISO14001 standards, regulatory compliance, waste management, fine dust response, and more. Comprehensive guides on site environmental management are accessible on the company's website to support the overall environmental management process.

Category	2020	2021	2022
Trained Sites	60	66	61
Training Frequency	114	125	121

HQ 24
Site 90

HQ 21
Site 104

HQ 22
Site 99



Site training



Establishment of Green Management Manuals

HJSC is dedicated to reducing environmental pollutants from its operations. Environmental management guidelines are issued and implemented to facilitate this. The company has created manuals to manage key environmental aspects, ensuring compliance with diverse regulations and providing clear direction for mitigating impacts like particulate matter, noise/vibration, waste, and water pollution.

Micro Dust



HJSC adopts necessary and lawful actions to mitigate on-site air pollutants, including particulate matters and dust. This includes installing systems to contain particulate matters during construction. Moreover, the company actively manages emissions from facilities like paint shops to ensure they remain within legal limits.

- Road cleaning twice a day
- Dust-proof covers over soil stockpile
- Improving painting shop equipment
- Water sprinkling twice a day
- Dust screens surrounding the site
- Suspending outdoor operations at average wind speed exceeding 8m/s: cutting, grinding, rust removal, painting of small structures (<10m)
- Wheel washing facilities & High pressure sprinklers

Noise



HJSC is committed to reducing noise and vibration disturbances to nearby communities originating from machinery, equipment, facilities, and other emission sources at the workplace. Adhering to residential noise regulations and conducting continuous monitoring facilitates the execution of various site-specific mitigation and prevention strategies.

- Soundproof tunnels for vehicles
- Portable AIR soundproof facility
- Compression clamps to minimize noise from air leakage
- Soundproof box and roof
- Reduce volume of alarms when operating equipment

Waste



HJSC strives to reduce waste and ensure any waste generated is managed legally and sustainably. The Allbaro waste management system is used to facilitate this objective.

- **Construction waste**
- Concrete, bricks, gravels, blocks, paint, metals, glass, wood, boards, etc.
- **Designated waste**
- Acid/alkali substances, lubricating oil, paint mixtures, asbestos, wastewater, synthetic resin, synthetic rubber, adsorbents, etc.
- **Site waste**
- Paper, wood, rubber, metal, timber, concrete, etc.
- Domestic waste: Paper, cans, bottles, food waste, etc.

Water Pollution

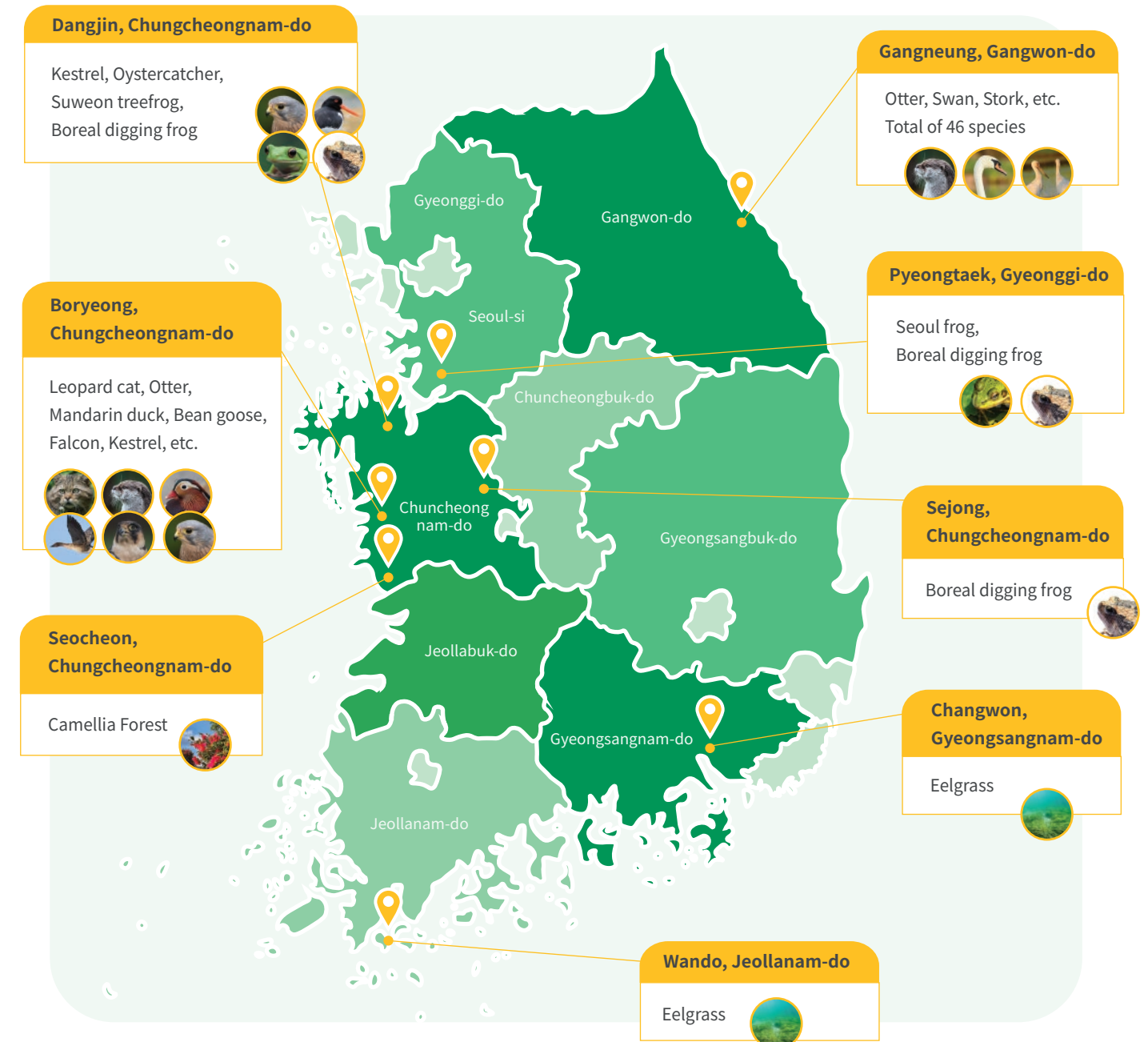


HJSC is dedicated to safeguarding public waterways such as rivers and lakes from pollution, thereby averting ecological harm. We adhere to regulations including the Water Environment Conservation Act and the Sewerage Act. We conduct rigorous surveillance of its operations for potential impacts on water quality. Moreover, HJSC employs and disseminates a water quality management manual to curtail the environmental impact of wastewater discharge, ensuring a sustainable coexistence with nature.

- Oil-blocking barriers
- Oil fences
- Portable wastewater treatment device
- Wastewater settling facility

Biodiversity Conservation

HJSC is an active proponent of biodiversity preservation. Understanding the critical need to reduce habitat degradation, conserve genetic variety, and employ sustainable practices in agriculture and forestry, the company engages in thorough environmental impact assessments before construction. It meticulously identifies and protects the habitats of endangered and legally safeguarded species around our operations. HJSC is devoted to ensuring that our business activities are conducted in a manner that allows a rich tapestry of life to thrive alongside us.



Green Corporate Culture

Joining Entrepreneurship Round Table (ERT)

ERT is a collective of businesses dedicated to progressive corporate practices, with a focus on environmental stewardship, climate action, job creation, and digital innovation. HJSC became a member of ERT under the Korea Chamber of Commerce and Industry on September 22, 2022. We are vigorously engaged in efforts such as Environmental Protection Practice and Zero Waste Day, underscoring our commitment to addressing these vital concerns, enhancing our environmental initiatives, and building trust with our stakeholders.

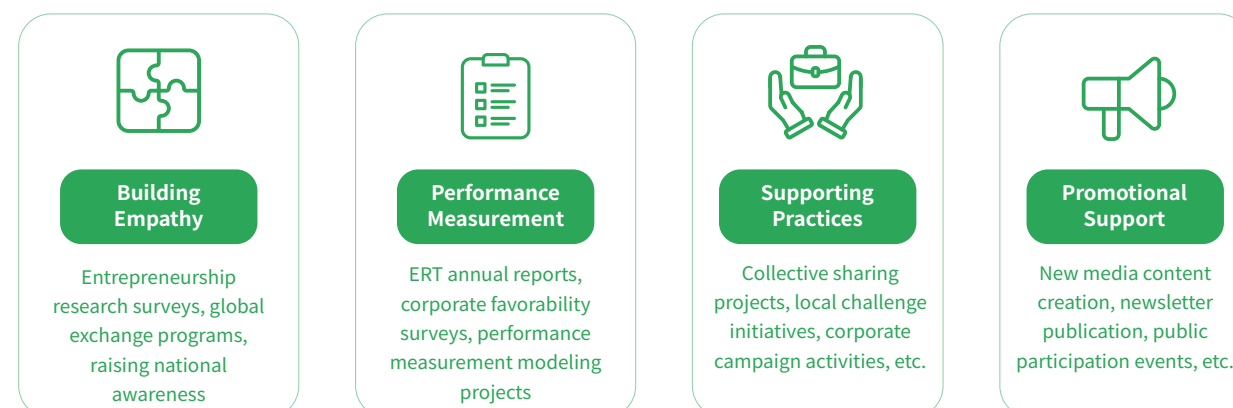
Five Principles

HJSC follows ERT's five principles, focusing on economic, environmental, and ethical values. We strive to create a positive corporate culture that benefits both the local community and the environment.



Key Activities

Key activities with ERT include spreading empathy, supporting practices, measuring performance, and promotional support. Detailed contents are as follows.



Activities

Employee ESG Awareness & Engagement Campaign

HJSC utilizes intranet to share ESG-related information, fostering employee engagement and participation in environmental initiatives. The objective is to heighten awareness and empathy towards environmental and social issues, thereby encouraging a sustained dedication to ESG management practices.

Ploking Campaign

HJSC staff and colleagues from affiliate companies have participated in a litter-collection initiative, commonly referred to as ploking, while engaging in walking or jogging activities. This endeavor is a component of a broader mission to enhance the local environment. Through these actions, HJSC aspires to make a beneficial impact on the community and to cultivate a reputation for environmental stewardship.



Ploking Campaign at Bongnaesan and Yeongdo Jungri Beach, Busan (29 September 2022) 200 HJSC employees



Ploking Campaign for 'Creating a Beautiful Gumi City' in Dongnak Park, Gumi (2 July 2022) 60 HJSC employees and partners

Life Practice Events

In late 2022, HJSC partnered with ERT to host a Zero Waste Day for staff and their families, featuring activities like sorting waste and promoting reusable tumblers. Participants shared their stories and won prizes through a raffle. HJSC aims to continue engaging our community by aligning with the latest ESG practices and collaborating with ERT on future initiatives.

Monthly ESG News

HJSC fosters ESG awareness among employees through a monthly magazine that highlights sustainable technologies, social topics, and the importance of ESG principles. This resource elucidates company policies, making them more accessible and engaging, and seeks to boost employee comprehension and participation.



Overview

Companies that adhere to social standards and operate ethically gain trust and loyalty from stakeholders, strengthening their market position. Firms focused on societal benefits, aligned with high social criteria, and socially conscious in their operations are well-placed to satisfy investor and regulatory expectations. Balancing profitability with societal contributions, these companies consider employee treatment, labor rights, human rights, community well-being, and local engagement. Commitment to ESG principles signals a company's preparation for sustained success.

- 45** People-centric Value
- 51** Safety Value
- 58** Value of Mutual Growth
- 61** Customer Value Creation
- 64** Coexistence with Local Communities

KEY Achievements



Grand Prize

Construction Cooperation Promotion Award (2023)



Grand Prize

Safety Management Award (2021)



Excellence

in Shipbuilding Industry Safety & Health Evaluation (2022)



Excellence

Safety Management Evaluation by the Ministry of Land, Infrastructure and Transport (2022)

UN SDGs



People-centric Value

Cornerstones of the Company

People are the cornerstone of any organization. A management approach centered on individuals fosters social trust, solidifies stakeholder relationships, and drives sustained growth. Our commitment is to enhance satisfaction and cultivate lasting relationships, ensuring enduring competitiveness by engaging positively with our employees, customers, partners, and the broader community.






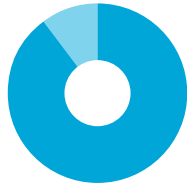


Improving Company Culture

Improving Company Culture

HJSC fosters a culture steeped in trust and innovation, propelling continuous self-led talent development to meet challenging goals. By nurturing a positive work culture of open communication and trust, employees are empowered to take full responsibility for their roles. Moreover, our digital transformation initiatives are boosting productivity, streamlining internal communication, and sparking innovation, securing sustainable growth for the future.

Employment Overview


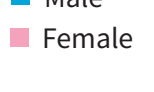
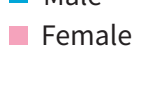



In 2022, HJSC's team comprised 2,050 individuals, with 89.4% being full-time staff, who are integral to our company's progress. Employee well-being and satisfaction are paramount, underpinning our support for their motivation and career growth. Despite a lower number of women, attributed to industry norms, we're experiencing a steady increase. The majority of our workforce (over 50%) falls within the 30 to 50 age bracket, with those under 30 accounting for less than 10%. We're committed to attracting both new talent and seasoned experts.

Category	2020	2021	2022
Employees	 1,949	 2,037 ↑	 2,050 ↑
Employment Types	 <div><div>■ Full-time 1,718</div><div>■ Contractual 192</div></div>	 <div><div>■ Full-time 1,752 ↑</div><div>■ Contractual 242 ↑</div></div>	 <div><div>■ Full-time 1,793 ↑</div><div>■ Contractual 212</div></div>

Workforce Diversity

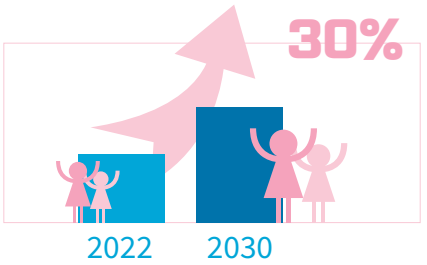
Employee Diversity

HJSC is committed to diversity as a key strength, valuing the creativity and innovation that arise from a workforce rich in different backgrounds, cultures, experiences, and abilities. The company is dedicated to enhancing the representation of women and individuals with disabilities among its employees.

Category	2020	2021	2022
Gender	 <div><div>■ Male 1,901</div><div>■ Female 48</div></div>	 <div><div>■ Male 1,976 ↑</div><div>■ Female 61 ↑</div></div>	 <div><div>■ Male 1,982 ↑</div><div>■ Female 68 ↑</div></div>
Age Group	 <div><div>■ Under 30 39</div><div>■ 30-50 1,249</div><div>■ Over 50 661</div></div>	 <div><div>■ Under 30 124 ↑</div><div>■ 30-50 1,208</div><div>■ Over 50 705 ↑</div></div>	 <div><div>■ Under 30 121</div><div>■ 30-50 1,219 ↑</div><div>■ Over 50 710</div></div>




Adopting More Female Representation

HJSC's hiring practices are rooted in the principle that diversity drives innovation, focusing on candidates' skills to guarantee equity. Over the last three years, we've seen a consistent rise in female staff, and we're targeting a 30% increase in this demographic by 2030 relative to 2022.



Employment Rate of Disabled People

We uphold fairness in hiring, advancement, and pay to instill responsibility and pride in our workforce. Our commitment to inclusivity includes hiring veterans and individuals with disabilities, with the latter's employment rate averaging 1.7% from 2020 to 2022.

Category	2020	2021	2022
Employment rate of people with disabilities	 1.8%	 1.7%	 1.7%

Recruitment of Talent

Ideal Candidates

“With HJSC, your possibilities are limitless.”

HJSC seeks individuals who display passion, innovation, and a forward-thinking mindset to drive our future. We motivate emerging talent to unleash their potential and undertake significant challenges, offering chances to enhance their skills.

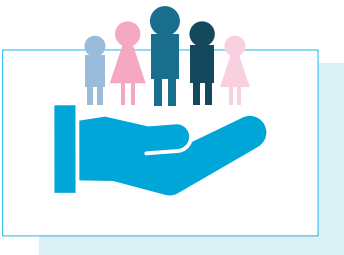


Recruitment and Support

We persist in our quest to identify top talent, convinced of their pivotal role in shaping our competitive edge. By fostering an environment that amplifies our employees' talents, we aim for perpetual innovation and growth. Our recruitment practices are anchored in fairness and transparency, ensuring all candidates who resonate with our vision of diversity and expertise have equal chances to join us.

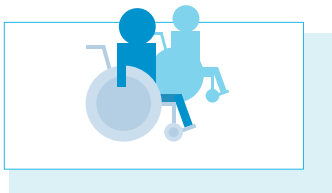
Ethical Employment

As a socially responsible entity, HJSC adheres to ethical employment standards, enforcing a global ban on child labor and advocating for human and fundamental rights throughout our supply chain. We are committed to offering fair compensation, safe working conditions, and equal opportunities, laying a foundation for our sustainable growth.



Hiring of Athletes with Disabilities

Under our inclusive employment program, we're set to recruit athletes with disabilities, offering them the same welfare benefits as other contracted staff. Our active role in generating employment for people with disabilities is a step towards fostering a society that values diversity.



