

The Biodiversity Conservation Policy for Sustainable Construction

March. 2025



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Article 1 (Purpose)

1. This **"Biodiversity Conservation Policy for Sustainable Construction"** (hereinafter referred to as the "Policy") establishes core principles and measures to promote sustainable management through biodiversity conservation.
2. Daewoo E&C is committed to minimizing biodiversity-related risks associated with its business activities by engaging in conservation, restoration, and enhancement efforts. Through these initiatives, the company contributes to a healthy natural environment and supports the development of local communities.

Article 2 (Scope of Application)

1. This "Policy" applies to Daewoo E&C, its domestic and international subsidiaries, branches, and affiliated companies involved in projects.
2. Daewoo E&C endeavors to ensure compliance with biodiversity protection principles across its supply chain, including partner companies, subcontractors, and material suppliers.
3. For construction projects within biodiversity protection areas (see clause 4 below), this "Policy" applies to all project phases—planning, bidding, contract acquisition, design, construction, and management.

4. Definition of Biodiversity Protection Areas

Biodiversity protection areas are defined comprehensively based on domestic and international laws and regulations related to biodiversity and wildlife conservation, as well as the following IUCN Protected Area Categories :

1) IUCN Category Ia (Strict Nature Reserve)

Areas strictly protected for biodiversity (and possibly geological features), where human visitation, use, and impacts are strictly controlled and limited to scientific research and environmental monitoring

2) IUCN Category Ib (Wilderness Area)

Large unmodified or slightly modified areas, retaining natural character and influence, without permanent or significant human habitation. These are managed to preserve their pristine condition

3) IUCN Category II (National Park)

Large natural or near-natural areas protecting large-scale ecological processes and

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characteristic species/ecosystems. They provide environmentally- and culturally-compatible opportunities for education, recreation, and tourism

4) IUCN Category III (Natural Monument)

Areas set aside to protect a specific natural monument, such as a landform, seamount, marine cavern, geological feature (e.g., cave), or a living feature (e.g., ancient grove)

5) IUCN Category IV (Habitat/Species Management Area)

Areas aimed at protecting particular species or habitats, often requiring active management interventions to maintain conservation objectives

6) IUCN Category V (Protected Landscape/Seascape)

Areas where long-term human interaction with nature has produced significant ecological, cultural, and scenic value. These areas are protected to preserve that interaction and support sustainable recreation and traditional land use

7) IUCN Category VI (Managed Resource Protected Area)

Usually large areas retaining mostly natural conditions, managed to conserve ecosystems and cultural values while allowing sustainable non-industrial resource use to support local communities

Article 3 (Governance)

1. The Sustainability Management Committee is responsible for the final approval of this "Policy". It also reviews major plans and activities of the responsible department overseeing biodiversity conservation. When necessary, critical matters may be escalated to the Board of Directors.
2. The CEO or an authorized executive shall perform oversight and management duties to ensure the company-wide implementation of the "Policy".
3. The responsible department manages the establishment, revision, and operationalization of this "Policy". It collects biodiversity performance data from project sites and reports key findings to the Sustainability Management Committee and CEO. Results are disclosed through sustainability reports and other communication channels.
4. Business departments and on-site teams are responsible for identifying and monitoring biodiversity risks at project sites. When needed, a biodiversity due diligence process is implemented, and findings are reported to the responsible department.

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Article 4 (Principles and Measures)

1. This "Policy" aligns with international agreements, including the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and the IUCN Guidelines for Protected Area Management Categories.
2. Environmental Impact Assessment (EIA): Sites subject to EIA under applicable laws must incorporate biodiversity conservation measures based on assessment outcomes.
3. Habitat Protection and Restoration: Sites with ecologically important habitats should pursue No Net Loss (NNL) and/or a Net Positive Impact (NPI). Construction activities must minimize habitat disturbance, and where unavoidable, implement restoration and reforestation efforts.
4. Use of Eco-Friendly Construction Methods: Priority shall be given to environmentally friendly techniques and materials that reduce harm to biodiversity during construction.
5. Management of Invasive Alien Species: Sites must prevent the introduction of alien species and implement control measures where necessary to protect native biodiversity.
6. Sustainable Resource Management: Resource extraction and use must follow sustainable practices to minimize negative impacts on local biodiversity.
7. Supply Chain Engagement for Biodiversity: The biodiversity conservation principles and practices shall be shared with suppliers and subcontractors to encourage biodiversity conservation, ecological protection and sustainable construction throughout the supply chain.

