

2023 **DAEWOO E&C** SUSTAINABILITY REPORT



ABOUT THIS REPORT

— Report Outline

2023 Daewoo E&C Sustainability Report is the 12th report published by Daewoo E&C. Since its first publication in 2012, the report discloses sustainability management activities and performance of Daewoo E&C every year. In 2023, Daewoo E&C sought to faithfully report the performance of its sustainability management strategy under the new vision of “Your Dream, Our Space.”

— Reporting Period and Scope

The reporting period of this report is as follows.

- Financial performance includes performance from January 01, 2022 to December 31, 2022 on a K-IFRS consolidated basis.
- Business and management performance includes performance from January 01, 2022 to March 31, 2023.

Data from the previous three years or more was presented for quantitative data for understanding of time series trend, indicating important changes based on the timing of reporting or attention to the reporting scope and boundary in separate annotations for the reference of stakeholders.

— Reporting Standards

This report was prepared based on the 2021 revision of the Global Reporting Initiative (GRI). The financial information in the report was written based on the Korean International Financial Reporting Standards (K-IFRS) consolidated standard. In addition, the report comprehensively reflects the reporting standards presented by the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD).

— Report Credibility

This report has been verified by BSI, an independent external verification agency, in order to secure the reliability of the report contents, and report verification was conducted in accordance with AA1000AS, an international verification agency. The verification results can be referred to in the Third-Party Verification Statement in the appendix of this report.



COVER STORY

The image at the center of the cover is derived from Daewoo E&C's English initials and the Korean initials 'ㄷ, ㅇ', conceiving an image from the shape symbolizing Daewoo E&C's CI. The image symbolizes Daewoo E&C's drive toward a sustainable society based on innovation.

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Celebrating 50th
anniversary of Daewoo E&C,

We will realize your dreams
to become a company building
sustainable future society.

Unique from the Start,
Daewoo E&C

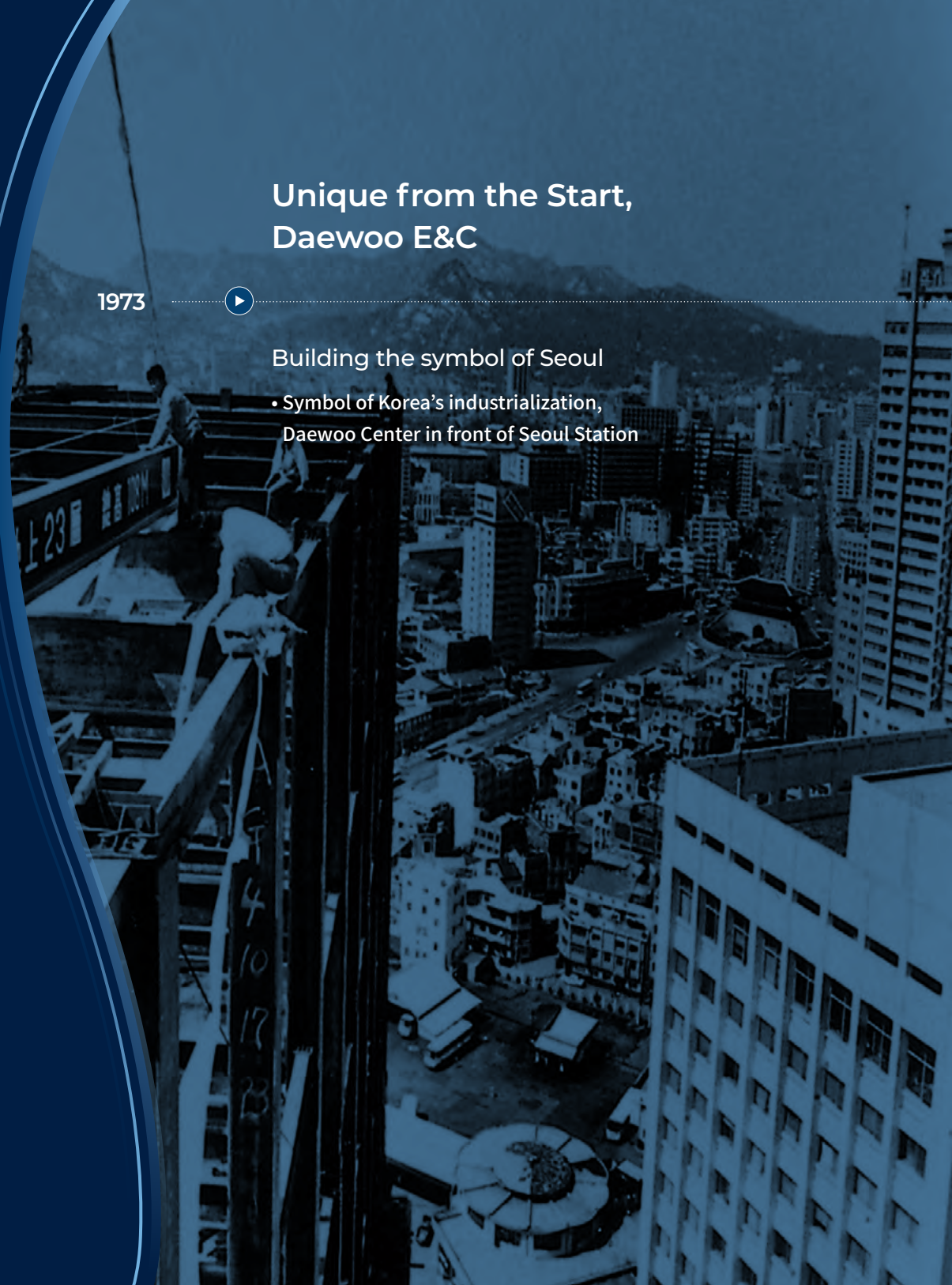
1973



Building the symbol of Seoul

- Symbol of Korea's industrialization,
Daewoo Center in front of Seoul Station

YOUR DREAM,
OUR SPACE



Daewoo E&C's Challenge Towards Clean Energy



Catapulting towards Excellence

- Received orders for the Sihwa Lake Tidal Power Plant project, the first of its kind in Korea and the world's largest tidal power plant



Daewoo E&C Expanding into the World



Connecting the world's rivers and seas

- Bridge connecting Botswana and Zambia, immersed tunnel in Iraq, highway in Ethiopia
- AL FAW Breakwater in Iraq



Leaping Forward Towards the Future



2023

Leading the 4th industrial revolution for construction

- First introduction of vertical take-off and landing drones at construction sites, Korea's first 3D modeling



CEO MESSAGE

We will realize our customers' dreams with advanced technology, constant challenges, and responsible management.

Greetings to all stakeholders who have shown unwavering support for the continued growth and development of Daewoo E&C.

2022 had been a year of both joy and sorrow. Although the year started with expectations for economic recovery with the end of the COVID-19 pandemic, but market uncertainty amplified due to global supply chain disruptions caused by global political turmoil and aggressive interest rate hikes decided by the US. Furthermore, we experienced deteriorated business environment with the domestic real estate economy slowing down and the money market crunch becoming visible.

However, Daewoo E&C joined the KRW 5 trillion club for urban renewal projects for the first time since our incorporation, and we are expanding our business in our priority focus countries such as Nigeria and Vietnam actively responding to the changes in business environments such as eco-friendliness and carbon neutrality by contracting quality overseas projects. Furthermore, we are continuously investing in offshore wind power generation, hydrogen business, and waste battery/waste plastic business to expand our value chain, launching an ESG Committee, establishing GHG reduction targets and mid-to long-term roadmaps, and issuing and selling carbon credits for the Patrind Hydroelectric Power Plant in Pakistan. As a result, Daewoo E&C achieved an operating profit of KRW 760 billion, exceeding market forecast and recording the highest operating profit since its incorporation despite difficult business conditions home and abroad.

In 2023, the world economy is expected to lead to an economic downturn due to sluggish growth, with the World Bank and the UN forecasting global economic growth of 1.7% and 1.9%, respectively. We are seeing continued warnings about PF insolvency and funding shortages, and we are also seeing negative consumer sentiment and freezing investment markets, predicting an unprecedentedly difficult business environment. Furthermore, the continuing technological development caused by environmental changes will continue to change the industrial trends, making market prediction even more difficult.



Amid such difficulties, Daewoo E&C plans to establish a plan of KRW 12.3 trillion in new orders and KRW 10.9 trillion in sales on a consolidated basis this year to promote sustainable development through stable management and securing growth engines. In addition, we aim to achieve mutual growth with communication with our customers and society.

To this end, we plan to focus on the following three principles in 2023.

Firstly, we will spare no efforts to manage liquidity risks.

The risk of the money market crunch is impacting our key businesses in far-reaching and significant manner. In addition, high interest rates, exceeding the average of the past 10 years, are expected to continue this year with the end of zero interest rates in the US.