New Recruits Status

Category	2020	2021	2022
Male	<div><div></div></div> <div><div></div></div> <div>Full-time 39</div> <div>Contractual 133</div>	<div><div></div></div> <div><div></div></div> <div>Full-time 112 ↑</div> <div>Contractual 144 ↑</div>	<div><div></div></div> <div><div></div></div> <div>Full-time 177 ↑</div> <div>Contractual 133 ↑</div>
Female	<div><div></div></div> <div><div></div></div> <div>Full-time 1</div> <div>Contractual 10</div>	<div><div></div></div> <div><div></div></div> <div>Full-time 5 ↑</div> <div>Contractual 18 ↑</div>	<div><div></div></div> <div><div></div></div> <div>Full-time 5</div> <div>Contractual 15</div>

Hiring and Job Transition Status

HJSC is keen on attracting and nurturing top talent, as well as backing employees seeking new professional paths. In 2022, we welcomed a record number of new hires, with 177 men and 5 women joining our ranks—the most in three years. Despite a rise in voluntary turnover, attributed to the boom in construction and career shifts, we're proactively fine-tuning our HR strategies to minimize turnover.

Conversion to Full-time Employment

We continually improve our contract employment system to ensure equal opportunities for all staff. Our goal is to cultivate a fair corporate culture where exceptional contract workers are promoted to permanent roles based on merit, thus retaining valuable talent.

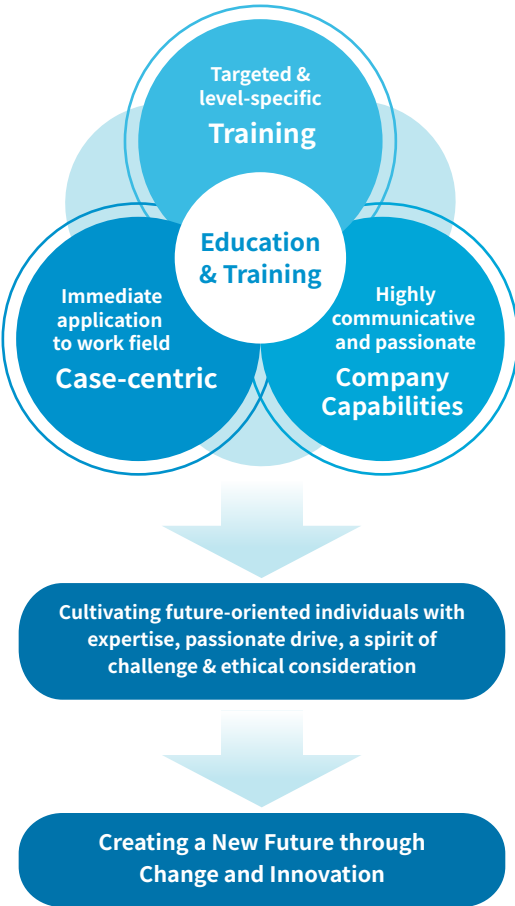
No. of Conversions to Full-Time Positions
2022 Construction & Shipbuilding divisions

44

Talent Development and Management

Talent Development

HJSC is dedicated to the ongoing development and education of our team. Our targeted training programs are designed to bolster the unique skills and capabilities of each employee, with practical application in their daily tasks. We value the diverse abilities and experiences of our employees, acknowledging their crucial role in our collective achievements and nurturing an environment of trust, deep engagement, and innovation. Our commitment to self-motivated talent growth ensures continuous advancement towards our company’s objectives.



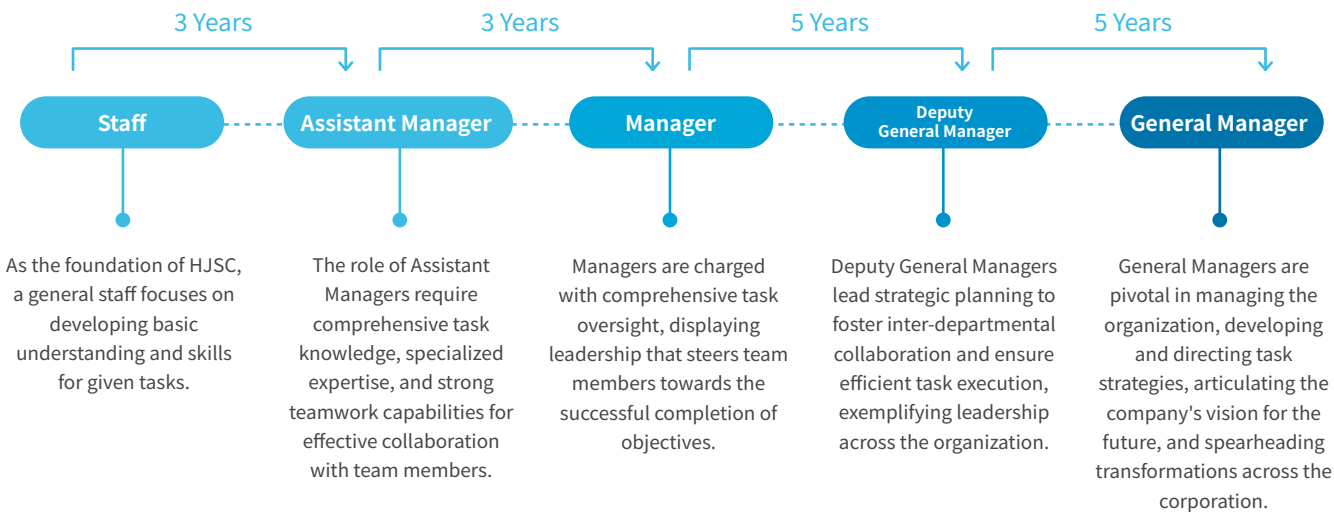
HR Goals

HJSC is at the forefront of enhancing organizational communication, boosting productivity, and embracing Digital Transformation (DT) to revolutionize our work culture. We aim for a workplace where growth and innovation are constant, empowering our team to take charge, find joy in their work, and continuously develop professionally.

Organizational Structure

Positions

HJSC acknowledges each team member's skillsets and successes by implementing a role system that underpins their professional growth and development.



Performance-Driven Organizational Culture

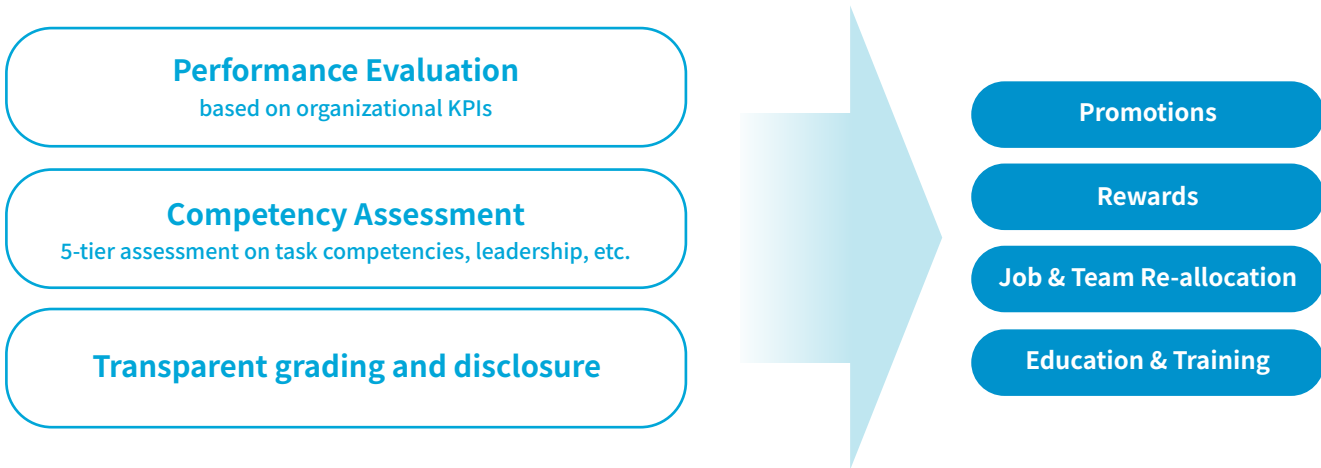
Evaluation System Enhancement

Starting in 2023, HJSC has modernized its performance appraisal process, transitioning to a holistic evaluation framework that emphasizes performance and encourages active engagement from employees. This initiative underpins our commitment to enduring growth, embedding a merit-based ethos in our rewards, advancement, and professional development strategies. Departmental goals are clearly defined, performance and competencies are fairly evaluated, and a structured system of incentives, career progression, and learning opportunities is meticulously applied.



Setting Clear Goals

Utilizing Key Performance Indicators (KPIs) as a core tool to measure and track organizational success. HJSC employs a performance-centric evaluation system based on KPIs to gain insights from accurate data and performance indicators. This approach helps employees understand how their individual performance contributes to the organization's success, providing motivation and facilitating informed decision-making for sustainable company success.



Healthy Company Culture

Value System

HJSC prioritizes fair evaluations, proper recognition, and a mutual grasp of our values and objectives among our team. We focus on building trust and enthusiasm through open communication and a harmonious work environment. Adopting a flat organizational culture, we ensure stakeholders' input is reflected, promoting unity and a collective pursuit of our vision.

Communication & Harmony Among Team Members

HJSC champions a balance between performance, stability, and the well-being of its team. We nurture an organizational culture that thrives on clear communication, shared vision, and collective passion. Committed to continuous improvement and efficiency, we maintain an open dialogue with our employees to foster a dynamic and supportive work environment.

1:1 Communication Activities

HJSC engages in direct communication with teams through workshops, small-group discussions, and interactive sessions to cultivate an adaptable organizational culture, encouraging active participation and addressing concerns for an enhanced engagement and collaborative change.



HJSC In-House Magazine

Publishing a quarterly magazine, HJSC delivers messages to employees, including CEO messages, the company's orientation, direction, latest news, and achievements.



SNS Communication

HJSC leverages YouTube videos to showcase company activities and employee perspectives, improving stakeholder engagement across different demographics and fostering a deeper connection with the workforce.



Visiting Tour of Shipyard

We had a meaningful visiting tour at the Shipyard for employees' families to share a sense of unity, open and enhance communication between the company and the employees.



Anonymous Forum

HJSC's anonymous forum encourages a transparent culture by allowing employees to voice opinions and feedback freely, promoting open communication and organizational well-being.

Business Status Briefing

A business status briefing was held with the employees from the shipbuilding division including labor union executives, management, production and R&D center employees. This event aimed to encourage and communicate with frontline employees at the shipyard, discussing business plans and production schedules.



Business status briefing

Workshop and CEO Meeting for New Recruits

In May 2022, HJSC conducted an in-depth training program for 14 new employees in the construction and shipbuilding divisions. This initiative strengthened camaraderie and teamwork among new employees. Recreational activities and meetings with the CEO provided a platform for proposing improvements to company policies and receiving feedback.



Meeting with CEO Hong Moon-ki

Interaction with Retired Alumni

On November 24, 2022, 14 retired seniors who dedicated their youth to the company visited the Yeongdo Shipyard. They expressed joy over the company's progress, encouraged current juniors, and shared insights.

“As the cornerstone of Korea’s shipbuilding prowess and custodian of the esteemed Shipyard No. 1, Yeongdo Shipyard stands as a testament to progress and resilience. We remain committed to upholding its legacy and propelling the growth of HJSC.”



Labor Union

Operating Labor Union

HJSC operates labor union to strengthen trust and collaboration, offering mutual benefits for employees and the development of the company. Dedicated unions for construction and shipbuilding hold quarterly sessions in March, June, September, December, to ensure consistent dialogue with our workers. With an 11-year record of a dispute-free environment, HJSC remains committed to co-operate with our labor unions for progressive development and social contribution.

Category	2020	2021	2022
No. of Union Eligible Workers	1,672	1,703	1,746 ↑
No. of Union Members	881	1,011 ↑	1,005
Union Membership Rate (%)	52.7	59.4 ↑	57.6

Retirement Support

Retiree Education

HJSC supports reemployment education for retirees, whether they retire at the official retirement age, opt for early retirement, or involuntarily retire at age 50 or above. This education is field-agnostic, giving individuals the freedom to choose, with associated costs covered.



Employee Training

Training Status

In 2022, 97% of the total 2,050 employees at HJSC completed 15,039 hours of training programs. These programs encompassed various education sessions, including job-related training, ethics & legal training, personal information protection, and retiree education. The company is expanding its job-related training, especially in light of the COVID-19 situation, to enhance employee capabilities and improve work efficiency, thereby ensuring sustainable development.

Category	Unit	2020	2021	2022
Training Participants	person	1,834	1,958	2,006
Total Training Hours	hour	15,174	16,838	15,109
Average Training Hours per Person	hour	8.3	8.6	7.5
Employee Training Costs	m KRW	85	124	323



1,210 persons

Job Training



12,162 persons

Safety and Health



2,006 persons

Ethics & Legal



974 persons

Personal Data Protection



35 persons

Retiree Education

New Recruits Competency Development

HJSC enhances the competency of new recruits through introductory education, job-specific training, training camps, and site visits. Customized training is designed to strengthen their professional skills, foster teamwork, and instill an understanding of the company's corporate culture. Furthermore, additional programs, including reflection sessions after 100 days and refreshment sessions after 1 year, contribute to the continuous growth and effective communication of new employees.



Employee Welfare

Welfare System

HJSC prioritizes the health and welfare of its employees through various support programs, aiming to create a balanced work-life environment. The company operates programs to support employees' well-being to enhance their overall satisfaction. We shall continue our efforts to make improvement to the system.



Category	Detail
Child Education Fund	Annual tuition fees support, school ops & admission support for up to two children
Health Screenings	Providing health screening benefits for employees and their spouse
Medical Expenses	Offering a medical expense support for employees and their family members
Travel Subsidies	Construction: Subsidize commuting expenses Shipbuilding: Subsidize self-driving cost and operations of commuting buses
Family Events	Supporting employees for their marriage, birthdays, childbirth, funerals, etc., through monetary gifts and supplies
Snacks	Providing snacks to all shipbuilding employees and those working extended hours
In-house Cafeteria	Operating and managing an in-house cafeteria accessible to all employees and partners
Holiday Facility	Operating a holiday facility for employees to spend time with their families (year-round for shipbuilding, summer times for construction division)
Work Attire Support	Providing necessary work attire support for office, technical, production workers
Personal Pension	Monthly payment of 50,000 krw for all shipbuilding employees
Welfare Fund	Operating a welfare fund to support housing purchases and financial stability for shipbuilding employees
Accident Insurance	Group accident insurance coveragve and operation

Work-Life Balance

Work-Life Balance

HJSC supports employees in balancing their achievements at work with their lives at home. Recognizing that employee satisfaction, efficiency, and capacity increase significantly when roles at work and home are both fulfilling, the company implements various welfare programs for employees and their families.

Family Health

Employee health is of utmost importance to HJSC. The company supports regular health screenings, encourages healthy lifestyle habits, and extends health benefits to employees' spouses. This support aims to foster a healthy work-life balance for employees and their families.

Childcare Support

The shipbuilding sector has contracted a workplace daycare center, supporting employees in efficiently balancing work and family responsibilities. This initiative ensures a safe environment for employees' children, allowing employees to focus on their work.

Family-Friendly Workplace Certification

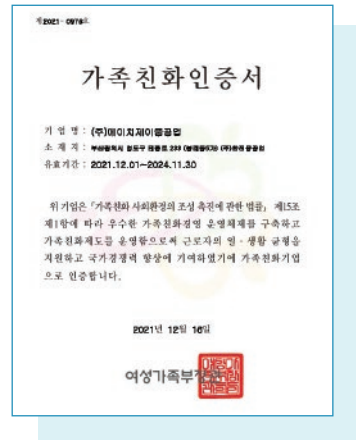
HJSC has been recognized as an exemplary company for implementing family-friendly policies under Article 15 of the Act on the Promotion of Work-Life Balance. The company actively contributes to creating a positive social environment and supporting the well-being of its employees' families.

Happy Family Day

Designating Fridays as "Happy Family Day" helps ensure a work environment that guarantees a balance between work and family. HJSC strives to support employees in leading a well-balanced life between work and family, maintaining high job satisfaction.

Encouraging Parental Leave

The company offers continuous education and updates for employees who take parental leave, ensuring a smooth transition back to work after their leave. With a high reemployment rate of 95%, parental leave is available to employees who have worked for more than six months and are caring for children aged eight or younger (including adopted children) within a one-year period. Both male and female employees can apply for parental leave, and reduced working hours can be requested as an alternative. Additionally, pregnant female employees are granted 90-120 days of leave, covering both the pre- and post-child-birth periods, with additional leave support based on various circumstances.



Rate of employees returning to work after parental leave

95%

Construction & Shipbuilding in 2022

Safety Value

Ensuring a Secure Future

The current global crises, such as climate change and pandemics, emphasize the significance of individual, community, and national preparedness and investment in a secure future. HJSC recognizes the crucial role of individual and community safety in ensuring the company's stability and success.