Article 5 (Monitoring and Evaluation)

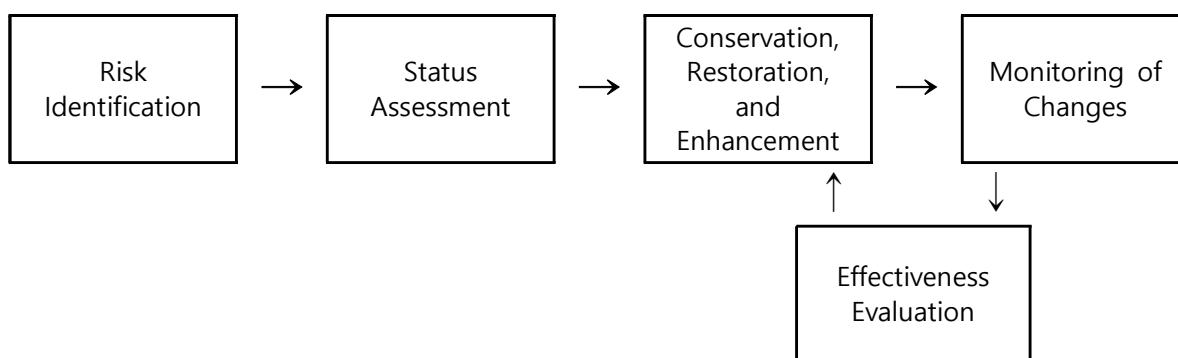
1. Ongoing Monitoring: If a business department or site determines that a project may threaten biodiversity in the local ecosystem, it shall preemptively identify biodiversity risks and perform continuous monitoring to ensure biodiversity is not compromised.
2. Operation of Biodiversity Due Diligence Process:
 - 1) The business department or site shall review and implement the biodiversity due diligence process in the following cases:
 - ① When the area falls under a biodiversity protection zone (see Article 2, Section 4)
 - ② When required by laws and regulations, including but not limited to:

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- Areas designated under Article 16 of the Act on Conservation and Utilization of Biodiversity
- Areas under Article 25(1) of the Act on the Conservation and Management of Marine Ecosystems
- Areas under Article 10(1) of the Act on the Sustainable Management and Restoration of Mudflats and Their Surroundings
- Fishery Resource Protection Zones under Article 40 of the National Land Planning and Utilization Act
- Other protected areas under applicable laws, enforcement ordinances, or designated by local governments

- ③ When stakeholders raise valid concerns or evidence regarding potential biodiversity damage in or around the project area
- 2) The biodiversity due diligence process shall include the identification of biodiversity risks, assessment of affected species and their distribution, planning and implementation of conservation, restoration and enhancement measures, and ongoing monitoring.
- 3) Effectiveness Evaluation: When biodiversity protection measures are implemented, their effectiveness shall be assessed, and additional measures shall be considered based on the evaluation results.

[Biodiversity Due Diligence Process]



3. Reporting of Performance

The business departments or on-site operations shall report the results of ongoing monitoring and biodiversity conservation performance to the responsible department. The responsible department shall report critical matters to the Sustainability Management Committee and the CEO.

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Article 6 (Communication and Disclosure)

1. Daewoo E&C endeavors to maintain transparent communication with stakeholders regarding this "Policy" and actively incorporates their feedback in future revisions.
2. Daewoo E&C discloses its biodiversity policy, major activities, and performance results through sustainability reports and other relevant communication channels.

Article 7 (Policy Revision)

1. The "Policy" shall be periodically reviewed and revised to reflect changes in the business environment, legal requirements, and social expectations.
2. Revisions to the "Policy" shall be finalized following review by the responsible department and approval by the CEO or the Sustainability Management Committee.