In this situation, Daewoo E&C will strive to manage liquidity risks through thorough preparation and response, not ad hoc or temporary measures in order to stabilize management. At the same time as managing financial balance in more intensive manner and doing our best to increase the receivable recovery rate, we will actively review various measures to minimize unsold property/occupancy risks to maximize liquidity in order to wisely overcome the financial market crunch risk.

Secondly, we will operate our business portfolio in stable manner.

It will be difficult to expect rapid growth for the Korean housing market in the future. On the other hand, oil-producing countries with abundant capital are expanding their infrastructure, and the construction market is gradually recovering in emerging countries such as Vietnam with outstanding growth, serving as opportunities to expand our overseas orders.

We will strive to win quality projects overseas by the active use of various risk management systems and marketing/execution capability strengthening processes continuously promoted by our company. This will allow us to not only secure a strong growth engine based on a stable business portfolio, but also leap forward as a world-class construction company.

Thirdly, we will make thorough preparations in advance to discover new growth engines.

Daewoo E&C declared the new vision for 2022: Your Dream, Our Space. This vision expresses our determination to transform into a leader in new growth businesses in the next 50 years, aiming to create a new era together with our customers by realizing their valuable dreams.

We will find ways to preoccupy the market as a key player by keenly reading the shifting global trends and concentrating all our capabilities. If the past 50 years had been a period of growth based on our challenge and passion, the next 50 years will be a period for creating new value based on innovation. To this end, we will make various and practical efforts for our efforts to fully bloom in spring after harsh winter.

Respected stakeholders!

Daewoo E&C has always been a brightly shining part in the history of Korea's economic development in the past half century. We ask for your continued interest and encouragement for Daewoo E&C and its stakeholders to write a new page in the history of human development.

Thank you.



President & CEO of Daewoo E&C **Jung-wan Baek**

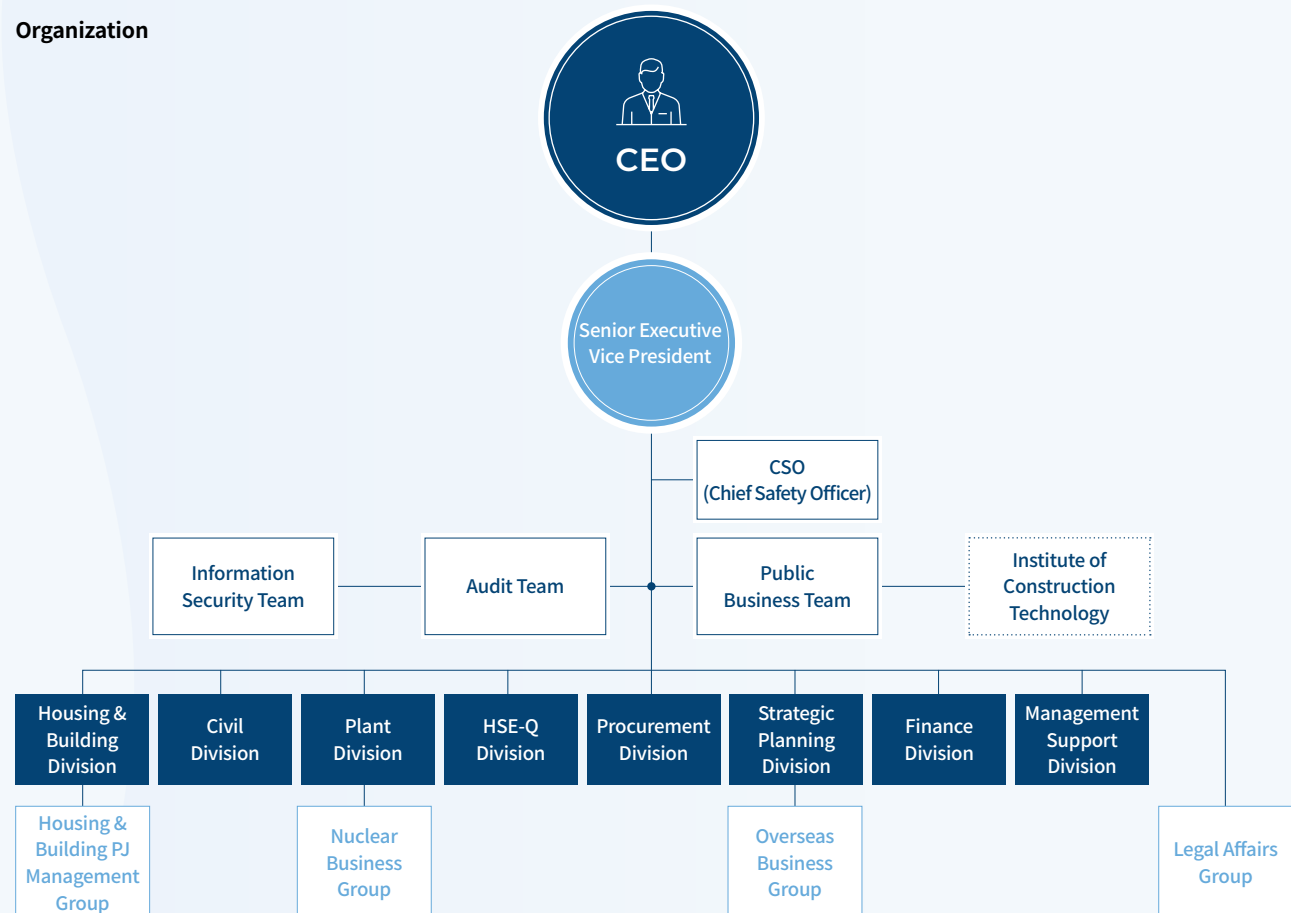
COMPANY OVERVIEW

Daewoo E&C, which celebrates its 50th anniversary in 2023, has always shared the moments of rapid economic growth achieved by Korea during the past half century. Daewoo E&C has gone beyond the limits of possibilities and capabilities to rewrite the history of construction in Korea and the world, and will provide better value for mankind as a comprehensive developer going beyond construction and encompass the fields of development, finance, infrastructure, and energy.

General Status and Financial Performance (As of 2022.12.31)

Company Name	Daewoo Engineering & Construction Co., Ltd.
Foundation	November 1, 1973
CEO	Jung-wan Baek
Headquarters	170, Eulji-ro, Jung-gu, Seoul, 04548, Republic of Korea
Major Shareholder	Jungheung Engineering & Construction Co., Ltd.(40.60%) JungHeung Construction Co., Ltd(10.15%)
Number of Employees	5,842
Website	https://www.daewooenc.com/eng
Sales	KRW 10,419.2 billion
Operating profits	KRW 760 billion
Net income	KRW 508 billion
Total assets	KRW 11,140.4 billion
Total liabilities	KRW 7,415.7 billion
Total equity	KRW 3,724.6 billion
Credit Rating	A(Rated by Korea Ratings and NICE Investors Service)

Organization



GLOBAL NETWORK & HISTORY

Daewoo E&C has been leading the Korean construction industry with the best technology and quality for the past 50 years since its establishment in 1973, taking the lead in building a global village in more than 30 countries around the world. Currently, we are providing construction technology of the highest quality through our global network of 11 overseas subsidiaries and 17 overseas branches.

Overseas
Subsidiary

11

Regional Branch
Office

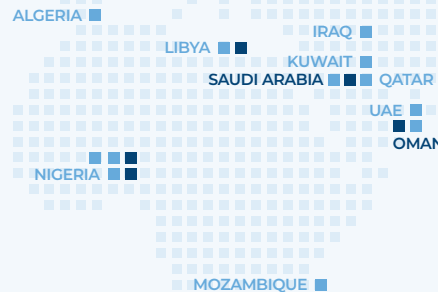
17

1973~2010

- 1973** Establishment of Daewoo Construction Co., Ltd.
- 1976** Obtained overseas construction license
Advanced into Ecuador for the first time as a Korean construction company
- 1982** Establishment of Daewoo Co., Ltd.(construction/trading sectors)
- 1983** Established Daewoo Institute of Construction Technology,
a first case in the Korean construction industry ■ U.S.A
- 1984** Won USD 4 Billion Overseas Construction Export Tower Award
- 1993** Obtained ISO 9001 for the first time as a Korean construction company
- 2000** Established as an independent corporate entity
- 2003** Launched PRUGIO apartment complex brand
- 2006~08** Ranked first in construction capability evaluations for 3 consecutive years

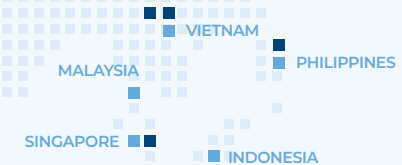
2010~2019

- 2012** First publication of Sustainability Report
- 2014** Attained USD 50 billion of winning overseas contracts in the shortest time frame in Korea
Obtained the ISO/IEC 20000 certification for the first time in the industry
- 2015** Obtained ISO 22301 certification for the first time in the industry
- 2017** Received the Presidential Award in the 21st Most Livable Apartment Contest(Grand Prize)
- 2018** Acquired anti-corruption management system(ISO 37001) for the first time in the construction industry
- 2019** Relocation of headquarters building to Euljiro, Seoul



2020~

- 2020** Won an order as the original contractor for the LNG liquefaction plant for the first time in Korea
Won an order for the first phase construction of Al Faw Port in Iraq
- 2021** Entered the field of renewable energy as part of ESG management(wind power, hydrogen battery, etc.)
Awarded 1st prize for this year's civil structures at Korean Society of Civil Engineers(Iraq Al Faw Breakwater)
- 2022** Incorporation of subsidiaries of Jungheung Group
Management performance in 2022 achieved the highest operating income since the foundation
Proclamation of new vision 'Your Dream, Our Space'



VISION & MISSION

Daewoo E&C's new vision to leap forward as a century-old company was completed through a process of continuous communication by executives and employees.