HSE Management Policy

Health, Safety, and Environment

HJSC prioritizes health and safety, striving to create a secure and healthy workplace for the benefit of all stakeholders, including employees, customers, partners, and the local community. Each year, we develop safety and health policies and action plans to become a leading safety-conscious company.

2023 Goals

Construction

Construction division emphasizes basics and principles, conduct preventive exercises & enhance employee involvement. HJSC focuses on high-risk areas, implements a self-discipline prevention system, and raises HSE awareness.

2023 Goals

4 consecutive years of ZERO major accidents leaping to an advanced HSE management company with (10% reduction in incidents involving falls or object impact)

Shipbuilding

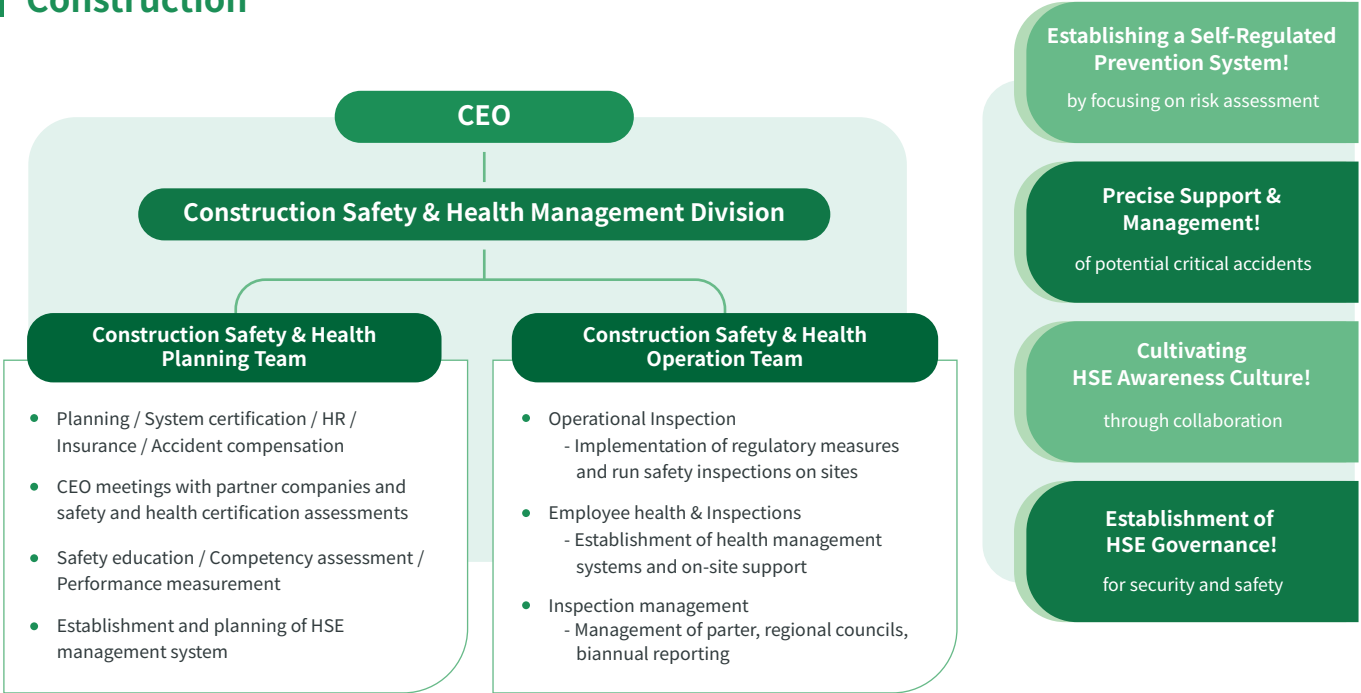
Shipbuilding division established a self-regulating prevention system involving all employees, enhance our management system, and strengthen internal capabilities for joint growth and cooperation, streamlining risk factor procedures.

2023 Goals

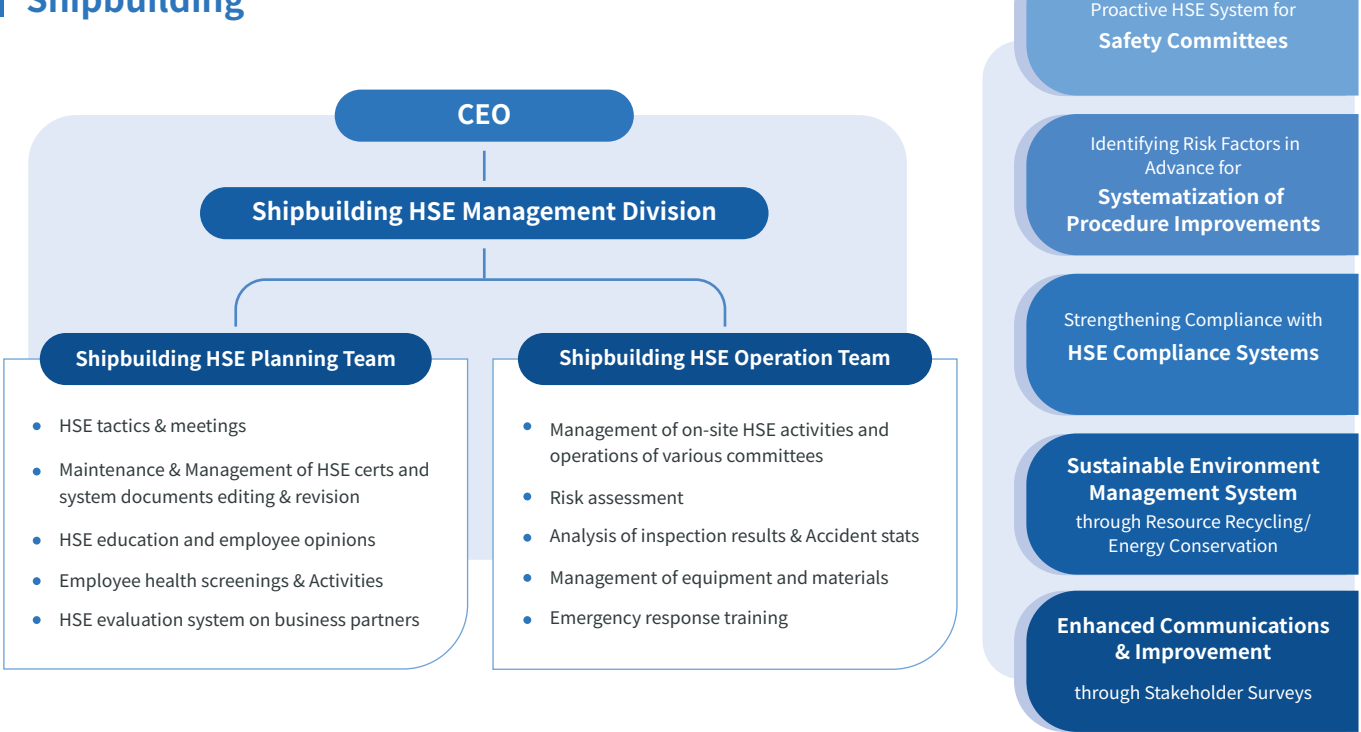
Achieved 7 consecutive years of ZERO major accidents (Achieve incident-related injury rate below 0.7%)

Organizational Structure & Safety Management Policy

Construction



Shipbuilding



HSE Inspection

Safety Inspection

Construction

Construction division collaborates with employees on inspections and consulting. We identify risk factors through on-site and document inspections, implement improvements, and seek analysis and response strategies. We also monitor the HSE management system's progress, reinforce document management with expert feedback, and regularly conduct compliance checks and safety inspections. Findings are analyzed and reported through employee self assessment, consulting, and feedback from experts and external opinions are actively sought for continuous improvement.

2022 Self-Regulation Compliance Inspection



Compliance Evaluation

- On-Site Inspections**
Inspection of on-site HSE documents, etc.
- On-Site Safety Inspection**
Establishing safety policies on equipment inspection
- Inspection Improvement Measures**
Make improvements on identified risk factors
- Biannual Headquarters Analysis Report**
Develop response strategies based on inspection results

Machinery Safety Inspection

- Pre-Install Safety Training**
Pre-installation safety training for tower cranes and lifts conducted by equipment specialists
- Pre-Import Safety Inspection**
5 major equipments are inspected by specialized agencies and are adopted only after passing
- In-Use Inspection**
Check for defects while in use for the 5 major construction machinery
- Biannual Analysis Report**
Inspection on-site and safety management on risk factors

Operational Risk Assessment

- Biannual internal audits through safety diagnosis by safety and health management system experts
- Biannual on-site inspections and a biannual headquarters analysis report after completing internal audits for all sites

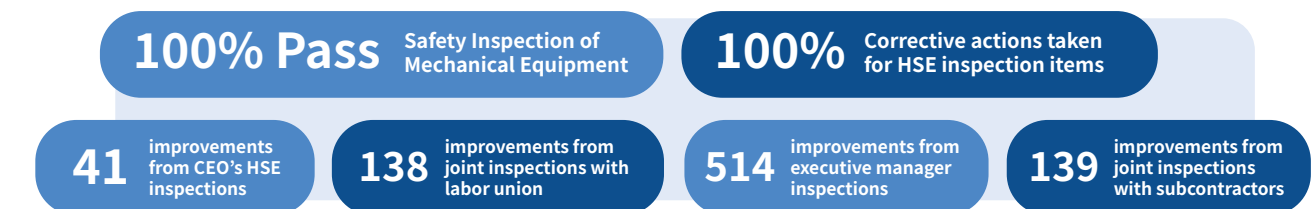
Safety Inspection with the Executives

- Monthly safety inspections by the CEO and executives
- On-site safety inspections and listening to workers' opinions

Shipbuilding

Shipbuilding division conducts safety and health inspections with subcontractors, labor-management teams, and internal audits. In 2022, they addressed 782 safety issues identified during inspections, emphasizing hazardous chemical management, proper protective equipment, and fire equipment. Safety campaigns were conducted to raise on-site worker awareness and promote health measures. The division remains committed to proactive safety efforts for the future protection of workers.

2022 Self-Regulation Compliance Inspection



Managing Hazardous Chemicals and Usage Conditions

Shipbuilding division diligently reviews vendors' Material Safety Data Sheets (MSDS) for hazardous chemicals after receiving from vendor. We assess hazards, integrate data into the internal management system, and provide MSDS training for chemical handlers.

Strengthening Fire Equipment Management Activities

The division has in-house fire trucks and distinguishes between on-board and ship-accessible portable fire equipment for initial fire response. Annual comprehensive inspections and operational checks ensure readiness for fire suppression on-site.

HSE Campaign

Shipbuilding division has been actively sharing preventive measures with workers, emphasizing safety regulations, emergency response, prevention of musculoskeletal disorder & cardiovascular disease through campaigns to remind our workers of safety issues.



HSE Campaign

Selection & Provision of Adequate Personal Protective Equipment

The division supplies customized safety gears to workers, monitors their stability, performance, quality, and maintains ongoing improvements. Manuals for wearing each type of safety gear are established and enforced to ensure compliance with safety regulations.



HSE Campaign

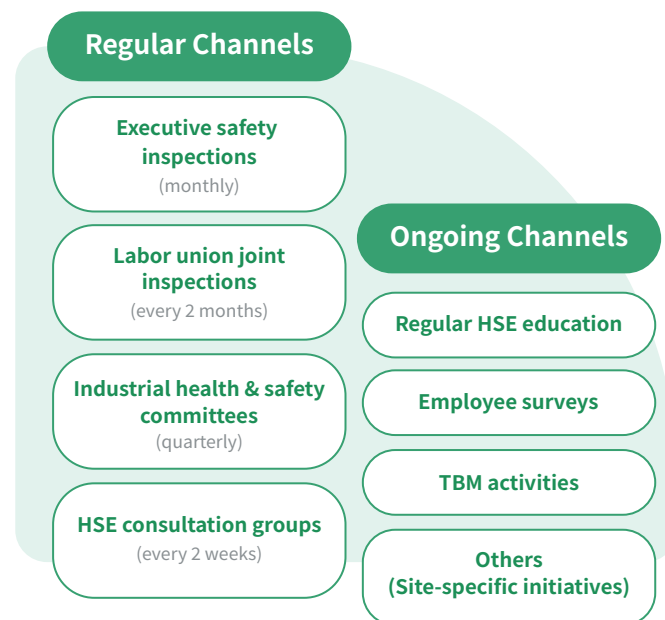
HSE Communication Channels

Diverse HSE Communication Channels

HJSC actively gathers opinions from employees and subcontractor workers through various safety and health inspection channels. These ongoing channels are operated to consistently listen to the voices from the field, striving for proactive accident prevention.

Construction

Construction division conducts safety and health inspections, joint inspections, HSE committees and consultations involving the employees and subcontractors in order to gather diverse opinions.



2022 Request Resolutions

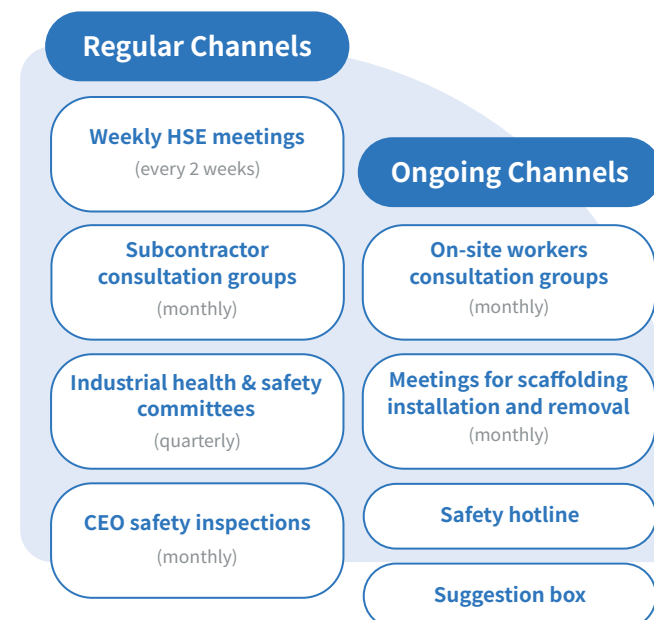
Construction

	Facility installation	85
	Protective equipment distribution	187
	Employee well-being	177
	Others	164

Total of 613 requests
100% Resolved

Shipbuilding

Shipbuilding division ensures safety inspections and measures for work and the entire site through HSE committees, hold regular safety meetings, and run consultation groups together with our business partners.



Shipbuilding

	Subcontractor consultation groups	9
	Safety hotline	6
	On-site workers consultation groups	13
	Others	25

Total of 53 requests
100% Resolved

Workplace HSE Management Activities

Proactive Prevention Activities

HJSC is expanding HSE activities by proactively identifying and eliminating harmful risk factors. This includes conducting safety and health culture campaigns, developing a mobile app for 83 types of Occupational Health and Safety (OPS), and distributing ebooks for 260 types of risk assessments by construction type. Efforts will continue to proactively identify and eliminate risk factors, fostering a HSE culture with direct worker involvement.

CEO Health & Safety Inspections

Monthly CEO on-site HSE inspections are conducted in both the shipbuilding and construction divisions. These inspections involve top management and aim to identify and address on-site risks and challenges faced by subcontractors.



CEO On-site HSE Inspections

100-Day Campaign for Creating a Safe Workplace

A year-end safety culture campaign is underway to elevate the safety and health awareness of our workforce. This campaign involves analyzing accidents within our company and others, aligning with government policy directives, and selecting thematic activities to cultivate a safety and health culture with active worker engagement.



D-100 Days Creating a Safe Workplace Campaign

Fire Drills

The shipbuilding division collaborated with the harbor fire department to conduct joint firefighting and evacuation drills. The training encompassed ensuring access routes for fire trucks, instructing workers on evacuation procedures, and providing training for fire suppression and confined space rescue to enhance initial response capabilities.

Proactive Action on Climate Change

HJSC is implementing measures to mitigate the effects of sustained heat and cold caused by climate change, ensuring worker comfort and risk prevention. In times of extreme heat, we offer shelters, ice machines, cooling stations, and provide watermelon, ice cream, and beverages. Workers in high-temperature environments, like welders, are equipped with fans, vests, cool towels, and scarves. In extreme cold conditions, our efforts include promoting free flu vaccinations, installing heating devices in worker rest areas, and supplying hot packs, winter gear, and emergency kits to manage cold-related illnesses.



Watermelon sharing

Emergency kit distribution

On-site Workers and Employee Participation

Active Participation

HJSC actively ensures health and safety by involving on-site workers into the process. We listen to their feedback and quickly implement solutions to address potential risks and make improvements.

Actively Listen to Workers Voice

HJSC values feedback from subcontractors, supervisors, and workers. In the construction division, we have on-site worker feedback points and daily meetings to enhance communication with employees and subcontractors. Whereas in the shipbuilding division, we use a digital safety reporting system. We have successfully addressed survey feedback and safety reporting requests with a 100% improvement rate for three consecutive years in both sectors.



Suggestion box



Digital safety hotline

Increasing Participation of Honorary Industrial Safety Supervisors

HJSC is distributing manuals and improving systems to increase the participation of honorary industrial safety supervisors. We aim to spread safety awareness and culture through increased worker participation, clearly defining the roles and responsibilities of workers, and establishing a self-regulation prevention system.

Work Suspension Rights

Granting on-site workers the authority to stop work encourages them to actively voice concerns in the event of a major accident or unexpected crisis. This approach raises awareness among on-site workers, fostering a culture that prioritizes safety through immediate and proactive responses.



Poster promoting work suspension rights



Health & Safety Training Overview

Health & Safety Training Overview

HJSC places a strong emphasis on raising individual safety awareness through appropriate training as a key strategy to create an accident-free work environment. The company offers a variety of HSE training methods, including group and remote training, for both HJSC's employees and subcontractors. Ongoing efforts will focus on improving the quality and quantity of safety and health education to ensure a happy and secure future for all on-site members.

Safety Training Achievements

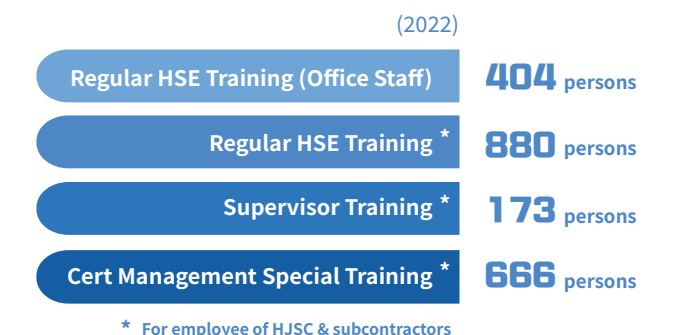
Construction

In the construction sector, we offer specialized training for safety and health managers and provide training for on-site supervisors, both new hires and experienced staff. The utilization of the Cyber Construction Safety and Health School has improved access to safety information and increased safety awareness, yielding positive results.



Shipbuilding

We offer customized training based on job roles for both company and subcontractor personnel, including ongoing training for new hires. Specialized training is provided for personnel operating equipment like cranes, mobile cranes, forklifts, and similar machinery, promoting safety awareness and addressing HSE gaps.



Collaboration with Expert Groups

HJSC collaborates with various associations to address key industrial HSE issues. We actively engage with experts, share information periodically, exchange ideas, and adopt innovative improvement approaches through benchmarking. In the construction division, we work with associations like KOSHA-MS Council, Construction Safety Council, Construction Safety Expert Council, Construction Health Council, and the Korean Society of Safety. In the shipbuilding sector, we are members of associations including the Federation of Korean Industries (Corporate Safety and Health Committee) and the Korea Shipbuilding & Offshore Plant Association (Shipbuilding and Marine Safety Environment Center).

Employee Health

Rest Areas

HJSC provides comfortable rest areas for on-site workers to relax, rejuvenate and minimize their work-related stress. We ensure these areas are kept clean and inspect them annually.



Emergency Response

A hospital located within the shipyard premises ensures the immediate availability of medical staff to assist on-site workers, enabling quick responses to potential emergencies.



COVID19 Response

Our Covid19 preventive efforts include active hygiene promotion, stressing social distancing, regular hand washing, vaccinations, preventive campaigns, and routine site disinfection.



Break Time

Our monthly CEO safety inspections offer occasional coffee meet-ups for the on-site workers, offering refreshments and fostering rapport between workers and management.

Safety Achievements

Excellent Performance

As a result of the collective efforts of all employees, the Construction Division has had zero major accidents for three years, and the Shipbuilding Division has maintained this record for six years. Both divisions received an 'Excellent' rating in external evaluations, recognizing our strong safety management. HJSC remains committed to enhancing HSE activities to ensure the safety and well-being of all workers.

Construction

2020-2022 Average

Accidents 0.22%

Disease 0.05%

0
Fatalities
(2020-22)

Shipbuilding

2020-2022 Average

Accidents 0.75%

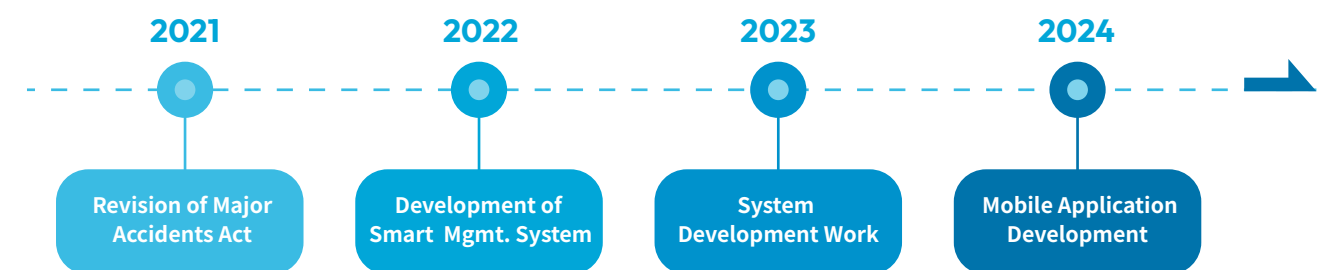
Disease 3.25%

0
Fatalities
(2020-22)

Establishment of Smart HSE Management System

Development of Smart Safety Management System

Construction Division of HJSC has implemented a smart system for more efficient safety and health management. It was launched on July 1, 2023, and is actively used across all sites. The system includes a dashboard for monitoring the entire site, allowing for risk assessments, recording, and managing safety and health activities related to the Occupational Safety and Health Act and the Act on the Punishment of Major Accidents.



Development and Distribution of Smart Safety Education App

We're developing a smart mobile app to streamline managing and tracking workers' entry and training, ensuring no detail is missed. This digital system is expected to greatly enhance work process efficiency by simplifying data management and audits. We're committed to refining on-site safety through continuous feedback.

The Shipbuilding Division is also exploring the adoption of this smart system.

Safety Management Enhancement for Partners

Safety Management for Partner Companies

HJSC is committed to bolstering safety and health management across our operations and with our subcontracting partners. We regularly review our partners' voluntary safety efforts, using clear criteria to foster proactive safety and health measures. Through biannual assessments, we aim to stimulate their ongoing safety initiatives. Our goal is to cultivate a pervasive culture of safety and health for sustained, safe growth.

Standard Requirements for Partner Companies

We mandate basic health and safety practices among our partners to promote well-being across the supply chain and bolster sustainable collaborations.

Accident Insurance

Enrollment for their employees prior to commencing the contracted work

Health Check

Conduct health checkups for their employees and submit the results for record.

Supervisor

Entrust occupational health and safety tasks to qualified safety and health agencies and designate their own responsible supervisory personnel.

Provision of Health & Safety Standard Videos

In the event of a new site occurrence, we provide videos that depict our safety and health management system and activities to ensure understanding of relevant content.



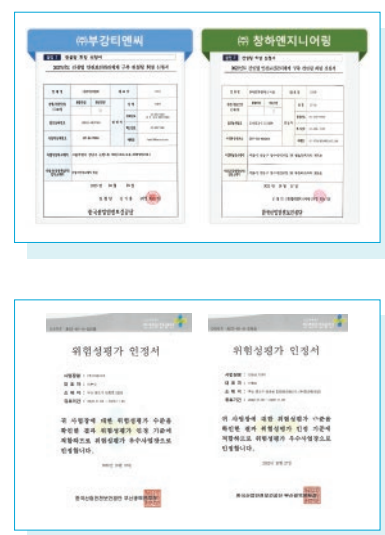
KOSHA Consulting Support

Construction

We offer consultancy to help partners build a health and safety management system, supported by our Construction Safety & Health Management Division. Our aim is to foster a culture of safety and health, ensuring a safer, sustainable workplace.

Shipbuilding

We aid partners in securing KOSHA certification(Korea Occupational Safety and Health Agency) for their risk assessments, facilitated by our Shipbuilding HSE Management Division's consultancy. Moving forward, we will keep pinpointing and mitigating risks while educating key staff, ensuring our partners maintain a safe work environment.



Partner Company CEO Safety and Health Meeting

Our CEO-led safety and health meetings with partner executives include listening to their insights and supporting their efforts. Annually, we solidify our collaboration through pledge ceremonies and recognize exemplary partners, reinforcing our united commitment to safety.



2022 Partner Executives Meeting

Partner Company Health & Safety Evaluation

Construction

We evaluated the health and safety systems of our construction partners twice in 2022. We carried out assessments on 347 companies in H1 and 364 in H2 covering system establishment, execution, and incident rates on their headquarters, sites and facilities. 97% scored Fair or higher. The remaining 3% were given a six-month bidding suspension to address and rectify issues.

Category	2022	
	1H	2H
No. of Companies	347	364
Excellent (90 points and above)	14	20
Good (80-89 points)	90	109
Fair (60-79 points)	231	222
Corrective Measures (Below 60 points)	12	13
Action Plan	Below 60 points (Penalty): 6-month Bidding Restriction	

Shipbuilding

Selecting new partners involves stringent measures to avert industrial accidents by verifying and advising on health & safety standards. Collaborative inspections and evaluations with the consultation committee are carried out to assess partners' independent health and safety activities. We request improvement plans based on these evaluations. Our 2022 biannual assessments shows a rise in average scorings, reflecting improvements in our health and safety management.

Category	2022	
	1H	2H
No. of Companies	25	28
Average Score (Points)	70.5	74.7
Action Plan	<ul style="list-style-type: none"> Top 3 Companies (Incentive) <ul style="list-style-type: none"> - Implementation of Rewards Bottom 2 Companies (Penalty) <ul style="list-style-type: none"> - Support for establishing health & safety mngt. system and internal consulting for improvements 	

Health & Safety Education for Partner Companies

Construction

We provide a range of safety and health education and practical training for health managers at partner companies. With the onset of COVID-19, we swiftly implemented virtual education, reaching about 1,500 partner employees in 2022, ensuring continuous safety and health training amid the pandemic. Ongoing improvements in remote learning have also led to a wealth of in-house educational content.

Group Training Sessions (2022)

Date	Education Title	No. of Participants	Remarks
3~28th October	Health & Safety Manager Training	135 persons	<ul style="list-style-type: none">Location: Daejeon KT HR Development InstituteContent: Prevention of accidents from machinery, safety communication, creative problem solving, industrial health & safety act, and cases of fatal accidents
	Supervisor Training	235 persons	<ul style="list-style-type: none">Location: Daejeon KT HR Development InstituteContent: Prevention of accidents from machinery, safety communication, creative problem solving, prevention of fall accidents, pre-work measures.

Support for Partner Company Health & Safety Training

We have expanded our training curriculum from 11 to 17 courses to provide more specialized education to cover a wider range of roles. In 2022, group sessions for partner executives and managers were held, which will extend to include on-site leaders in 2023. Ongoing training fortifies our commitment to long-term, safe partnerships.



Shipbuilding

We offer comprehensive health and safety training, including risk assessment and management instruction, to all partner workers, aiming to prevent accidents and build practical skills. Specialized training targets high-risk occupations to lower accident rates. We'll keep reinforcing our effort to boost safety awareness and interest among partner company employees.

Group Training Sessions (2022)

Date	Education Title	No. of Participants	Remarks
18th -19th April	Risk Assessment Training	24 persons / Partner company supervisors & office staff	<ul style="list-style-type: none">Content: Risk assessment methods & techniques, verification of the appropriateness of risk assessments
April, July, October	Supervisor Group Training	37 persons / Partner company supervisors	<ul style="list-style-type: none">Institution: Korea Industrial Safety AssociationContent: Duties and roles of supervisors, health & safety management at sites
July to December	Special Training on Qualification Mngt. for Workers Exposed to Risks	294 persons / Workers involved in risky ops	<ul style="list-style-type: none">Specialized training for cranes, forklifts, etc.Content: Training on job-specific safety rules, accident prevention through case studies

Support for Partner Company Health & Safety Training

We partner with the Korea Industrial Safety Association to deliver essential safety and health training to workers and managers of our partner companies at hiring and during regular sessions. Our support extends to helping achieve Korea Occupational Safety and Health Agency recognition via risk assessment training, boosting managers' safety competencies. Initiated in 2022, this collaboration will extend into 2023, ensuring continuous education for all partner employees.



Value of Mutual Growth

Shared Journey

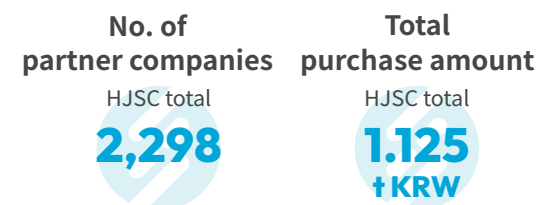
Offering competitive pricing and quality hinges on solid relationships with our partners, whose growth enhances our product and service quality, benefiting end customers. HJSC values social responsibility and ethics, thus fortifying partnerships based on trust.



Strategy for Mutual Growth

Collaboration with Partners

Enterprise growth is rooted in symbiotic stakeholder relationships, especially with supplying partners and subcontractors. HJSC is committed to creating a coherent value and a win-win strategy with partners to boost competitiveness at home and worldwide.



Achievements in Mutual Growth

HJSC was rewarded the "Construction Cooperation Promotion Award" in 2022 for fostering a culture of joint growth in the construction industry. In 2023, we earned the Grand Prize and the Fair Trade Commission Chairman's Award and was rated highest in the "Mutual Cooperation Evaluation among Construction Companies" by the Ministry of Land, Infrastructure, and Transport. These accolades affirm our commitment to collaborative and safe supplier practices. To deepen these partnerships, we offer programs to boost partner competitiveness and train employees to nurture a culture of fair trade. We remain dedicated to reinforcing our cooperative ties with our trusted partners.

Construction Coop. Promotion Award
Grand Prize and Fair Trade Commission Chairman's Award
2023 Deahan Financial News

Mutual Coop Evaluation Among Construction Companies
Company with Excellence
2022 Ministry of Land, Infrastructure and Transport

Support for Mutual Growth

In Construction and Shipbuilding, we offer educational programs to boost our in-house partners' skillsets and assist them with recruitment, fostering mutual progress. In 2022, we provided job skills training for 60 partner firms and facilitated recruitment for three individuals from a partner company.

Corporate Partnership Team

Beyond our outsourcing purchasing department which handles bidding and contracts, we have set up our Corporate Partnership Team focused on supporting our partners and fostering shared vision and advancement.



Support for Partner Companies

Training on Employee Subcontracting Laws

To foster a culture of fair trade, we've been delivering ongoing subcontracting education to our employees. Starting from 2021, we've enhanced our capabilities with tools for streaming education and have broadened both the audience and content for our online educational programs.

Construction

Subcontracting Compliance Support Training
93 persons

Training on Mutual Coop, Legal, Work Ethics
60 persons

Shipbuilding

Case Studies Training on Subcontracting Compliance
31 persons

Employee Training On Subcontracting Compliance
71 persons

Stamp Duty Support

We cover 70% of the stamp duty incurred in all subcontracting agreements, supporting partner companies with auxiliary costs. In 2022, Construction division provided over 70% cognizance tax support to 159 partner companies.

Support	Support Content	Contract Type
159 companies	Support for over 70% of stamp duty	Electronic Contract

Market Expansion Support for Partner Companies

Through periodic assessments of our partners, we identify and recommend top-performing companies to our major clients for further project involvement and new registrations. This strategy not only fosters true reciprocal development but also reinforces our alliance with these partners.



Mutual Growth Committee

We established a mutual growth committee with clients and partners to ensure ongoing dialogue, addressing any concerns and enhancing work conditions.

Priority Consideration for Partners with New Technologies

We prioritize companies with patents and innovative technologies in contract negotiations, laying the groundwork for sustained mutual growth. Our company is committed to nurturing collaborative advancement with our partners by supporting technological development and enhancing cooperative efforts.

Welfare Support

Shipbuilding partner companies receive free work uniforms and lunches. Monthly supplies of consumable safety gear and biannual distributions of safety clothing are provided. Additionally, gifts are given three times a year for holidays, enhancing a sense of community among workers.

Efficient System Operation

Operation of the Electronic Procurement System

Our electronic procurement system has been a model of efficiency, enabling partners to manage bidding, contracts, and invoicing anytime, anywhere, with ease since 2009.



Introduction of Standard Subcontract Agreements

We implemented standard subcontract agreements from the Fair Trade Commission for all contract signings, affirming our commitment to fair trade and the rights of our partners.

Utilizing Electronic Procurement Systems

Since implementing the electronic procurement system in 2009, we've digitized the full payment process, enhancing ease of use for our partners. Comprehensive user manuals are also provided to assist even those new to the system.

Subcontracting Payment Status

We meticulously manage our financial resources to minimize payment delays and maximize cash transactions. Recognizing that consistent payment underpins cooperative relations, we actively uphold this principle. Our commitment to a cash payment policy is aimed at reinforcing enduring unity and partnerships with our affiliates.