Our mission statement embodies the endless possibility of expansion into new fields beyond construction.

Daewoo E&C will spare no efforts to create a sustainable future society by fulfilling its role as a company realizing all stakeholders' dreams.





Daewoo E&C consists of four business areas: Civil, Housing & Building, Plants, and New Frontier Business.

In addition, Daewoo E&C's Institute of Construction Technology is concentrating on discovering new technologies to lead digital transformation in the construction industry.

We will continue our development in the future through diversification of business portfolios to create social and environmental values as well as economic values for the company.

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Business 1

Civil



2022 Highlight



18th Korea Civil Engineering and Building Awards

Grand Prize

Thomson-East Coast Line Stevens Station and Tunnel in Singapore



1st Place in orders for domestic public works

1st

Pyeongtaek Osong double track section 1, Songdo section 11-1 infrastructure(section 4), Dangjin base pier and auxiliary port facilities, etc.



Asian Civil Engineering Coordinating Council's
2022 ACECC Civil Engineering Award

Iraq Al Faw Breakwater

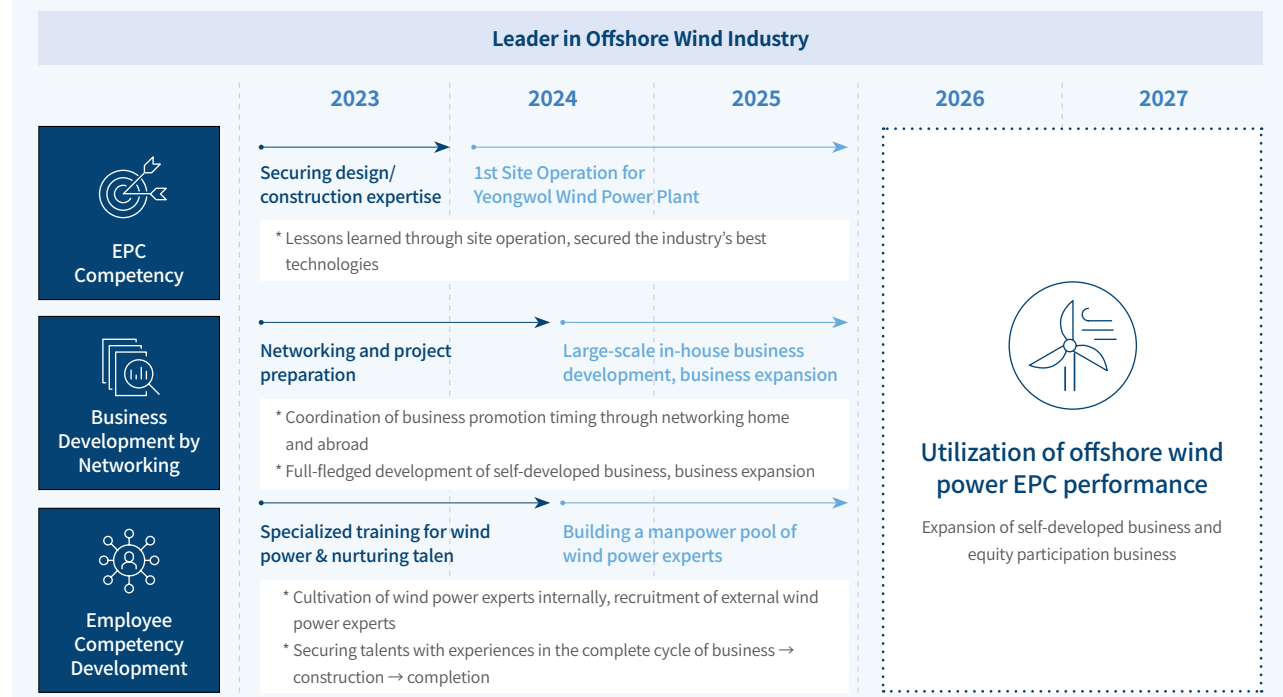
Business Vision

Business Areas | Expressways, roads and bridges, railways and subways, ports and water resources, environment, leisure

Civil engineering is an industry directly and indirectly contributing to production activities in other industries by constructing roads and railroads through national land development as well as supporting economic growth by the creation of various added values such as production and employment. Our advanced civil engineering technology and construction capabilities are constantly evolving, leaving significant footprints in domestic and overseas companies. Such experiences and expertise are serving as the basis for prosperous life and industry. Our business territory is expanding day by day to Asia, the Middle East, South America and Africa.

Daewoo E&C is leading the market by being recognized domestically and internationally for its cutting-edge technologies. We are promoting growth by smart construction actively utilizing new technologies by expanding the scope of corporate growth through business diversification, such as expanding into the new and renewable energy business. As the new and renewable energy market continues expansion, we are striving to win orders in the field of offshore wind power as well as strengthen EPC competitiveness. Furthermore, we plan to lead the environmental business market by not only opening new markets domestically but also overseas as well to generate revenue.

Plans for New Growth Business Promotion(Leading Offshore Wind Power Business)





Award 2022 Civil Engineering Structure of the Year Silver Prize(Qatar E-RING Road)

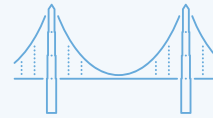
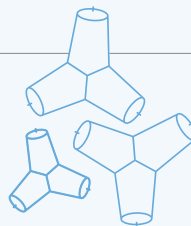
The Qatar E-RING Road is a project extending the length of an existing 4.5km road and building a new 4.0km road located at the South of Doha, the capital of Qatar. In recognition of its contribution to the development and promotion of civil engineering technology in Korea, the project was awarded 『2022 Civil Engineering Structure of the Year Silver Prize』 at the 2022 Civil Engineering Day event organized by the Korean Society of Civil Engineers.



Award

Al Faw Breakwater in Iraq wins ACECC

The Al Faw New Port Project in Iraq is a new port development project receiving great attention from the Iraqi people as the most prioritized national project of the Iraqi government. The breakwater is recorded in the Guinness Book of World Records as the world's longest breakwater(15.5km).



Completion

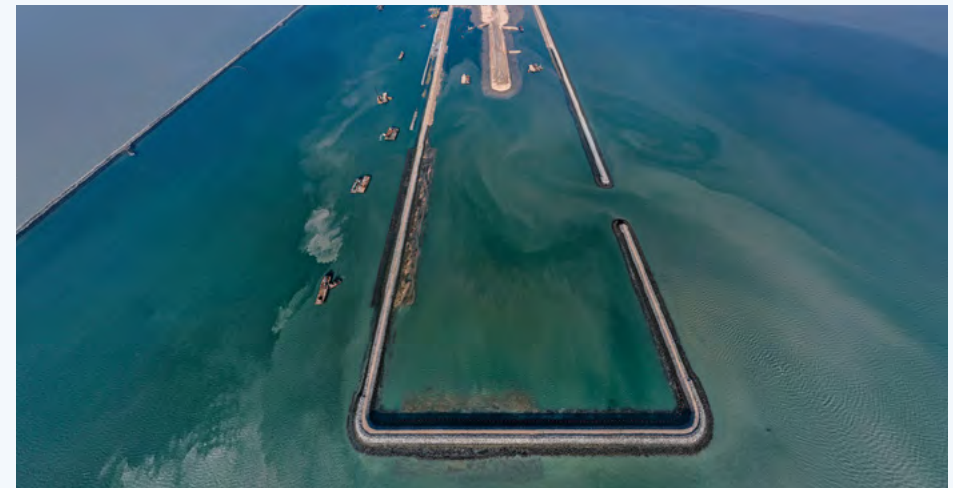
Final completion of the bridge in Botswana

The construction site in Botswana achieved 10 million hours without accidents and completed South Africa's 40-year-old dream project. Daewoo E&C greatly contributed to improving transportation and logistics infrastructure in South Africa.