Construction

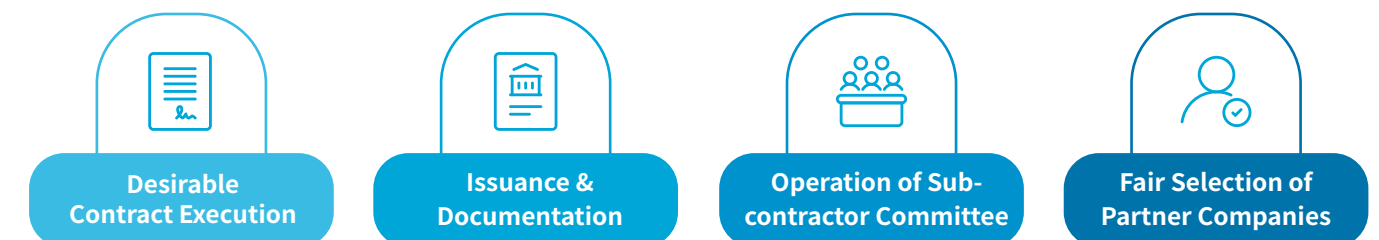
Cash Payment
(2022)
86%

Shipbuilding

Cash Payment
(2022)
100%

Compliance with Fair Trade Practices

Four Practical Measures for Fair Trade



Fair Trade Culture

Adhering to fair trade and cultivating trust with customers and business partners are fundamental for long-term success. These practices are vital for elevating brand value and reputation, fostering inter-company efficiency, and driving sustainable market development.

Preventing Legal Violations

We've implemented a proactive checklist to prevent legal infractions, regularly verifying document provision, scrutinizing for unfair contracts, and ensuring adherence to payment guarantees. This process includes training employees on these checks and monitoring for any breaches.

Operation of Legal Violation Monitoring System

We have set internal compliance standards and systems in order to prevent subcontract-related legal issues, ensuring equitable and clear transactions with our partners.

Fair Trade Compliance Program (CP)

Introducing the Fair Trade Commission's Compliance Program (CP) to prevent legal violations early, provide clear behavioral standards, and strengthen compliance spirit using fair trade incentives. The company recognizes the need for CP, plans to establish CP standards, create a CP manual, distribute it, and operate an employee training program.

Improving Perception of Fair Competition

The introduction and establishment of a Compliance Program (CP) for systematic risk and risk management is a global trend.

Prevention of Corporate Losses due to Legal Violations

Legal violations can lead to both measurable and immeasurable costs for businesses, including fines, damages, legal fees, and reputational harm.

Enhancing Domestic and International Credibility

Publicizing and actively operating the CP internally and externally can enhance the company's image as a practitioner of ethical management.

Minimizing Damages from Legal Violations

Implementing CP can help minimize sanctions such as fines and criminal complaints that may arise if practitioners unintentionally violate fair trade regulations.

Evaluation on Partner Companies

Company Evaluation

HJSC assesses and chooses new partners via a transparent electronic procurement system, openly sharing evaluation criteria and scoring methods. We also conduct routine self-assessments to oversee our partner companies effectively.

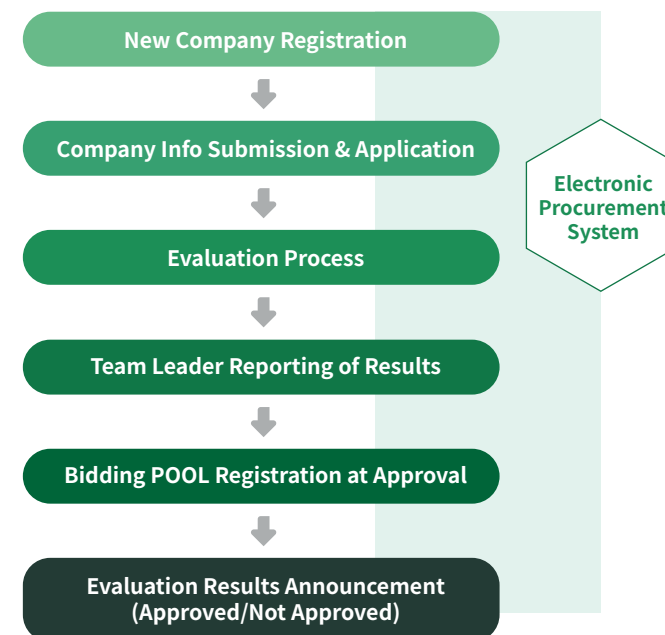
Construction

Evaluation Criteria and Processes

Starting in 2023, we'll evaluate 2,053 partner companies to highlight top performers, thereby strengthening partnerships and enhancing practices. Additionally, we will conduct thorough assessments distinguishing between outsourcing and materials for accurate management.

Evaluation Criteria

- Credit Rating
- Cash Flow
- Risk
- Heath & Safety
- Credit Report
- New Contract Count
- New Contract Amount
- Completion Evaluation
- Team Evaluation
- Performance Info



Evaluation Grade

We aim to raise bidding chances and offer incentives to the top 5% of our partners by setting clear evaluation criteria. Companies with 'review' or 'disqualified' ratings will be either removed from the pool or reassessed to prevent unwarranted bidding participation.

Evaluation Grade		Actions Taken	Remarks
Outstanding	Top 2%	Benefits + Bidding participation opportunity for orders up to 30 billion krw, up to 10 contracts.	Separate selection for outsourcing/ materials
Excellent	Top 5%	Bidding participation opportunities up to their maximum calculated capacity. Priority recommendation for joint ventures & affiliated companies in their bidding.	
Average	-		
Review	Below 50pt	Consider exclusion from the pool	
Disqualified	Below 40pt	Exclusion from the pool	

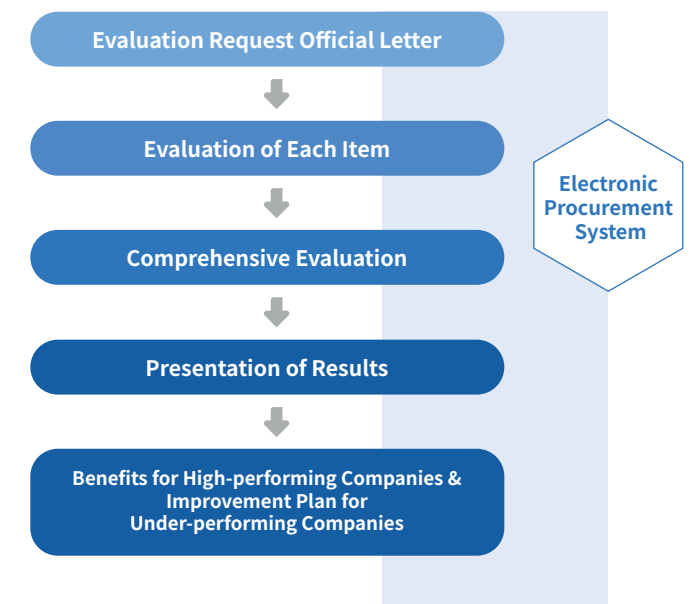
Shipbuilding

Evaluation Criteria and Process

We carry out biannual, regulation-compliant assessments of subcontractors, covering compliance, skills, management, quality, and safety at our shipbuilding, defense, and Geoje factories, enforcing strict oversight of this process.

Evaluation Criteria

- Compliance
- Collaboration Level
- Sustainability
- Safety Management
- Quality Control
- Transaction Period
- Tax Payment



2022 Evaluation Results

We initially completed 106 written evaluations, with ongoing assessments for 32 companies. All evaluated companies achieved grades A to C, from which we selected the exceptional ones. We provided incentives to promote ongoing quality management,

Evaluation Grade		Evaluation Body	Follow-up Measures
A (90pt or above)	Maintenance of Transactions	8	<ul style="list-style-type: none"> • Companies subject to regular evaluation had all their contracts maintained • Establishment of evaluation criteria and procedures Implementation will follow
B (80pt or above)		16	
C (70pt or above)		8	
D (60pt or above)	New Bidding Restrictions	-	
E (Less than 60pt)	Transaction Suspension	-	
Companies Subject to Regular Evaluation		32	

Quality Assurance (QA)

Quality Innovation Strategy

Delivering top-quality products and services is core to our mission. We strive for exceptional customer satisfaction and trust, advancing our quality management system to boost our competitive edge. Our aim is to cultivate a company-wide quality culture, enhance product quality, innovate processes, and add value. Focused on technical enhancement, operational efficiency, and elevated productivity, we're committed to fulfilling customer needs with superior service.

Organizational Structure



Quality Assurance Policy

HJSC's quality assurance policy commits to excellence and customer satisfaction, with a focus on technological advancement, quality enhancement, and customer respect. We consistently refine our quality management processes to uphold and advance our quality standards.



Certifications

Quality Assurance Certifications

HJSC upholds international quality standards, ensuring product and service excellence. Our ISO-certified quality system aligns with global norms, earning customer trust. We constantly improve our system's efficiency and effectiveness, adhering to ISO mandates through regular audits and reviews.

Construction



Shipbuilding



Quality Maintaining Activities

Key Focus Areas of Quality Assurance

Construction

We're boosting quality competitiveness and corporate value with a fresh management philosophy. By improving processes, skills, and employee expertise, we aim to deliver innovative value and increase customer satisfaction.

Category	Details
New Quality Management Philosophy	<ul style="list-style-type: none"> Maximize corporate value through achieving competitive advantage in quality Enhance quality competitiveness and increase profitability through cost reduction
Creating Value for Customers	<ul style="list-style-type: none"> Strengthen CS and maximize service through creative quality achievement Achieving customer satisfaction through improved CS
Process Quality Innovation Improvement	<ul style="list-style-type: none"> Maximize productivity through process quality innovation Strengthen construction management technology and increase process efficiency
Realization of Quality-centric Culture	<ul style="list-style-type: none"> Enhancement of resource value through quality management involving all employees Improvement of HR competence and establishment of quality assurance info systems

Shipbuilding

To enhance our competitive edge in quality, we focus on improving pre-quality measures, upskilling our quality inspectors, and adhering to updated management system standards. Our goal is to consistently advance our product and service quality through these targeted efforts.

Category	Details
Strengthening Pre-Quality Assurance Activities	<ul style="list-style-type: none"> Pre-inspections & preventions on safety measures to ensure QA & customer satisfaction Stabilization & improving QA on external manufactured parts i.e. mounting and walls Improvement on QA through raising awareness among employees and partners
Enhancement of Quality Assurance Manager Competence	<ul style="list-style-type: none"> Efficient workforce operation through high function & skills training Strengthening QA processes to enhance trust for shipowners and class societies Enhance technological competence for cost reduction and raise capabilities
Updating and Revision of Quality Assurance System, Certification Standards & Expert Training	<ul style="list-style-type: none"> Raise reliability by verification from external auditors such as Quality Management System (Defense Quality, ISO 9001) Standards, and receiving certification Expert training through participation in quality management system (local & global)

Quality Activity Status

HJSC has developed a quality management system for reliability and risk mitigation. This systematic approach bolsters our competitive edge, allowing us to address quality, environmental compliance and issues.

Construction

To maintain and enhance product quality, we engage in various quality-focused activities. This includes initial site training, internal audits, and evaluations at completion to ensure adherence to international standards and legal mandates, underpinning our commitment to continuous quality enhancement.

Category	Promotional Content
Internal Audits	<ul style="list-style-type: none"> A total of 121 internal audits, assessment, etc. 29 non-conformities identified & corrected Selection and management of non-conformities
Quality Control Support Activities	<ul style="list-style-type: none"> Monitoring of major issues & regulations Business support on on-site QA compliance
Strengthening Quality Assurance Activities	<ul style="list-style-type: none"> Distribution of QA manuals for new workers Training new workers on QA mngt system Revision and update QA mngt manual

Quality Inspections

Construction division prioritizes QA training and inspections to ensure top-notch products and services. This commitment sharpens employee expertise and embeds our quality management ethos. With around 22 annual headquarter trainings and 99 on-site quality inspections over three years, we foster enduring customer trust through diligent product quality control and enhancements.

Quality Control
Inspections (2022)
121
times

Construction Technology Research Team Interview

Construction Technology Research Team, encompassing technology development, technical support, and quality management system, works in tandem to expand and improve our operations. Our quality assurance system underpins our corporate prominence and competitive edge. Looking ahead, we're committed to improving this system to meet our quality objectives, earn customer trust, and fulfill our social and environmental duties.

Shipbuilding

We're executing multiple initiatives to maintain quality stability and boost competitiveness i.e. enhancing quality from partners, external manufacturers, conducting internal audits, and bolstering our quality inspectors' expertise.

Category	Promotion Contents
Improving QA Activities of External Manufacturers & Partner Companies	<ul style="list-style-type: none"> Conducting assessment activities to improve QA through regular meetings and QA inspector site patrols. Sharing QA concerns with new external manufacturers Conducting inspections on defects & regular assessments on site for new partner companies and manufacturers.
Internal QA Audits	<ul style="list-style-type: none"> Conducting internal QA audits twice a year Conducting audits for all departments, discovered and corrected 18 cases
Strengthening the Competence of QA Inspectors	<ul style="list-style-type: none"> Conducting QA training to acquire new shipbuilding tech Planning and conducting 56 QA inspector training sessions for the year 2023 Internationally qualified inspectors for QA reliability Obtaining government-lead inspector qualifications for defense projects

Quality Inspections

We adhere to stringent inspection procedures at every stage, from factory check ups to sea trials, ensuring the highest quality of ships. Our thorough inspections, evidenced by over 9,430 checks in 2022, solidify the trust and satisfaction of our shipowners. Committed to excellence, we will continue to refine our quality management by enhancing inspection methods and advancing our inspectors' training and qualifications.

Quality inspections
(2022)
9,430
times

Quality Management Team Interview

Quality Assurance Team handles QA planning, hull quality control, and design quality assurance, shaping policies for customer-aligned products. In collaboration with key departments, the team upholds quality and is integral to production, performing inspections and enhancing quality. Under a robust management system, the team promotes a quality-focused culture and elevates standards to boost shipowner satisfaction.

Improving Customer Satisfaction

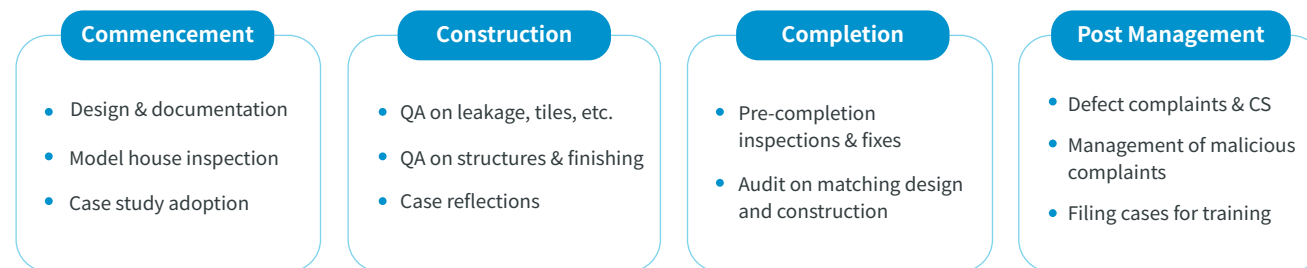
Customer Satisfaction Activities

Construction division focuses on providing the highest product and service quality for our customer satisfaction to bolster our credibility. We maintain seamless customer communication via phone, email, and online consultations, valuing their feedback. Our specialized customer support team proactively works to avert issues and methodically advances our commitment to quality enhancement.



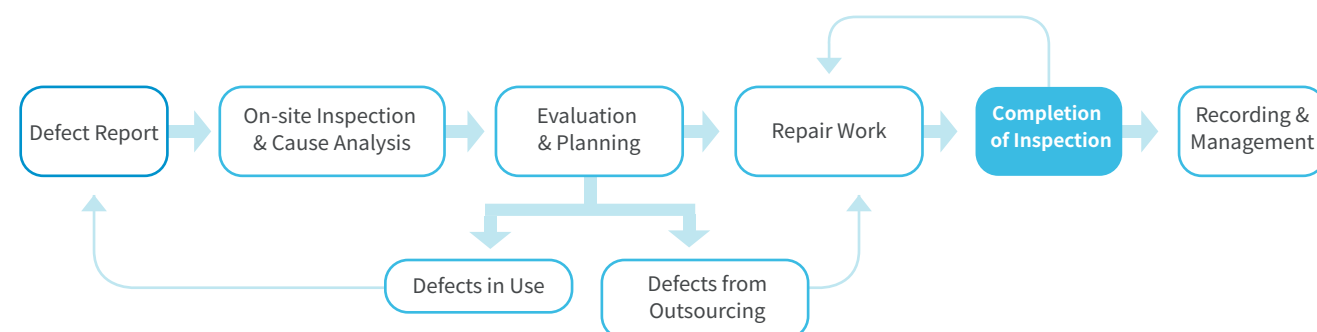
Preventive Measures Against Major Defects

In the construction industry, critical issues like leaks are managed systematically to mitigate significant problems, lessen customer disruption, bolster brand reputation hence a rise in orders.



Handling of Complaints on Defects

Defect reports for residential complexes and general construction are meticulously handled, involving occupants, management offices, clients, and managing bodies. We ensure clarity in responsibility, conduct on-site investigations, analyze causes, and perform the necessary repairs. Efforts are made to coordinate with customers to reduce disruption. We secure and manage completion certificates for post-repair. With disclosing manager info at reporting, we promote accountability and transparent record-keeping.