Completion Completion of the Al Faw container terminal site in Iraq

After completion of the Al Faw Breakwater in Iraq, the 4.6km-long rubble stone revetment construction project will serve as the cornerstone to develop Iraq's Al Faw Grand Port into one of the world's 12 major ports.



Business 2

Housing & Building



2022 Highlight



Accomplished KRW 5 trillion in urban renewal for the first time since foundation

KRW **5.2761**trillion



Recorded the highest amount of orders in history

KRW **10.5963**trillion



IF Design Award
**Awards in Interior,
Construction, and Application**

SUMMIT GALLERY, PRUGIO landscaping products and smart home technologies

Business Vision

Business Area | Redevelopment · reconstruction · remodeling, townhouses · villas, apartments, city center housing complexes, officetels · urban housing, business · commercial facilities, hotels · condominiums, education · research · medical facilities, cultural exhibition · sports facilities, conference · transportation facilities

In 2022, Daewoo E&C's Housing and Building Business Division achieved KRW 10.5963 trillion in orders and KRW 6.359 trillion in sales despite continuous inflation and interest rate hikes, supplying 17,678 households nationwide. We were able to demonstrate our development capabilities in various fields such as offices, shopping malls, and knowledge industry centers in addition to residential facilities, our main product, and we expect stable sales growth in the future by securing excellent in-house and equity participation projects such as the KEPCO site in Uijeongbu and the Mega Mart site in Busan. Furthermore, we were able to diversify our urban maintenance project portfolio such as remodeling and Land Trust-led Urban Improvement Project, and achieved KRW 5 trillion from urban maintenance project orders for the first time since our foundation.

Housing construction business is sensitive to economic fluctuations and the client's investment demand, and is highly impacted by political and economic variables. For that reason, 2023 will be a more challenging year with various crises such as slowing global economic growth and instability in the domestic PF market looming. Daewoo E&C is building a business environment focused on risk management to manage various risk factors and leap forward again, striving for improved liquidity through managing unsold property/occupancy risk and bonds. Furthermore, safety will be our foremost priority, and we will strengthen and systematically operate dedicated organizations, putting more effort into customer satisfaction and quality management, sparing no effort for customer satisfaction and quality management.

Leading Future Technology

	2023	2024	2025	2026	2027
 OSC development applicability review by structure part and expansion application	Pilot application of steel modular/half-PC rooftop to each case	Establishment of rooftop modular application conditions and construction standards	Expanded application		
	Underground exterior wall Half-PC design and technology development	Selection and application of pilot site		Analysis and standardization of applicable conditions	Expanded application
	PC design application to underground parking lots	Technology development to expand PC use rate	Expansion of PC application to parking lots		
	Establishment of subsidiary PC plant and expansion of automated production line	Expansion of PC member production and stable supply			

* OSC(Off-Site Construction) : As a construction method producing major construction materials at the plant and transporting them to the site for assembly/installation, the method is an advanced construction method not only securing uniform quality but also increasing productivity, shortening the construction period and reducing the risk of safety accidents.



Performance

Won Hannam District 2 redevelopment project at Yongsan-gu, Seoul, the largest urban renewal project in the second half of 2022

- A project building an apartment complex with a total of 30 buildings, 6 stories below the ground and 14 stories above, with 1,537 households on 111,005m² of land at Bogwang-dong, Yongsan-gu, Seoul
- '118 Project' proposal and application of high-end brand 'Summit'
- Collaboration with the world-class architects & designers such as JERDE, STOSS, and SWNA
- Establishment of landmark complex at Han River, including 360m-long sky bridge



Performance

Secured in-house projects through purchasing KEPCO site in Uijeongbu

- Selected as a preferred bidder in KEPCO's sales of a site of 54,313m² at Uijeongbu-si, Gyeonggi-do
- Active investment in the sale of major assets by public institutions to secure high-quality in-house projects



Performance

Selected as preferred bidder in purchasing important land through active equity investment

- Daewoo E&C consortium selected as preferred bidder as a result of bidding for the sales of a site of 30,596m² including Mega Mart in Namcheon-dong, Suyeong-gu, Busan
- Excellent view and transportation conditions with its location near Gwangan Bridge
- Promotion of selective investment in preparation for market recovery



Award

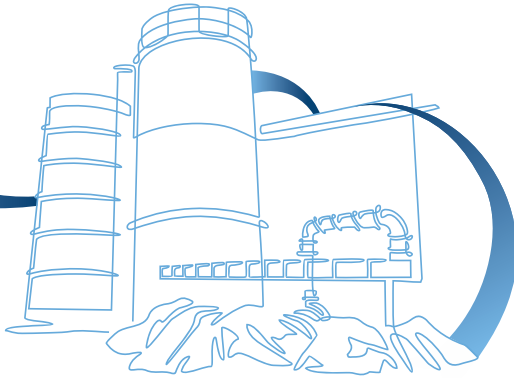
Won in categories of interior, construction, and application at the IF Design Awards

- Prugio landscaping products and smart home technology, SUMMIT GALLERY



Business 3

Plants



2022 Highlight



Nigeria INDORAMA FERTILIZER II PJ

20million
accident-free hours


Nigeria NLNG T7 ONSHORE PJ

10million
accident-free hours
Major disasters at domestic sites &
overseas sites LTIR(Lost Time Injury Rate)
Zero

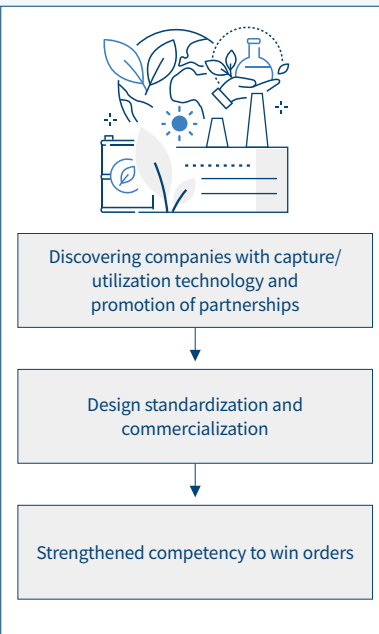
Business Vision

Business area | LNG, Oil & Gas Plant, Oil Refining & Petrochemical, Power Plant, Nuclear Power

Daewoo E&C won the order for Warri Refinery Quick Fix, a large-scale project in Nigeria, its base market, and also achieved outstanding results in winning orders such as a number of mid-to-large sized nuclear power plant projects, petrochemical FEED projects, and combined heat and power plants, generating stable sales from full-fledged large overseas projects. Daewoo E&C achieved zero major accidents at domestic sites and zero LTIR(Lost Time Injury Rate) at overseas sites in the plant business field, confirming its excellent project management capabilities. Daewoo E&C is promoting new and renewable energy projects such as onshore and offshore wind power generation and fuel cell generation as well as developing Blue Hydrogen · Ammonia(CCUS) / Green Hydrogen · Ammonia / SMR business models and discovering new projects to keep pace with the global carbon-neutrality policy. We are expanding and strengthening our dominance in the domestic market by designing and supplying major equipment and materials for multiple natural gas combined cycle/cogeneration power plants. In case of nuclear energy, Daewoo E&C is a member of Team Korea jointly promoted by Korean public corporations, and is cementing its position as one of Korea's leading construction companies. Daewoo E&C will continue winning orders with our existing businesses, focusing on major African countries such as Nigeria and Libya, focusing on development of new markets and orders in Southeast Asia and Central Asia. At the same time, we will actively promote consolidation of key markets, development of new business including carbon neutrality, and entry into relevant domestics and overseas markets in order to secure future growth engines.

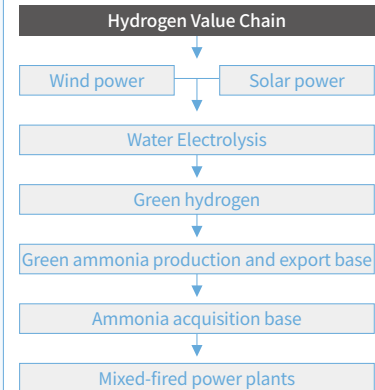
New Business Promotion Plan

Blue Hydrogen · Ammonia Business(CCUS)



Green Hydrogen · Ammonia Business

Securing capability to perform as a
new future business and cultivating
professional manpower



1st Phase : Securing domestic hydrogen business
and entering full cycle value chain business
2nd Phase : Entry into and expansion of overseas
green hydrogen and ammonia business with
public corporations

SMR(SMALL MODULAR REACTOR)

Response to climate change convention
and increased energy demand →
SMR demand expected to increase

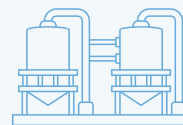


**Order****LNG Package for Phase 3 Ulsan North Port Liquefied Gas and Petroleum Products Terminal**

The project received orders for Phase 1, 2 and 3 of Ulsan North Port Liquefied Gas and Petroleum Products Terminal Construction, which is a construction of subsidiary facilities including one LNG tank with a capacity of 215,000kl and a vapor transmission facility with a capacity of about 1 million tons per year at Ulsan North Port.

**Order****Construction of a new research reactor for export**

The construction of a new research reactor for export is a research reactor project that will enable export in addition to achieving self-sufficiency of major medical and industrial radioactive isotopes dependent on import.

**Order****Purchase of main equipment at Bucheon cogeneration plant**

The modernization project for a 996MW-class power plant project aims to convert an aging cogeneration plant into a high-efficiency, eco-friendly facility reducing pollutants by increasing electricity production.

**Training****Job training for local community members : Nigeria NLNG T7 Onshore PJ Site**

- Securing human resource pool through early discovery of excellent human resources
- Realizing social values through job creation in the local community
- Establishment of a friendly relationship with the communities near sites and contributing to the local community



Business 4

New Frontier Business



2022 Highlight

Participation in new and renewable energy business

Samchully Asset Management Fund Investment of

KRW 1.5 billion



Entry into waste recycling business (Lithion, a Canadian battery recycling company)

KRW 6 billion Investment

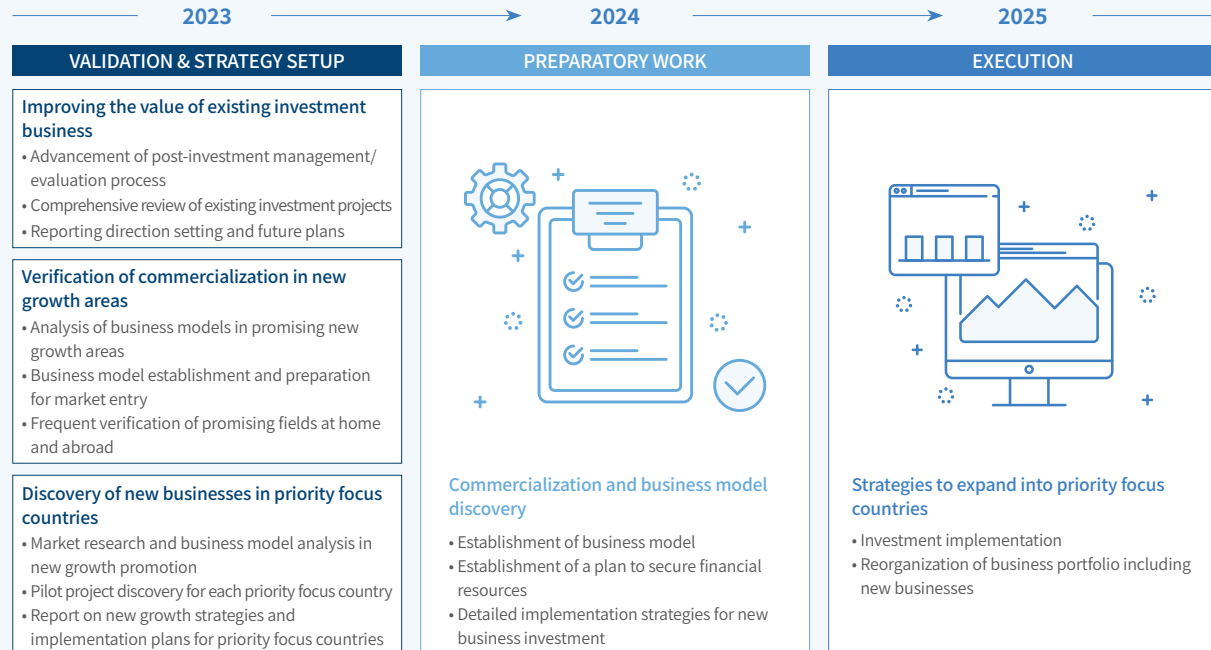


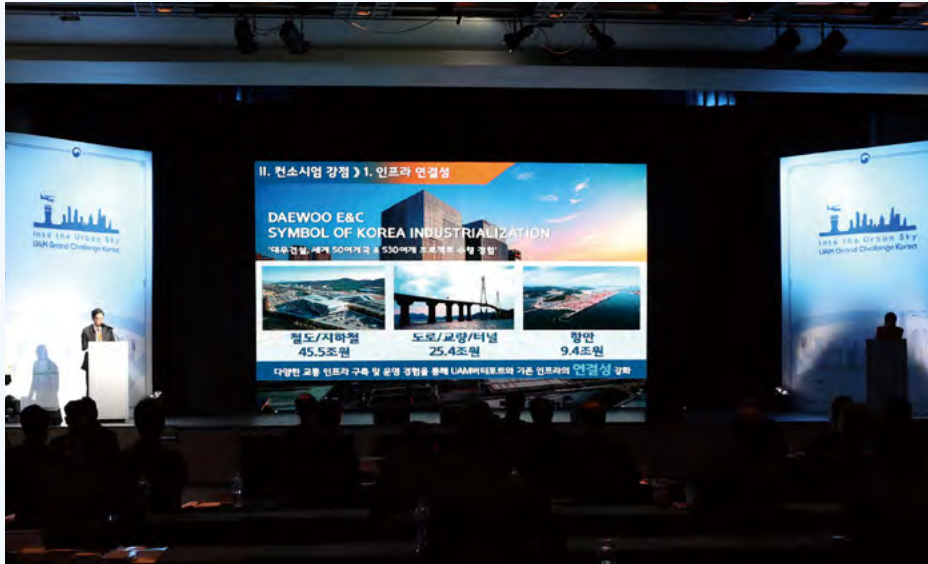
Business Vision

Daewoo E&C has strengthened the decision-making system related to new business discovery and expansion by placing the 'New Business Development Team' in 'Strategic Planning Division'. In particular, with the organizational strategic goal of securing new growth engines, we are promoting The discovery of future core areas to keep pace with the paradigm shift in the industry, such as expanding domestics and overseas development business areas and investment of projects to build new business portfolios.

Daewoo E&C is reevaluating existing investment businesses and setting the investment directions for new business areas in mid-to long-term to increase the value of investment in new business. We are determining the sustainability of the investment after re-evaluation by evaluating the conformity with the company's strategic direction from the mid-to long-term perspective of the existing investment business. Commercialization verification is carried out for several candidate industries in new business areas(future mobility, life care, and resource circulation) from the perspective of direct and indirect investment in the mid-to long-term. At the same time, acquisition feasibility of companies recommended by experts, networks, and management is also reviewed through corporate analysis, such as synergy effects with Daewoo E&C. Furthermore, we are promoting growth strategies through new growth strategies in priority focus countries such as Vietnam and Nigeria. We are promoting discovery of new businesses in priority focus countries with the aim of expanding investment projects to discover new sources of business by utilizing previously secured business resources and networks.

2023 and Mid-term Plans





Performance Expansion of New Business Portfolio(Future Mobility UAM)

- Participation in legislation/institutionalization(UTK participation and future mobility committee activities; UAM Team Korea)
- Participation in demonstration projects(participation in K-UAM Grand Challenge; Vertiport)
- Discovery of projects linked to local governments(signed MOU for establishment of Jeonnam UAM ecosystem), collaboration with Skyports, an overseas vertiport operating company



Performance

Entered the waste recycling business

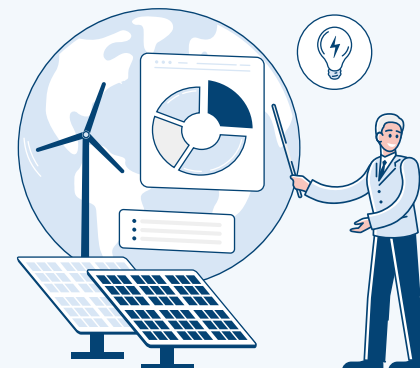
- Invested KRW 6 billion in Lithion, a Canadian battery recycling company



Performance

Vitalization of Development Project Malls

- Equity investment in TenCL, operate of kids' sportainment brand CALI CLUB(KRW 2 billion)