Resident Guide Booklet

For resident safety, we distribute booklets detailing facility use, emergency protocols, and emergency contacts. These guides provide locations and instructions for safety, security, and fire-fighting amenities within residential complexes, along with emergency response guidelines.

Professional Customer Service

Customer-facing staff receive etiquette training and guidelines to ensure positive, effective communication, responding well to customer concerns, bolstering the company's image, and lessening customer discomfort. They're also trained to uphold a professional appearance representing the company's standards.

Customer Satisfaction Achievements

Construction

We have earned multiple awards from prominent bodies and media, acknowledging our dedication to quality, safety, and management excellence. Committed to superior quality management, the company consistently strives to meet customer expectations and uphold its esteemed reputation.



Shipbuilding

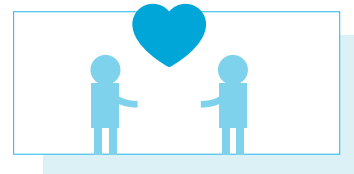
Our innovative technology has earned it multiple awards from 2020 to 2022, such as the Minister of Trade, Industry, and Energy Award and the Excellent Shipbuilding and Maritime Award. These honors underscore a commitment to excellence and a vision for continued progress.



Community Coexistence Synergy

Moving Forward Together

HJSC is committed to mutual growth and sustainable development by fostering harmony with local infrastructure, human resources, and the regional economy. This synergy is fundamental to our long-term strategy, aiming to thrive alongside the local community for a shared prosperous future.



Vision for Social Contribution

Social Contribution Activities

HJSC, with a commitment to human dignity, actively engages in social contributions under our enduring motto, fostering a spirit of generosity. We believe in growth through community engagement and has supported local welfare initiatives, contributed to children's foundations, and participated in societal betterment campaigns, thereby reinforcing its societal contributions since 2020. We have also participated in an end-of-year Community Fundraising 2022 to make a positive impact on society.



Support for Art & Culture

We are dedicated to promote local cultural and artistic events accessible to seniors and individuals with disabilities, facilitating their engagement in a diverse array of cultural experiences like classical and traditional Korean music, and theater, enriching the lives of community members.



Thanksgiving Day Support

In response to COVID-19, HJSC launched a holiday donation initiative during Lunar New Year and Chuseok, distributing gifts, essential amenities, provided meals, and financial support to community members with disadvantages, offering care and support to those in need.



Community Donation

Pooling together staff contributions, we have made donations to support community members in need and shared our helping hand with the most needed. Committed to social welfare, we pledge to maintain our volunteer efforts, promoting continuous generosity and co-living.

Relationship with the Local Community

HJSC Engaging with the Local Community

Our company's goal goes beyond profit-making. We are dedicated to social responsibilities as active participants in our societies. By fostering positive relationships locally, we strive for social acknowledgment, stimulate local economic growth, and make substantial contributions to societal welfare.



Gift Sharing for Social Welfare, Yeongdo

HJSC extended our community support during Chuseok by donating gifts to the social welfare centers in Yeongdo District. This gesture of goodwill, aimed at the Watch Comprehensive Social Welfare Center, helped provide essential services to residents and those in need, showcasing our commitment to the local community well-being.



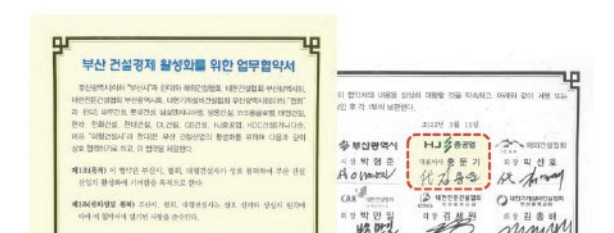
Nurturing Outstanding Future Talent & Industry-Academia Collaboration

Shipbuilding division has formalized an industry-academia collaboration through a memorandum of understanding (MOU) with KMOU to cultivate exceptional talent. This partnership is dedicated to advancing the shipbuilding industry by developing expert professionals and creating an efficient employment system.



Meetings with Local Stakeholders

HJSC prioritizes our connection with the local community as a cornerstone value. In Busan, where our businesses are centrally based, we engage in collaborative discussions with local authorities and business partners, aiming to bolster the region's growth and the proficiency of local enterprises.



Foster Local Businesses

Construction division entered into a business agreement with local public institutions and leading construction firms in Busan to foster collaborative efforts. This initiative is designed to enhance administrative assistance and increase engagement in projects that bolster the competencies of local constructors and invigorate the regional construction sector.

Overview

Ethical management is key to becoming a trusted company and gaining stakeholder trust. Corruption and discrimination can lead to an unjust society and ultimately harm a company. The pressure for organizations to be more transparent and ethical has been rising. It is crucial to establish a clean and trusted governance structure based on expertise and transparency to lead in ESG management. Efficient risk management, by identifying and strategically addressing risks, in a rapidly changing environment has also become vital for remaining competitive.

66 Transparent Board Operation

67 Human Rights

68 Ethical & Legal Administration

69 Risk Management

HIGHLIGHTS



13

Board Meetings



32

Board Resolutions

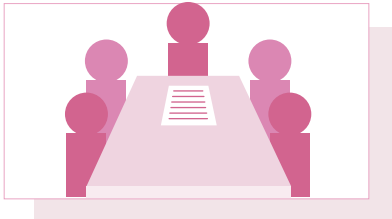
UN SDGs



Board of Directors Operation

Board of Directors Operation

The board of directors operates with external directors, independently from the management and dominant stakeholder, allowing for effective and careful decision-making. As per the company's articles, the board should have between three and seven directors. It currently has six, with two executive directors and four external directors. A female external director is part of the board to encourage diversity and to ensure a balance beyond just gender-specific choices.



Board Members

	Internal Directors		External Directors (Independent)			
Name	Hong Moon Ki	Yoo Sang Cheol	Lee Kang Bon	Jang Myung Gyun	Seol In Bae	Choi Sun Im
Gender	Male	Male	Male	Male	Male	Female
Title	CEO	CEO				
	Chairman of the Board		Chairman of Audit Committee	Audit Committee Member	Audit Committee Member	Audit Committee Member
		Chairman of EDNC**	EDNC Member	EDNC Member	EDNC Member	EDNC Member
	Chairman of MC***		MC Member	MC Member		
* Appointed	Sep 2021	Sep 2021	Mar 2023	Mar 2023	Mar 2023	Mar 2023
Expiring	Mar 2024	Mar 2024	Mar 2024	Mar 2024	Mar 2024	Mar 2024
Specialized	Coporate Mngt.	Coporate Mngt.	Finance, Accounting	Administration, Policy	Finance, Accounting	Fashion (Professor)
Key Experience	Currently EcoPrimeMarine Pacific Representative	Currently EcoPrimeMarine Pacific Representative	Prev. Korea Electric Power Auditor	Prev. Jeollabuk-do Secretary General	Prev. Korea Housing Finance Corporation Head of Security	Currently Professor (Department Head) of the Fashion Arts Department at Seoul Arts College
	Prev. Dongbu Engineering Representative	Prev. EcoPrime PE (Ltd.) Representative	Prev. Jeonbuk Bank Head of Main Branch	Prev. Jeollabuk-do Manager of Regional Policy Department	Prev. Financial Supervisory Service Deputy Supervision Director-General	

(As of 2023)

* Two internal directors re-appointed Choi Sun Im, and three external directors were newly appointed

** ‘EDNC’ - External Director Nomination Committee

*** ‘MC’ - Management Committee

Board Committee

The board of directors has formed three specialized committees for better efficiency: the Audit Committee, the External Director Nomination Committee, and the Management Committee. The first two are required by law, while the Management Committee is set up voluntarily for better business operations. All members of the Audit Committee are external directors, while the External Director Nomination Committee and the Management Committee each consist of above 4/5 and 2/3 external directors respectively.

Appointment of External Directors

External directors supervise the company's management and protect shareholders' interests with their broad experience and knowledge, helping the board make sound decisions. The company selects directors who meet specific legal criteria through a nomination committee and appoints them at the shareholders' meeting. Currently, external directors make up 67% of the board, with four members in total.

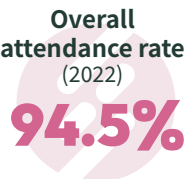
Board Regulations

The company governs the composition and functioning of the board of directors through its Board of Directors Article. Two types of board meetings exist: regular and special. Regular meetings are scheduled monthly, but the chairman may opt to skip a meeting if there are no agenda items. Special meetings address urgent matters or are held as needed. Notice of a board meeting must be given one week in advance, except in urgent situations where one day's notice is acceptable.

Establishing a regular board meeting schedule enhances the reliability of management decisions. For urgent or unforeseen matters, the company addresses short notice by issuing prior warnings and sharing interim documents, particularly for issues related to external audits that cannot be resolved internally.

Current Status of Board Operations

In 2022, there were a total of 13 meetings, comprising 6 regular and 7 special sessions. The directors achieved an overall attendance rate of 94.5%, with internal directors at 94.9% and external directors at 94.2%. Comprehensive details regarding the board's operational activities are available in the annual report and on the official website.



Corporate Info Disclosure to Shareholders

Providing Corporate Information to Shareholders

As of the reporting date, HJSC has issued 83,274,281 shares, 23.13% of the total planned 360 million shares outlined in the articles of incorporation. After deducting our 5,941 treasury shares, 83,268,340 shares are eligible for voting. The company exclusively issues common shares, with no issuance of preferred or other share types. In accordance with the Commercial Act and Article 23 of the company's incorporation articles, voting rights for shareholders are allocated proportionally based on the number of shares held.

Stock Issuance Status

Category	Authorized Shares*	Issued Shares**	Issuance Ratio***
Common	320,000,000	83,274,281	26.02
Preferred	40,000,000	-	-
Total	360,000,000	83,274,281	23.13

* The number of authorized shares as of the record date (the number of shares specified in the articles of incorporation)

** The total number of shares issued as of the record date - the total number of shares decreased (e.g., through repurchase, retirement, or other methods) as of the record date.

*** Number of issued shares/Number of shares that can be issued * 100 (rounded to two decimal places).

Dividend Policy and Shareholders' Rights

HJSC decides dividends in accordance with legal and company guidelines during board and shareholder meetings, with the flexibility to disburse in cash or shares. However, due to financial challenges since 2010, no dividends have been distributed, and there have been no updates. Prospective dividends will be assessed based on profits, considering investments, shareholder value, and market conditions. Updates will be available on the Financial Supervisory Service's platform and the company's website.

Shareholder Security

HJSC manages potential conflicts of interest among directors and key shareholders, ensuring compliance with board regulations to avoid self-serving internal transactions. Transaction information is transparent through the electronic disclosure system and reports on related party transactions are consistently provided.

While specific shareholder protection policies are not yet in place, HJSC follows the Commercial Act, valuing shareholder feedback in meetings. The company is committed to creating policies that prevent selective information sharing and is considering ways to include small shareholder perspectives, all while protecting dissenting shareholders' rights.

Human Rights Management

Human Rights Management

HJSC follows global standards for human rights and labor, including the Universal Declaration of Human Rights, UN Business and Human Rights Principles, key International Labour Organization conventions, and OECD Responsible Business Conduct Guidelines. To actively manage human rights, the company has a publicly available Human Rights Charter to protect the rights of its employees, stakeholders, and customers.

Human Rights Charter



Workplace Compliance

HJSC follows local labor laws for working hours and we ensure fair pay for all employees. We offer opportunities for skillsets development and a good work environment in order to enhance job performance and improve employees' quality of life.



Industrial Safety

HJSC creates a safe working environment by promoting a safety culture, encouraging teams and individuals to prepare and take precautionary measures, and responding quickly to accidents and potential illnesses that can potentially happen on all operational sites.



Against Discrimination

HJSC values equality and employee diversity, regardless of gender, race, religion, nationality, disability, age, family, social status, political beliefs, gender identity, etc., in all aspects like hiring, promotion, wages, and benefits.



Humane Treatment

Respecting the privacy of all employees and strictly protecting personal information, we ensure that our employees are not subjected to any form of coercion and harassment, or unfair treatment, and provide a safe working environment.



Community Rights

HJSC works to protect human rights and support the well-being and rights of the local community in our business activities. We actively seek to have a positive impact on the community.



Customer Rights Protection

We encourage our employees to prioritize customer safety, health, and property when offering products and services. The company safeguards customer data and follows information security laws and regulations.



Prohibition of Forced Labor

HJSC does not force employees into any labor against their will and adheres to the minimum age standards set by national and regional regulations where it operates.



Labor Rights

HJSC is committed to complying with labor laws in all countries where we operate, fostering effective communication, and safeguarding the rights and well-being of our employees.

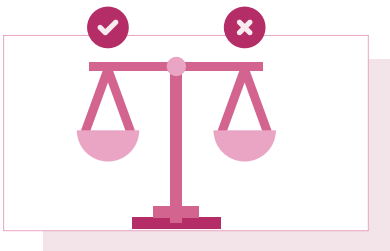
Human Rights Protection Policy

HJSC is set to strengthen our commitment to human rights through a policy prioritizing education on non-discrimination for on-site employees and promoting a culture of respect and ethical conduct. The policy will address preventing harassment and discrimination in the workplace, and the company will assess its human rights impact, monitor performance indicators, and transparently share findings.

Ethical & Legal Management

Ethical & Legal Management

HJSC strives to become a trusted and respected company by faithfully fulfilling its obligations and responsibilities, adhering to the following guidelines based on ethical management, and growing and developing together with all stakeholders.



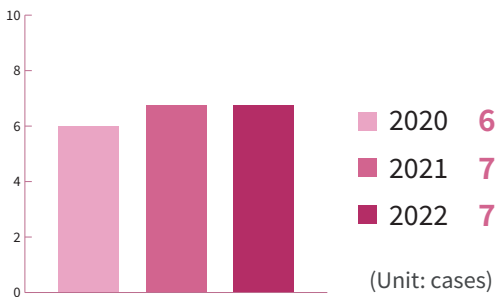
Practices of Ethical Management

- 1. HJSC and our partners believe that ethical and transparent management makes the company more competitive. We follow all legal rules to ensure transparency.
- 2. HJSC and our partners approach our work with a sense of responsibility, maintaining a diligent attitude, performing tasks honestly and ethically, using fair and just methods.
- 3. HJSC and our collaborators strive to uphold high ethical values, making every effort to comply with all legal regulations and practice social norms.
- 4. HJSC and our partners do not demand or provide monetary gifts, favors, entertainment, etc., to individuals involved in job-related matters or collaborators.
- 5. HJSC and our collaborators respect the principles of a free and healthy market economy, seeking to achieve genuine profits through fair competition and goodwill.
- 6. HJSC and our collaborators refrain from abusing their power, promoting cooperative development with collaborators through transparent and fair transactions.
- 7. HJSC and our partners treat all employees fairly based on their abilities and actively support a system that lets employees showcase their skills.
- 8. HJSC and our partners aim to grow as a company, benefit shareholders, support national economic development, and fulfill local community responsibilities.

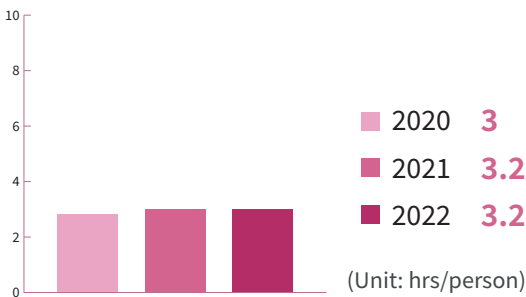
Ethical & Legal Compliance Training

HJSC offers comprehensive ethical management training to our employees, encompassing subjects such as preventing unfair trade practices and subcontracting laws. A total of 7 ethics and legal compliance training sessions were conducted, each consisting of a 3 hour course for all participants in 2022.

Number of Ethical Training Sessions



Training Hours per Person



Reporting and Handling of Ethical Concerns

HJSC maintains a confidential reporting system enabling employees to report unfair requests, mishandling of tasks, or misconduct. We ensure the anonymity of the reporter and the report's content. Reports are processed following violation procedures, and strict prohibitions against retaliating against whistleblowers are enforced. In 2022, the company received two reports concerning workplace disputes, resulting in disciplinary actions for three individuals, including warnings and sanctions.

Category		Unit	2020	2021	2022
No. of Reports		cases	3	3	2
Disciplinary Action Taken	Verbal Warning	person	0	1	2
	Reprimand, Salary Reduction		8	3	1
	Termination, Dismissal		1	0	0
	Total		9	4	3

Risk Management

Risk Management

HJSC follows both local and global information security laws and regulations. We have an Information Security Committee supervised by the IT department to counter cybercrimes and data leaks. This committee manages our information protection system and provides security training to employees and partners to prevent incidents and safeguard stakeholder data.

Financial Risk

HJSC minimizes market and credit risks by regularly reviewing and managing the company's financial status. There's also an internal accounting system to improve the reliability of financial information.

Non-financial Risk

The management examines and manages not only financial risks but also non-financial factors that significantly impact the sustainability of the company.