Performance

Participation in New and Renewable Energy Business

- Invested KRW 1.5 billion in Samchully Asset Management Fund

Business 5

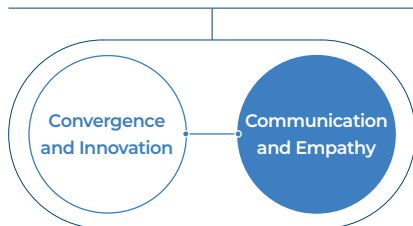
Institute of Construction Technology

Vision

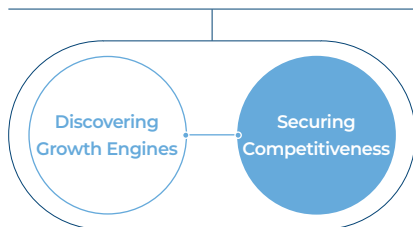


FUTURE DESIGNER OF TECHNOLOGY

A leader in innovative technology driving future growth

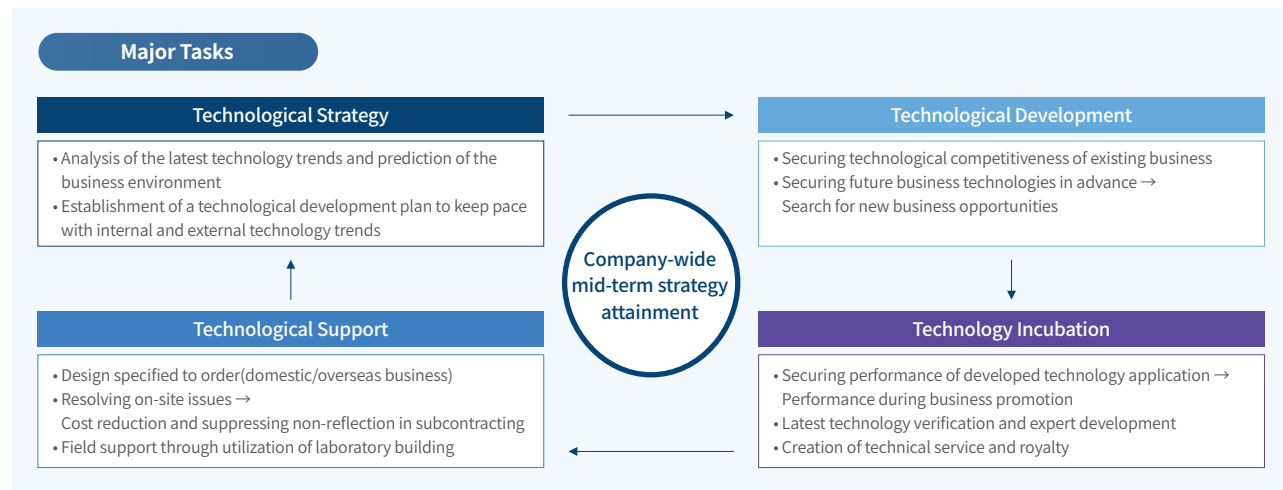


Value-Creating SOLUTION PROVIDER



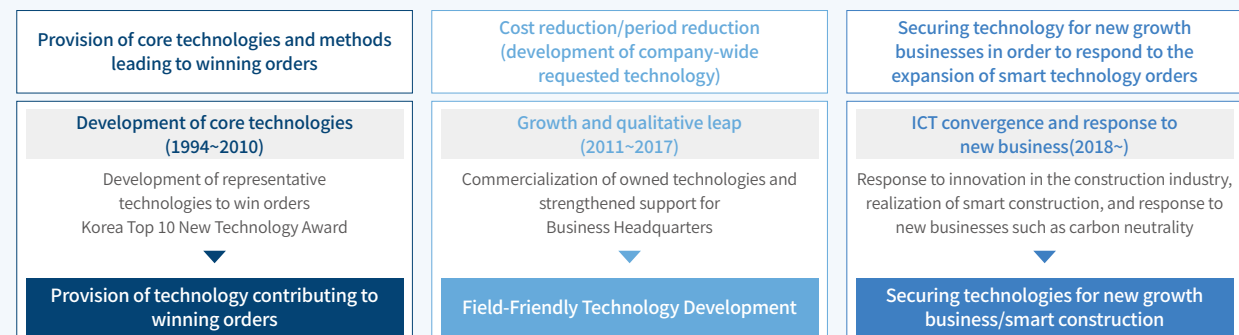
Business Vision


Daewoo E&C opened the Daewoo E&C Institute of Construction Technology(DICT), the first research institute in South Korea's construction industry, in 1983. Since then, DICT has actively engaged in sector research that maximizes the company's design, construction and development capabilities. DICT is also carrying out large-scale national, future growth and other projects, contributing to the nation's overall construction technological prowess.



Change of Roles

Daewoo E&C's Institute of Construction Technology is setting the direction of technology development for customer satisfaction in line with market changes and needs, and is also seeking changes in the role of the Institute of Construction Technology in line with rapidly changing construction trends.





Daewoo E&C is sparing no efforts to fulfill corporate social responsibility and create sustainable value through establishment of mid-to long-term goals and detailed strategic tasks for ESG management, strengthening alignment with UN SDGs, and diversifying communication with various stakeholders.

Daewoo E&C will continue to review ESG management goals and strategic tasks, and derive improvement tasks to faithfully implement our efforts to increase corporate sustainability.

SUSTAINABILITY APPROACH

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CHIEF SUSTAINABILITY OFFICER MESSAGE



Daewoo E&C will lead the future based on communication and innovation

Respected stakeholders,

Daewoo E&C celebrates its 50th anniversary in 2023. Daewoo E&C achieved its growth in pace with the growth of the Korean economy and the trend of modern history over the last five decades. The year 2023 will be an important year in laying the groundwork for a new growth engine to go beyond the glorious history of the past 50 years and take the next step forward to become a century-old company. Leaping forward to become a century-old company will depend on how much effort we make to realize a sustainable future society.

During the year of 2022, Daewoo E&C strived to create safe construction sites, declaring a human rights management charter including all stakeholders of E&C, expressing its strong commitment to human rights management. In addition, we promoted win-win management with partner companies through contributing to the Win-Win Cooperation Fund and laying the foundation for ESG management internally through improvement of governance structure.

Daewoo E&C will continue to secure stability through ESG management in the future. ESG management is an essential management paradigm absolutely needed for long-term growth and development of a company.

We will create safe work sites.

Construction site safety is one of the most basic values. Daewoo E&C is making efforts in various fields under the principle of “no safety, no work”. Safety innovation budgets have been set aside in addition to legal obligations to significantly expand safety-related infrastructure, such as safety facilities and smart safety systems, and reinforcement of safety manpower, including additional placement of safety managers at small sites. Daewoo E&C will continue to spare no efforts to create an environment where workers can work safely.

We will prioritize human rights.

Human rights are essential rights guaranteeing human dignity and value. Daewoo E&C does not tolerate human rights violations in any form, including discrimination, harassment, and exploitation. In 2022, the Human Rights Management Charter was declared, and we will spare no efforts to realize human rights management by suppliers. Through these efforts, Daewoo E&C will create a corporate culture respecting human rights throughout management.

We will establish a fair governance structure.

A transparent and fair governance structure serves as the foundation for the company's long-term and sustainable growth as well as development. We have improved the diversity of board composition and operational efficiency and transparency through appointment of female outside directors excelling beyond legal criteria and the introduction of an evaluation system for board operation. As such, Daewoo E&C will strive to become a company trusted by stakeholders through improvement of its governance structure.

We will internalize an ESG mindset.

ESG management not guaranteeing the internalization by executive and employees will only be a superficial form of ESG management. Daewoo E&C is making various efforts to internalize the ESG mindset, such as employee training and building internal infrastructures. We will promote an environment where all of our employees can understand and practice the importance of ESG management through the internalization of the ESG mindset.

We will be a global ESG leading company.

In global corporate management, ESG is becoming a gigantic, irreversible trend. An environment in which ESG management is a must for survival is being created, and Daewoo E&C will break through this situation through active ESG management. In 2022, in celebration of the first year of ESG management, we launched a company-wide ESG committee and consultative body. Also, our ESG promotion system is being solidified through reviews and approval by major issues by the Board of Directors. In addition, we are actively participating in global initiatives, such as declaration of our membership in the TCFD, to respond to the climate change crisis. We will continue to strive to cement our position as a global ESG company going beyond Korea through ceaseless creativity and innovation.

Respected stakeholders!

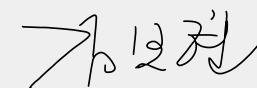
Daewoo E&C promises the following three goals to become a century-old company. First, we will become a ‘pleasant company for work’ by improving employees’ satisfaction in work and strengthening work engagement by improving the organizational culture, welfare benefits, and working conditions.

Secondly, we will become a ‘competent company’ by securing a foundation for long-term growth based on the best talent and technology in the industry.

Third, we will strengthen our social responsibility through ESG management and CSR activities, inheriting and developing a win-win labor-management culture based on communication and cooperation to become a ‘trusted company’.

Through fulfilling these promises, Daewoo E&C will spare no efforts in becoming a sustainable company through active communication with all stakeholders with the determination to overcome the waves of crisis and move forward into the bigger sea.

Thank you.







Senior Executive Vice President **Bo-hyeon Kim**
Chief Sustainability Officer

ESG STRATEGY

ESG Strategies and Promotion System(major achievements in 2022)

Daewoo E&C established a company-wide ESG management system to take the next step towards becoming a century-old company and realize sustainability for the future community. 3 major goals and 6 strategic tasks have been established to realize the right corporate responsibility by creating eco-friendly/social values. We will disclose the process and efforts to improve corporate sustainability by continuously reviewing the performance of each strategic task.