Internal Accounting Management System

The internal accounting system, implemented in 2002, seeks to improve accounting management. External audits commenced last year, with internal accounting results reported to shareholders' meetings, board meetings, and executive audits. The effectiveness of internal controls is evaluated, and identified issues are addressed through discussions with external auditors and relevant departments.

Market and Credit Risk

HJSC proactively manages foreign exchange risks to mitigate potential challenges arising from market price fluctuations. Additionally, we consistently evaluate the creditworthiness of our partners to minimize the risk of non-payment resulting from insolvency or debtor refusal.

Contingency Planning

Teams monitor financial and non-financial risks in real-time and take necessary actions to address potential risks. The Risk Management Officer reports to the board of directors and reviews response measures in management meetings. The Investment Deliberation Committee assesses ESG risks in investment projects, and the board oversees important decisions and management.

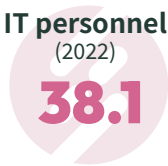
Information Security Management

Information Security Management System

HJSC follows information security regulations. We have been improving upon system management, and enhances protection efforts to safeguard personal information and prevent cyber incidents.

Information Security Officers

The IT department is responsible for overseeing information security, with each department adhering to a designated plan for information protection. Chief Privacy Officer (CPO) has been appointed, and department heads responsible for managing personal information have been designated as our effort to securely manage essential personal data.



As we are in the defense industry, we have assigned an average of 8.3 individuals from the IT department to manage information security tasks.

IT Security System

Category	Task	Role
IT Security System Operations Supervisor Responsible Party	Control of IT Security System Operations	Performing IT security system operations & control <ul style="list-style-type: none">Handling of faults, progress management, approval of results
IT Security System Operations Officer	Management of IT Security System Operations	Performing IT security system management <ul style="list-style-type: none">Setting and maintenance of IT security policiesRevise & update IT security system componentsManagement of faults, performance, and backupMonitoring of IT security systemsAnalysis and response to causes of faultsAnalysis of logs and vulnerabilities

Information Security Investments and Disclosure

HJ invests in security measures to protect information. We disclose our information status with the Korea Internet & Security Agency (KISA).

Info. Tech Investment

6.39 b KRW

Info. Security Investment

0.75 b KRW

Construction & Shipbuilding

- Email Security
- NAC

Shipbuilding

- SSL VPN technology
- Additional CCTVs
- DLP system (govt. support)
- Firewall



Cyber Security

Information Security System and Data Protection

HJSC has implemented various information security measures, including regular system inspections and a unified cyber intrusion management system. We monitor for information leaks and conduct quarterly security checks, using items like mouse pads and posters to raise security awareness. These efforts have led to no personal information violations in the past three years.



Data Protection Measures

The measures for protecting stakeholder information are as follows:

- Monitoring security (SK Shieldus, Korea Industrial Technology Protection Association) & real-time response) to cyber threats
- Sending cybersecurity alerts for inbound phishing emails and security guidance
- Training on responding to an email attack
- Security inspection for work laptops
- Educating security managers and officers
- Privacy protection trainings for data handlers
- Insurance for data protection
- Vulnerability assessment of key factors

IT Security System Framework

Category	Application	Key Functions
Network	Intrusion prevention	<ul style="list-style-type: none">Allowing access based on security policiesPacket encryption and decryption, access authentication
	Intrusion detection	<ul style="list-style-type: none">Blocking malicious traffic, preventing hacking attacksDetection based on patterns, analysis of various pattern types
	VPN	<ul style="list-style-type: none">End-to-end encryption for remote sites or inter-group companies
Servers & Applications	Intrusion prevention	<ul style="list-style-type: none">Server access control by userFile system-specific usage control system
	DB security	<ul style="list-style-type: none">Encryption and access control for critical data
	Blocking Access	<ul style="list-style-type: none">Blocking harmful and non-business sitesWeb hard drives, web mail, messengers, etc.
Endpoints	Antivirus	<ul style="list-style-type: none">Remove viruses and search for worms, viruses, and malicious codeDistribution and reporting management of antivirus engines
	PC security	<ul style="list-style-type: none">Distribution & mngt. of security patches, portable media usage, etc.Media security system
Access Security	Computing facilities management	<ul style="list-style-type: none">Temperature & humidity control, UPS & firefighting equipmentOperation & motion monitoring through CCD infrared cameras

Response to Cyber Attacks

HJSC prioritizes mitigating damage and preventing information leaks in cyber attacks, adhering to the Defense Industry Security Operations Manual and Industrial Technology Protection Guidelines. The company conducts annual training simulations to enhance its response to such incidents.

During a training session on December 28, 2022, HJSC initiated simulated phishing emails to specific users. Upon receiving reports of these suspicious emails, the team underwent training on network isolation and additional security measures. HJSC remains committed to continually refining its response to suspicious emails and bolstering cybersecurity awareness to ensure comprehensive readiness for cyber incidents.

Simulated Training Results Report

Category	Phishing Emails			Response Actions	
	Email Received	Clicks on Links	Information Leak Risk	Reported Immediately	Deleted Email
Users	134	11	5	79	55 (Urgent notice & deletion)
Training Results	<ul style="list-style-type: none">Cyber Incident Response System activated immediately when a phishing email is received (15:19)There was an email hacking attempt but fast network blocking measures were taken & no damage was doneRegular procedures and measures were carried out according to the response protocolUrgent announcement for hacking email response procedures done to minimize exposure to risks<ul style="list-style-type: none">Cyber incident response system operated as usual, training results "Good."Ongoing education to strengthen response to emails from unknown sources and continue training to raise cyber security awareness				

Vulnerability Assessment for IT Systems

We conduct regular vulnerability assessment on Windows, Linux, networks, security equipment, and DBMS at least once a year in accordance with KISA's standards. The assessment was completed in the first half of 2023, and measures were taken immediately based on the results. We will continue to strive to prevent risks through continuous inspection activities.

Key Assessment Items

- Status of items set by DMZ server redeployment
- Read/execute permissions set for default shared folders
- IIS Script mapping settings
- Default OS installation settings on password policies
- Session timeout settings
- Inactivity duration limit and login attempts settings
- Unauthorized use of GRAND OPTION

72 ESG Data

77 GRI Content Index

78 Greenhouse Gas Verification

79 Awards / Associations / Certifications

Finance

Consolidated financial information Summary

Unit: million KRW

Category	2020	2021	2022
[Current Assets]	1,067,516	948,999	1,430,318
Cash & Cash Equivalents	213,893	118,309	102,233
Short-term Deposit	89,746	45,186	53,406
Short-term Investments	-	-	10,002
Accounts Receivable	55,364	67,032	135,519
Contracts	203,882	267,748	233,295
Inventory	167,158	147,110	200,698
Other Current Assets	337,473	303,614	695,165
[Non-Current Assets]	1,126,339	1,436,237	1,137,379
Long-term Investments	129,124	132,825	134,675
Affilliate Investments	34,416	36,250	45,985
Tangible Assets	596,098	923,488	644,984
Property Investment	61,583	59,891	10,643
Intangible Assets	6,633	6,209	5,748
Other Non-Current Assets	298,485	277,574	295,344
Total Assets	2,193,855	2,385,236	2,567,697
[Current Liability]	1,034,561	949,994	1,418,222
[Non-Current Liability]	839,291	1,003,237	764,485
Total Liabilities	1,873,852	1,953,231	2,182,707
Owner's Equity	320,061	432,073	385,056
[Capital]	416,371	416,371	416,371
[Additional Paid-in Capital]	1,050,101	1,050,101	1,050,101
[Retained Earnings(Deficit)]	(1,217,980)	(1,358,658)	(1,408,225)
[Other Equity]	71,569	324,259	326,809
Non-Controlling Interest	(58)	(68)	(66)
Total Equity	320,003	432,005	384,990
Total Liabilities and Equity	2,193,855	2,385,236	2,567,697
No. of Company Consolidated	2	1	1

Environment

GHG Emissions & Energy Usage - Shipbuilding

Category		Unit	2020	2021	2022
GHG Emissions	Total GHG Emissions	tCO ₂ -eq	10,754	18,700	19,539
	Scope 1 Emissions		1,798	6,113	11,451
	Scope 2 Emissions		8,956	12,587	8,088
	Unit Emissions in KRW	tCO ₂ -eq/100m KRW	2.4	3.7	6.1
Energy Usage	Total Energy Usage	TJ	208	340	320
	Unit Usage in KRW	TJ/100mKRW	0.05	0.07	0.10

Raw Material Usage - Construction

Category	Unit	2020	2021	2022
Remicon	m3	148,442	400,087	298,222
Aggregates	m3	9,220	27,796	25,008
*Recycled Aggregates	m3	1,609	7,612	3,349
*Recycled Sand	m3	-	-	3,485
Cement	ton	34,555	16,124	42,069
Asphalt Concrete	ton	12,352	7,494	9,734
Rebar	ton	35,786	59,717	41,900
Gypsum Board	m3	80,174	133,564	657,962

* Recycled materials

Raw Material Usage - Shipbuilding

Category	Unit	2020	2021	2022
Steel Sheets	ton	2,976	1,494	41,241
Channel	ton	557	207	5,533
Cable	m	176,396	276,285	418,838
*Steel Grit	ton	68	60	30

* Recycled materials

Environment Investment

Category	Unit	2020	2021	2022
Green Facilities Investment	100m KRW	22.9	44.5	37.9
Green Technology Investment	100m KRW	0.1	2.1	5.9
Total	100m KRW	23.0	46.6	43.8

Social

Eco-conscious Procurement (recycled materials)

Category		Unit	2020	2021	2022
Recycled Aggregate Materials	Purchase	m3	1,609	7,612	3,349
	Purchase Cost	m KRW	10.4	38.4	26.3
Recycled Sand	Purchase Amount	m3	-	-	3,485
	Purchase Cost	m KRW	-	-	62.7
Steel Grit	Purchase Amount	ton	68	60	30
	Purchase Cost	m KRW	50.8	68.4	35.4
Green Purchase Cost (A)		m KRW	61	107	124
Total Purchase Cost		m KRW	375,097	404,611	844,122
Green Purchase Rate (A/B)		%	0.016	0.026	0.015

Water Usage - Shipbuilding

Category	Unit	2020	2021	2022
Water and Sewage	ton	139,304	144,323	127,388
Unit amount in KRW	ton/100m KRW	30.7	28.3	39.8

* Based on revenue

Compliance with Environmental Regulations

Category	Unit	2020	2021	2022
Adhering to Environmental Regulations	times	3	-	3
	m KRW	3.0	-	2.6

* Production of micro dust, exceeding noise standards, etc.

Waste Generation - Shipbuilding

Category	Unit	2020	2021	2022
General Waste Amount	ton	2,174	1,992	1,541
Designated Waste Amount	ton	164	219	93
Total	ton	2,339	2,211	1,634
*Unit amount in KRW	ton/100m KRW	0.52	0.43	0.51

* Based on revenue

Employee Overview

Category		Unit	2020	2021	2022
Total no. of employees	Total	person	1,949	2,037	2,050
Executives	Total		39	43	45
Non-executives	Total		1,910	1,994	2,005
Employment Type	Full-time		1,718	1,752	1,793
	Contractual		192	242	212
Full-timer Ratio	Total	%	89.9%	87.9%	89.4%
Gender	Male	person	1,901	1,976	1,982
	Female		48	61	68
Age Group	Under 30		39	124	121
	Aged 30~51		1,249	1,208	1,219
	51 and Above		661	705	710

Employee Diversity

Category				Unit	2020	2021	2022
Managers (3rd class and above)		Male		person	1,261	1,326	1,346
		Female			16	22	31
Average Salary per Employee		Construction	Male	k KRW	68,804	76,090	79,040
			Female		44,384	49,876	50,286
		Shipbuilding	Male		66,054	79,260	74,028
			Female		42,709	55,665	51,426
Ratio of Average Salary Difference by Gender		Construction		%	64.5%	65.5%	63.6%
		Shipbuilding			64.7%	70.2%	69.5%
Average Length of Employment		Construction	Male	year	14.1	12.4	12.1
			Female		6.2	4.3	4.0
		Shipbuilding	Male		18.9	18.6	17.9
			Female		11.0	11.9	11.6
National Merit Awardees				person	61	57	55
Individuals with Disabilities				person	34	30	31
Rate of Individuals with Disabilities				%	1.8%	1.7%	1.7%

Newly Recruited Employees

Category		Unit	2020	2021	2022
Contracted Workers	Total	person	332	345	303
	Male		197	201	167
	Female		135	144	136

New Recruits Overview

Category			Unit	2020	2021	2022
Gender	New Hires		person	183	279	330
	Male	Full-time	person	39	112	177
		Contractual		133	144	133
	Female	Full-time	person	1	5	5
		Contractual		10	18	15
Age Group	Under 30	Full-time	person	16	69	28
		Contractual		16	46	29
	30 - 50	Full-time	person	23	48	147
		Contractual		106	84	78
	51 and Above	Full-time	person	1	-	7
		Contractual		21	32	41
*New Hire Rates			%	9.58	13.99	16.46

Recruitment and Turnover Overview

Category		Unit	2020	2021	2022
New Hires (Full-time)	Male	person	39	112	177
	Female		1	5	5
Turnovers(Voluntary)	No. of Turnovers	person	86	123	221
	Turnover Rate	%	4.50	6.17	11.02

Labor Union Membership Rate

Category	Unit	2020	2021	2022
No. of Individuals Eligible for Labor Union Membership	person	1,672	1,703	1,746
No. of Labor Union Members		881	1,011	1,005
Labor Union Membership Rate	%	52.7	59.4	57.6

* Excluded from Labor Union Membership: Executives, team leads, section heads and management related departments

Training Overview

Category		Unit	2020	2021	2022
Training Overview	Total Trainees	person	1,834	1,958	2,006
	Total Training Hrs	hours	15,174	16,838	15,109
	Training Hrs/Pax		8.3	8.6	7.5
	Training Cost	m KRW	85	124	323
Job-Specific Training	Total Trainees	person	40	303	1,210
	Total Training Hrs	hours	7,194	8,309	6,997
	Hrs of Training/Person		179.9	27.4	5.8
	Training Cost	k KRW	81,720	114,420	312,472
Ethics and Legal Training	Total Trainees	person	1,834	1,958	2,006
	Total Training Hrs	hours	5,526	6,354	6,498
	Hrs of Training/Person		3.0	3.2	3.2
	Training Cost	k KRW	-	8,100	8,100
Personal Information Protection Training	Total Trainees	person	970	971	974
	Total Training Hrs	hours	995	996	1,001
	Hrs of Training/Person		1.0	1.0	1.0
	Training Cost	k KRW	-	-	-
Training for Retired Employees	Total Trainees	person	52	57	35
	Total Training Hrs	hours	1,459	1,179	614
	Hrs of Training/Person		28	21	18
	Training Cost	k KRW	3,460	1,800	1,930

Utilization and Return Rate From Parental Leave

Category	Unit	2020	2021	2022
Eligible Individuals for Parental Leave	person	484	423	424
Female		14	15	15
Male		470	408	409
Parental Leave Users	person	20	12	20
Female		5	4	5
Male		15	8	15
Returns from Parental Leave	person	18	16	19
Female		4	5	5
Male		14	11	14
1+ Year of Continued Employment After Leave	person	10	17	10
Female		2	5	4
Male		8	12	6
Eligible to Return from Parental Leave	person	19	17	20
Female		4	5	5
Male		15	12	15
Return Rate from Parental Leave	%	94.7%	94.1%	95.0%
Return and Continue Rate from Leave	%	-	94.4%	62.5%

2022 Business Partners' Concerns & Requests

Category		Facility Installation	Protective Equipment	Health Protection	Other	Total
Construct- ion	Requests	85	187	177	164	613
	Corrections	85	187	177	164	613
	Improvement	100%	100%	100%	100%	100%

Category		Contractor Consultation Committee	Safety Reporting System	HSE Supervisor Practitioner Committee	Other	Total
Ship- building	Requests	9	6	13	25	53
	Corrections	9	6	13	25	53
	Improvement	100%	100%	100%	100%	100%

Safety Training

Category	Unit	2020	2021	2022
Construction	HSE Manager Job Training	31	15	742
	Remote HSE Manager Training	0	845	566
	Subcontractor HSE Training	0	477	370
	* Remote Training for Employees	31	1,337	1,678
Shipbuilding	Regular HSE Training(Office Staff)	278	295	404
	* Regular HSE Training	911	777	880
	* Supervisor Training	176	170	173
	* Special Qualification Mngt. Training	223	178	666

* Company+Subcontractors

Occupational Injury Rate

Category		Unit	2020	2021	2022
Construction	No. of Fatalities	Employees	0	0	0
		Subcontractors	0	0	0
	Injury Rate	Accident	0.11	0.19	0.37
		Disease	0.05	0.04	0.05
Shipbuilding	No. of Fatalities	Employees	0	0	0
		Subcontractors	0	0	0
	Injury Rate	Accident	0.78	0.77	0.69
		Disease	3.22	3.29	3.23

Business Partner Transaction Overview

Category	Unit	2020	2021	2022
Business Partner	No. of companies	4,261	2,852	2,298
Major Contractor		705	951	785
Total Purchase Cost	100m KRW	8,149	15,581	11,250

Governance

Subcontracting Payment Status

Category		Unit	Cash	G2B	Direct Debit	E-B2B	Total	Cash Ratio
Construct-ion	2020	100m KRW	2,748	1,370	614	857	5,588	85%
	2021		3,469	654	500	1,124	5,748	80%
	2022		5,752	593	331	1,110	7,787	86%
Ship-building	2020	100m KRW	329	-	-	-	329	100%
	2021		355	-	-	-	355	100%
	2022		248	-	-	-	248	100%
Total	2020	100m KRW	3,077	1,370	614	857	5,917	86%
	2021		3,824	654	500	1,124	6,103	82%
	2022		6,000	593	331	1,110	8,035	86%

2022 Quality Assurance Inspections

Category		Unit	Qualified	Disqualified	Postponed	Total
Shipbuilding	Factory inspection	times	470	2	4	476
	Process Audit		5,651	3	52	5,706
	Pre-inspection		2,037	7	17	2,061
	Trial Operation Test		858	1	23	882
	Inventory Inspection		302	1	2	305
	Total		9,318	14	98	9,430

Quality Assurance Education and Inspection Implementation

Category		Unit	2020	2021	2022
Construction	Headquarters	times	24	21	22
	Site	times	90	104	99

Board of Directors

Category	Unit	2020	2021	2022
Total Number of Board Members	person	4	7	6
Internal Directors on the Board	person	1	3	2
Ratio of Internal Directors on the Board	%	25	42.86	33.33
External Directors on the Board	person	3	4	4
Ratio of External Directors on the Board	%	75	57.14	66.67
Board Members (Male)	person	4	6	5
Board Members (Female)	person	0	1	1
External Directors with Attendance Below 75%	person	0	0	0
Board Meetings	times	14	16	13
Meetings of the External Director Nomination Committee	times	2	3	0
Issues Resolved	issues	34	46	32
Attendance Rate	%	100	100	94.51

GRI Standards 2021 Index

GRI 2 : General Disclosures 2021

GRI Index		Details	Report Page
The Organization and its Reporting Practices	2-1	Organizational details	6
	2-2	Entities included in the organization’s sustainability reporting	6-7
	2-3	Reporting period, frequency and contact point	2
	2-4	Restatements of information	N/A
	2-5	External assurance	N/A
Activities and Workers	2-6	Activities, value chain and other business relationships	6, 10-23
	2-7	Employees	45-47
	2-8	Workers who are not employees	46
Governance	2-9	Governance structure and composition	66
	2-10	Nomination and selection of the highest governance body	66
	2-11	Chair of the highest governance body	66
	2-12	Role of the highest governance body in overseeing the management of impactsa	66
	2-13	Delegation of responsibility for managing impacts	66
	2-14	Role of the highest governance body in sustainability reporting	69
	2-15	Conflicts of interest	66
	2-16	Communication of critical concerns	67
	2-17	Collective knowledge of the highest governance body	66
Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	5, 27
	2-23	Policy commitments	27
	2-24	Embedding policy commitments	28-29
	2-25	Processes to remediate negative impacts	53
	2-26	Mechanisms for seeking advice and raising concerns	53-54, 56
	2-27	Compliance with laws and regulations	41, 55, 68
	2-28	Membership associations	54
Stakeholder Engagement	2-29	Approach to stakeholder engagement	29
	2-30	Collective bargaining agreements	49
Disclosures on Material Topics	3-1	Process to determine material topics	30
	3-2	List of material topics	30
	3-3	Management of material topics	30

GRI 200 Economic Topics

GRI Index		Details	Report Page
Economic Performance	201-1	Direct economic value generated and distributed	6, 67
	201-2	Financial implications and other risks and opportunities due to climate change	33-35, 69
Anti-Corruption	205-3	Confirmed incidents of corruption and actions taken	N/A
Anti-Competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A


GRI 300 Environmental Topics

GRI Index		Details	Report Page
Materials	301-1	Materials used by weight or volume	73
	301-3	Reclaimed products and their packaging materials	35
Energy	302-1	Energy consumption within the organization	34
Water	303-1	Water withdrawal by source	36, 42
	303-2	Water sources significantly affected by withdrawal of water	42
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	42
	304-2	Significant impacts of activities, products, and services on biodiversity	42
	304-3	Habitats protected or restored	14
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	42
Emission	305-1	Direct (Scope 1) GHG emissions	34
	305-2	Energy indirect (Scope 2) GHG emissions	34
Effluents and Waste	306-1	Water discharge by quality and destination	42
	306-2	Waste by type and disposal method	42
	306-3	Significant spills	42

GRI 400 Social Topics

GRI Index		Details	Report Page
Employment	401-1	New employee hires and employee turnover	46
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	50
	401-3	Parental leave	50
Labor/Mngt Relations	402-1	Minimum notice periods regarding operational changes	49
Occupational Health and Safety	403-1	Occupational health and safety management system	51-53
	403-2	Hazard identification, risk assessment, and incident investigation	52-53
	403-3	Occupational health services	55
	403-4	Worker participation, consultation, and communication on occupational health and safety	53-54
	403-5	Worker training on occupational health and safety	54
	403-6	Promotion of worker health	55
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	53
	403-8	Workers covered by an occupational health and safety mngt. system	51, 53
	403-9	Work-related injuries	55
	403-10	Work-related ill health	55
Training & Education	404-1	Average hours of training per year per employee	49
	404-2	Programs for upgrading employee skills & transition assistance programs	49
Diversity & Equal Opportunity	405-1	Diversity of governance bodies and employees	45
	405-2	Ratio of basic salary and remuneration of women to men	73
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	68
Freedom of Association & Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	49
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	46
Security Practices	410-1	Security personnel trained in human rights policies or procedures	68
Rights of Local Natives	411-1	Incidents of violations involving rights of indigenous peoples	N/A
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	64
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	56
	414-2	Negative social impacts in the supply chain and actions taken	56
Public Policy, Customer Health & Safety	416-1	Assessment of the health and safety impacts of product and services	61-62
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	70

Greenhouse Gas(GHG) Verification (Shipbuilding)



온실가스 배출량 검증 성명서

HJ 중공업

검증 범위
한국표준협회는 HJ중공업의 사업장에서 작성한 온실가스 배출량 보고서를 바탕으로 2022년 HJ중공업의 Scope1(직접), Scope2(간접)에 대한 제한적 보증수준의 검증을 실시하였습니다.


검증 기준 및 지침
한국표준협회는 다음의 기준 및 지침에 따라 검증을 수행하였습니다.
· 온실가스 배출권거래제 운영을 위한 검증 지침
· 온실가스 배출권거래제의 배출량 보고 및 인증에 관한 지침
· KS A ISO 14064-1 : 2006 · WRI GHG Protocol
· 2006 IPCC Guidelines for National Greenhouse gas Inventories

검증 결론
검증팀 검증결과 중대한 오류, 누락 및 허위사실이 발견되지 않았으며, 온실가스 배출량 데이터가 적절하게 산정되었음을 확인합니다.

• 2022년 온실가스 배출량&에너지 사용량

연 도	온실가스 배출량(tCO2eq)			에너지 사용량(TJ)
	직 접	간 접	총 량	
2022년	11,451	8,088	19,539	320

2023년 04월 07일

한국표준협회 

Awards

Award Achievements

Award Name	Organizing Agency	Award Details	Date
2023 Construction Coop Promotion Award	eDaehan News, Construction Overseas Council	Grand Prize & Fair Trade Commission Chairman's Award	Nov 2023
2023 Ind. Accident Prevention Merit Award	Ministry of Employment & Labor	Minister of Employment & Labor Award	Jul 2023
2023 Ind. Accident Prevention Merit Award	Ministry of Employment & Labor	Presidential Commendation	Jul 2023
2023 Urban Renewal Housing Brand Award	Newsday	Excellent SME Award (Newsday Chairman's Award)	Jun 2023
2023 Money Today Residential Service Award	Money Today	Best Award in the Green Home Sector	May 2023
23rd FN Housing/Construction Power Brand Award	The Financial News	Apartment You Want to Live In	May 2023
Asia Economy Apartment Brand Award	The Asia Business Daily	Green Smart Sector Award	May 2023
Minister of Land, Infrastructure & Transport Award	The Ministry of Land, Infrastructure & Transport	Construction Safety Best Practices Competition	Dec 2022
Proud Construction Worker Award	Busan Metropolitan City	Contribution to the Development & Enhancement of Competitiveness in the Local Construction Industry	Dec 2022
Excellent Construction Tech Certificate	Busan Metropolitan City	Outstanding Construction Worker of Busan Metropolitan City in 2022	Dec 2022
Minister of Oceans & Fisheries Commendation	Ministry of Oceans & Fisheries	Contribution to the Development of Seafarer Policies	Dec 2022
Jeollanam-do Governor's Commendation	Jeollanam-do	Contribution to the Development of Maritime & Fisheries	Dec 2022
Commendation Certificate	Korea Land & Housing Corp. (Daejeon Regional Subsidiary)	Excellent Safety Management Commendation	Oct 2022
2022 Construction Coop Promotion Award	eDaehan News, Construction Overseas Council	Minister of Land, Infrastructure, & Transport Award	Oct 2022
Excellent Shipbuilding & Marine Professional	KR Offshore & Shipbuilding Association	Outstanding Shipbuilding & Marine Professional	Sep 2022
Minister of Industry, Trade & Resources Commendation	Ministry of Trade, Industry & Energy	Merit Commendation	Sep 2022
Special Award for Production Innovation	KR Offshore & Shipbuilding Association	Merit Commendation	Sep 2022
KR Expressway Corp. President's Commendation	KR Expressway Corp.	7th Quality Mngt. Capability Competition Exemplary	Sep 2022
Commendation Certificate	Defense Installations Agency	Excellent Safety Management Site	Jul 2022
Commendation Certificate	The Ministry of Land, Infrastructure & Transport	Contribution Merit in the Development of the Railroad Industry	Jun 2022
2022 Hall of Fame Housing Brand Award	Newsday	Design Category Award	May 2022
22nd FN Housing/Construction Power Brand Award	The Finacial News	Apartment You Want to Live In	May 2022
Asia Economy Apartment Brand Award	The Asia Business Daily	Smart Home Category Award	May 2022

Award Name	Organizing Agency	Award Details	Date
Minister of Land, Infrastructure & Transport Commendation	The Ministry of Land, Infrastructure & Transport	Contribution Merit in the Development of Civil Engineering Tech	Mar 2022
2021 Construction Project Participant Safety Management Level Evaluation	The Ministry of Land, Infrastructure & Transport	Very Excellent Award (Highest)	Jan 2022
Minister of Land, Infrastructure & Transport Commendation	The Ministry of Land, Infrastructure & Transport	Contribution Merit in Timely Opening	Dec 2021
2021 Safety Management Award	Ministry of Employment & Labor, Maeil Business Newspaper	Grand Award	Dec 2021
Construction Site Excellent Case Competition	National Agency for Administrative City Construction	Best Award	Dec 2021
2021 Cooperative Company Safety Mngt. Level Assessment	Korea Midland Power Company	Excellent Award	Dec 2021
Ministry of Trade, Industry & Energy Commendation	Ministry of Trade, Industry & Energy	Merit Commendation	Sep 2021
Excellent Shipbuilding & Marine Professional	Korea Offshore & Shipbuilding Association	Outstanding Shipbuilding & Marine Professional	Sep 2021
2021 Ind. Accident Prevention Merit Award	Ministry of Employment & Labor	Iron Tower Industrial Medal	Jul 2021
2021 Ind. Accident Prevention Merit Award	Ministry of Employment & Labor	Minister of Employment & Labor Award	Jul 2021
Minister of Land, Infrastructure & Transport Commendation	The Ministry of Land, Infrastructure & Transport	Contribution Merit in the Development of Land & Transportation	May 2021
21st FN Housing/Construction Power Brand Award	The Financial News	Apartment You Want to Live In	May 2021
Quality Excellence Notification	Korea Land & Housing Corporation (Incheon Regional Headquarters)	Quality Management Excellence Notification	Apr 2021
2020 Safety Premium Site Creation Competition	LH Korea Land & Housing Corporation	Encouragement Award	Dec 2020
2020 Construction Ind. Health Mngt. Excellent Case Presentation Competition	Ministry of Employment & Labor, Korea Occupational Safety & Health Agency	Excellent Award	Nov 2020
Excellent Shipbuilding & Marine Professional	Korea Offshore & Shipbuilding Association	Outstanding Shipbuilding & Marine Professional	Sep 2020
Ministry of Trade, Industry & Energy Commendation	Ministry of Trade, Industry & Energy	Meritorious Commendation	Sep 2020
Excellent Shipbuilding & Marine Professional	Korea Offshore & Shipbuilding Association	Outstanding Shipbuilding & Marine Professional	Sep 2020
Commendation Certificate	The Ministry of Land, Infrastructure & Transport	Contribution Merit in the Development of Land & Transportation	Jun 2020
20th FN Housing/Construction Power Brand Award	The Financial News	Best Selling Residential Complex	May 2020
2020 Republic of Korea Residential Service Award	Money Today	Best Award in the Green Home Sector	May 2020
2020 Construction Project Participant Safety Management Level Evaluation	The Ministry of Land, Infrastructure & Transport	Excellent Award (Highest)	Jan 2020

Associations

Association Membership

Construction Association of Korea	Korea Association of Marine Industry
Korea Housing Association	The Society of Naval Architects of Korea
International Contractors Association of Korea	Korea Science Technology Association
Korea Federation of Construction Contractors	Korea Industrial Tenchnology Association
Korea Electrical Contractors Association	Busan Employees Federation
Korea Information & Communication Contractors Association	Korea Defense Industry Association
Korea Road Association	Korea Electric Engineers Association
The Korea Railway Association	Busan Nature Conservation Association
Korea Railway Construction Association	Maritime Rescue & Salvage Association
Korea Fire Facility Association	Korea Offshore & Shipbuilding Association
Korea Construction and Transportation Technology Association	Busan Chamber of Commerce & Industry
Korea Engineering and Consulting Association	Busan Port Development Council
Korea Specialty Contractors Association	The Korean Welding and Joining Society
Korea Mech. Const. Contractors Association	Ship and Ocean Architect Research Society
Construction Industry Human Resources Manager Association	Corporate Safety and Health Committee (Korea Enterprises Federation)
Korean Society of Coastal Disaster Prevention	Korea Fire Safety Institute
Korean Society of Civil Engineers	Federation of Busan Science and Technology
The Korean Institute of Electrical Engineers	Maritime Safety and Environmental Center (Korea Offshore & Shipbuilding Association)
Korean Geotechnical Society	Korea Shipping Association(Busan Branch)
Korean Geo-environment Society	Busan-Ulsan-Yangsan Defense Security Council
Korean Society of Rock Mechanics and Rock Engineering	Seoul Defense Security Council
Korean Tunneling and Underground Space Association	Information Technology Subcommittee
The Korea Institute of Building Construction	Ministry of Trade, Industry and Energy Director General for Emergency and Security Planning
Korean Society of Coastal and Ocean Engineers	
The Korean Society of Safety	
Entrepreneurship Round Table	

Certifications

Certification Overview

Certification	Organizing Agency	Business Name	Date
Defense Quality Management System	Defense Acquisition Program Administration	HJ Shipbuilding & Construction Co., Ltd.	26 Jun 2023
Corp. Affiliated Research Institute Certificate	Korea Industrial Technology Association	HJ Shipbuilding & Construction Co., Ltd. Construction Division	22 Mar 2023
ISO 14001	Korean Foundation for Quality	HJ Shipbuilding & Construction Co., Ltd. Construction Division	30 Dec 2021
ISO 9001	Korean Foundation for Quality	HJ Shipbuilding & Construction Co., Ltd. Construction Division	09 Dec 2021
ISO 45001	TNK	HJ Shipbuilding & Construction Co., Ltd. Construction Division	04 Dec 2022
ISO 9001	Korea Register	HJ Shipbuilding & Construction Co., Ltd.	24 Nov 2022
KOSHA-MS	Korea Occupational Safety & Health Agency	HJ Shipbuilding & Construction Co., Ltd. Construction Division	24 Jan 2022
KOSHA-MS	Korea Occupational Safety & Health Agency	HJ Shipbuilding & Construction Co., Ltd.	20 Jan 2022
ISO 45001	Korea Register	HJ Shipbuilding & Construction Co., Ltd.	13 Jan 2022
ISO 14001	Korea Register	HJ Shipbuilding & Construction Co., Ltd.	13 Jan 2022
Family-Friendly Company	Ministry of Gender Equality and Family	HJ Shipbuilding & Construction Co., Ltd.	01 Dec 2021
Labor-Mngt. Culture Excellence Company	Ministry of Employment and Labor	Hanjin Shipbuilding & Construction Co., Ltd. Shipbuilding Division	06 Aug 2018
Noise Measurement Specialist	Korea Register	HJ Shipbuilding & Construction	13 Jun 2017
Noise Measurement Specialist	DNV	HJ Shipbuilding & Construction	13 Mar 2016
Corp. Affiliated Research Institute Certificate	Korea Industrial Technology Association	HJ Shipbuilding & Construction Co., Ltd.	14 Jan 2022



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