ESG Management Policy	Sustainable Management Goals	Strategic Tasks	2022 Performance
 <p>ESG management fulfilling our responsibility to society and the environment</p>	 <p>FUTURE GROWTH Sustainable growth into the future beyond the present</p>	<p>Securing future growth engines</p> <ul style="list-style-type: none"> Development of smart construction technology Expansion of eco-friendly new businesses <p>Offering customer-oriented services</p> <ul style="list-style-type: none"> Differentiated customer service Strengthening quality control Strengthening the information protection system Strengthening marketing capabilities 	<ul style="list-style-type: none"> Expansion of OSC(Off-Site Construction) technology application to 4 sites Expansion of eco-friendly business, such as proposal for modernization of old sewage plant, promotion of offshore wind power business Development of commercialization technology for smart automated port systems <ul style="list-style-type: none"> Winning the Grand Prize for Apartment Complex category for 3 consecutive years at the Korea Service Awards Attained ZERO incidents of customer information leakage Market analysis and maximization of marketing efficiency utilizing big data
	 <p>SAFE & GREEN GROWTH Growth that puts safety and the environment first</p>	<p>Realizing the highest value of respect for life</p> <ul style="list-style-type: none"> Establishing a safety innovation culture Cultivating a safety-first mindset Development of smart technology for accident prevention <p>Putting the environment first</p> <ul style="list-style-type: none"> Enhancement of environmental management system Minimizing environmental impact Responding to climate change by reducing greenhouse emissions Managing emissions in construction sites Environmentally friendly supply chain management Development of eco-friendly construction technology 	<ul style="list-style-type: none"> Execution of additional budget(KRW 12.5 billion) for on-site safety innovation in addition to legal obligations In-house training of on-site operation through Daewoo E&C's safety culture program(CLEAR)(cumulative 55,973 persons) Development of mobile/web-based safety and health work system(SMARTY) <ul style="list-style-type: none"> Development of eco-friendly construction technologies (carbon-reducing concrete, offshore wind power floating bodies, etc.) Implementation of the mid-to long-term roadmap for carbon neutrality by 2050 99.97% recycling rate of construction site waste
	 <p>SHARED GROWTH Growth through responsibility and sharing</p>	<p>Creating a workplace where employees can work happily</p> <ul style="list-style-type: none"> Fair recruitment and systematic nurturing of talents Promoting healthy living and well-being Flexible organizational culture and support for work-life balance <p>Promoting shared growth with society</p> <ul style="list-style-type: none"> Contributing to local economic development Shared growth with suppliers CSR activities to serve the community Strengthening Fair Trade practices 	<ul style="list-style-type: none"> Expansion of employee diversity (ratio of female employees: 12.3% in 2021, 12.9% in 2022) Continued operation of systems for work-life balance and safe childcare support Strengthening of employee treatment, such as field-oriented management and expansion of wages and welfare benefits <ul style="list-style-type: none"> Establishment of a code of conduct for sustainable win-win management with partner companies Enactment of a Human Rights Charter including all stakeholders Promotion of social contribution activities such as residential environment improvement projects for the descendants of independence fighters and establishment of infant education center in Basra, Iraq

Organizations Dedicated to Sustainable Management

Chief Sustainability Officer

Daewoo E&C appoints the Senior Executive Vice President as the Chief Sustainability Officer. The Senior Executive Vice President communicates ESG-related matters with internal and external directors as an executive director, striving to ensure that the company's ESG policies and activities are seamlessly implemented.

ESG Committee

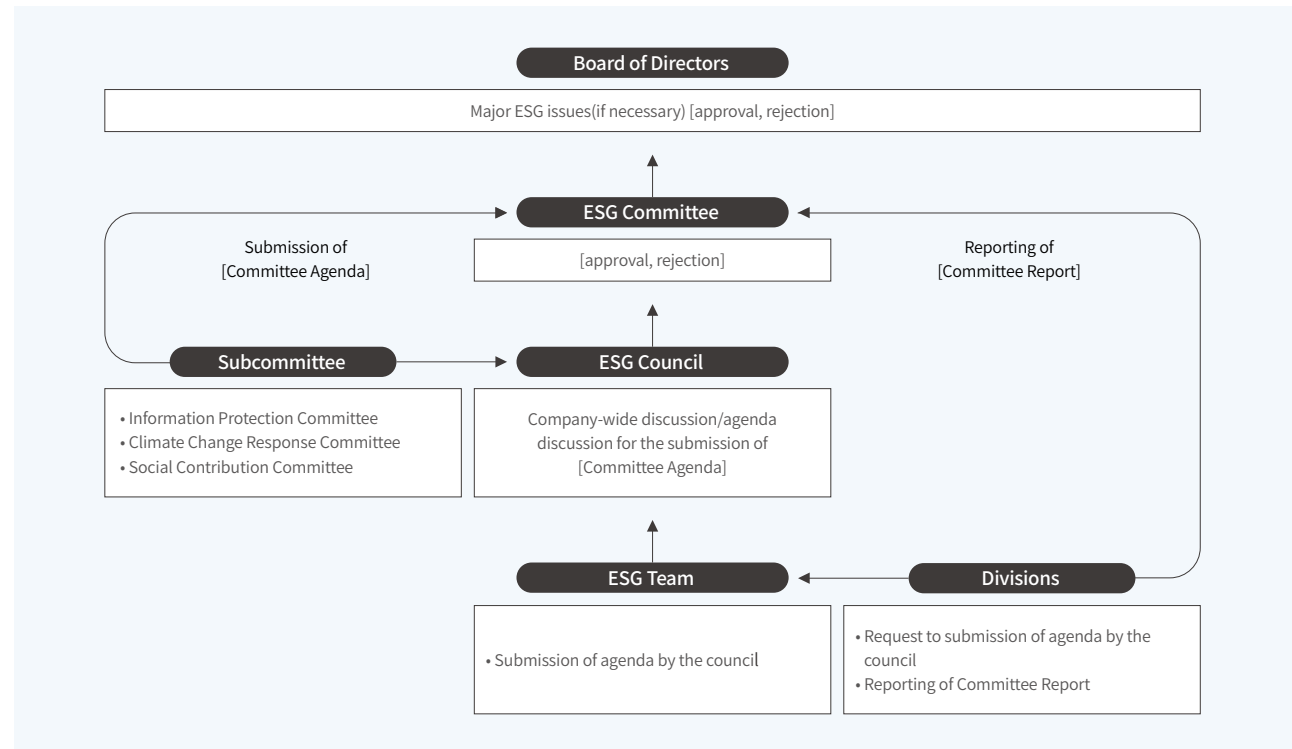
Daewoo E&C operates the ESG Committee for strategical promotion and internalization of sustainable management. Since its establishment in October 2022, Daewoo E&C's ESG Committee is composed of the CEO as the chairman and the heads of divisions as members. The Committee plays the role of reviewing and approving in the process of establishing organizational roles and responsibilities, visions, strategies, and policies related to ESG.

We are operating the committee as an in-house committee in order to carry out ESG-related management activities in a practical and proactive manner. proposing corporate ESG policies and directions, reviewing major non-financial opportunities and risks, and actively discussing and making decisions on establishment, implementation, and management of ESG-related policies. Additionally, the ESG Committee reports significant ESG issues to the board, ensuring that the board functions as the company's top decision-making body for ESG management.

ESG Council

Daewoo E&C's ESG Council is composed of the Senior Executive Vice President, who serves as the Chief Sustainability Officer, as a chairman and the appointed team leaders of each division as members. The ESG Council checks the progress of each organization on the agenda presented to the Committee as a working-level body of the ESG Committee, using it as a venue for ESG-related field discussions.

ESG Organization System and Work Process



ESG Internalization

Daewoo E&C has taken active ESG management steps after the declaration of the first year of ESG management in 2022. We conduct ESG training and campaigns to enhance understanding of ESG throughout the company and to internalize the ESG mindset from executives to employees. In hiring new hires and experienced employees, training on ESG understanding and ESG management status is provided, and training on on-site ESG management is provided for on-site workers. We have been publishing monthly ESG newsletters from July 2022 to disseminate internal and external ESG trends.

Subcommittees Under the ESG Committee

Category	Roles
Information Protection Committee	Discussion on establishment of information protection strategy, policy promotion direction and plan, and possible improvements
Climate Change Response Committee	Review of company-wide climate change response strategies and response plans
Social Contribution Committee	Decisions on operation, such as social service corps operation rules and plans, and utilization of funds

ESG Training

Training Name	Subject	Details
Understanding of ESG and Current Status of ESG Management	Headquarters executives/team leaders	<ul style="list-style-type: none"> The evolution of ESG discussions and definition of ESG Daewoo E&C's ESG management roadmap, etc.
	New hires and experienced workers	<ul style="list-style-type: none"> Definition of ESG and types of ESG assessment ESG-related issues of the construction industry, etc.
Understanding of ESG and On-site ESG Management	On-site superintendents and employees	<ul style="list-style-type: none"> ESG trends home and abroad Points of on-site ESG management
Backgrounds and Trends of ESG Management Promotion	ESG Council (executives/team leaders/workers)	<ul style="list-style-type: none"> Major ESG indexes ESG-related policies, regulations, and trends
Recent ESG Trends & Future Directions	ESG Committee (CEO/heads of divisions)	<ul style="list-style-type: none"> Current status of ESG institutionalization by sector Role of management in ESG management

Deliberation of Major Agendas

Category	Date	Agenda	Type of Consideration	Note
ESG Committee	24. Oct. 2022	Establishment of Human Rights Management Charter and human rights regulations	Resolution	
		Plans promoted in the environmental (E) sector	Report	
	28. Nov. 2022	2022 Company ESG evaluation results and future plans(draft)	Report	
	06. Feb. 2023	ESG Committee agenda criteria(draft)	Resolution	
		ESG management improvement promotion(draft)	Report	
	03. Apr. 2023	ESG materiality issue selection(draft)	Resolution	
		Green(product) purchase criteria (draft) and performance	Resolution	
		Eco-friendly sales calculation criteria (draft) and performance	Resolution	
	08. May. 2023	Joining of TCFD(Task Force on Climate-related Financial Disclosure) (draft)	Resolution	
		Establishment of environmental management policy(draft)	Resolution	
		Establishment of eco-friendly supply chain policy and goals	Resolution	
ESG Council		2023 plans for social contribution activities	Report	
		Information protection policy establishment process improvement(draft)	Resolution	
		Eco-friendly material purchase performance status	Discussion	
	15. Sep. 2022	GHG emissions management	Resolution	
		Quarterly evaluation of company-wide climate change risks	Discussion	
		Implementation of ESG management activities through upcycling of waste safety helmets, etc.	Discussion	
		On-site deployment of dedicated environmental manager	Discussion	
	28. Nov. 2022.	2022 company ESG evaluation results and future promotion plans(draft)	Resolution	
	20. Jan. 2023	Reporting of ESG management improvement promotion(draft)	Report	

ESG Improvement Task Derivation

Daewoo E&C is reinforcing its sustainability management capabilities by identifying tasks needing improvement and systematically improving them through domestic and overseas ESG evaluation indicators and disclosure standards. A total of 77 improvement tasks have been derived from environmental, social, and governance, and intensive improvement activities have been conducted. Improvement tasks were categorized into short- and mid-to long-term improvement review items in establishing improvement plans. Daewoo E&C plans to continuously implement improvement activities in consideration of the latest ESG trends at home and abroad and international standards, transparently disclosing the implementation results to internal and external stakeholders.









ESG Improvement Task Derivation Process



STAKEHOLDER ENGAGEMENT






















Stakeholder communication and engagement(stakeholder definition, communication channels, major interests, alignment with UN SDGs)



Stakeholder	Employees	Government and relevant organizations	Shareholders and investors	Customers	Society / Associations / Institutions	Community	Suppliers
Definition	Human resources that make up Daewoo E&C; a partner for sustainable management	Institutional and social foundation; a driving force that lays the foundation for corporate growth	Investors of Daewoo E&C providing economic capital	A valuable part of the family as well as the foundation for corporate existence that creates the future together with Daewoo E&C	Organizations with expertise in the construction market and sustainable management; subject to continuous cooperation	Local communities and members affected by Daewoo E&C's business	Partners who help the company by providing energy and resources
Engagement and Communication	<ul style="list-style-type: none"> • Baronet(internal intranet) • Labor union • Employee management council • Compliance system • Ethical Help-Line 	<ul style="list-style-type: none"> • Government committee activities • Participation in policy research • Joint cooperation programs 	<ul style="list-style-type: none"> • Shareholders' meeting • Annual report, sustainability report • Analyst meeting • IR conferences, etc. 	<ul style="list-style-type: none"> • PRUGIO Customer Center • PRUGIO website • Model houses • SNS, Youtube, etc. 	<ul style="list-style-type: none"> • Federation of Korean Industries(K-ESG Alliance) • Korea Employers Federation(ESG Management Committee) • Korea Chamber of Commerce and Industry (ESG Agenda Group) 	<ul style="list-style-type: none"> • Social volunteer group • Cyber audit office • Monthly regular volunteer activities • White papers on social contribution activity, etc. • Daewoo Engineering & Construction College Student PR Ambassador 	<ul style="list-style-type: none"> • Collaboration system (E-COS) website • Meetings with business partners • Workshops for shared growth, etc.
Major Interests	Improving employee satisfaction and attracting talent through capacity building and enhancement of employees' quality of life	Fulfilling corporate obligations and contributing to the country's sustainable development through job creation, tax payment, and legal compliance	Providing accurate and prompt information to shareholders and investors through transparent management	Realization of customer satisfaction by providing the best residential environment and construction products and services	Establish a cooperative system for R&D innovation through industry-university cooperation and member activities of various associations and institutions	Contributing to the development of the local community through active social contribution activities	Support and management to strengthen coexistence, and establishment of a transparent and fair cooperative relationship
Response activities by Daewoo E&C	<ul style="list-style-type: none"> • Strengthening of employee compensation system • Preparation of opportunities for management-employee communication • Operation of Prugio Childcare Center 	<ul style="list-style-type: none"> • ISO 37001 certification acquisition • Continued employment and nurturing of outstanding human resources 	<ul style="list-style-type: none"> • Introduction of shareholder electronic voting system • Efforts to expand return to shareholders 	<ul style="list-style-type: none"> • Reinforced Customer Center communication competence • Immediate customer response services using mobile applications 	<ul style="list-style-type: none"> • Participation in conferences, seminars, association activities, etc. 	<ul style="list-style-type: none"> • Communication environment cleaning and resource circulation and donation activities • Promotion of global social contribution activities for new growth businesses/new countries 	<ul style="list-style-type: none"> • Supply chain ESG risk activity assessment • Reinforcement of subcontracting law compliance • Meetings with excellent suppliers for shared growth • Financial/technical/management support
Alignment with UN SDGs	 	 	 	 	 	 	 

Performance Reporting in Alignment with UN SDGs

Daewoo E&C establishes risks/opportunity factors and response strategies for the 10 material issues derived, implementing systematic management based on UN SDGs.

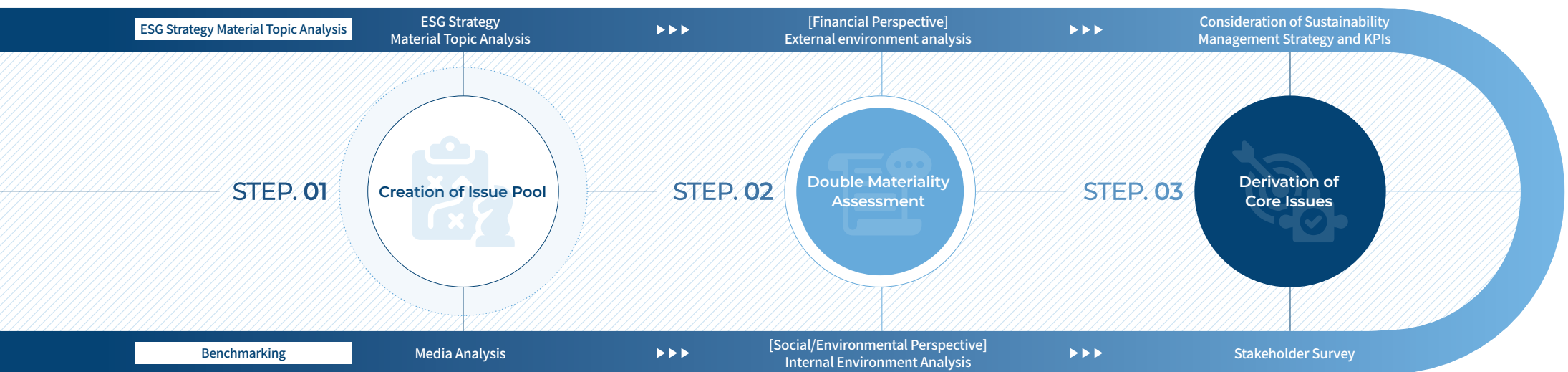
Ranking	Issue Name	Implementation of UN SDGs	Risk Factors	Response Strategies by Daewoo E&C	Page
1	Advancement of the occupational health and safety management system	 	<ul style="list-style-type: none"> Reinforcement of legal regulations according to the enforcement of the Serious Accident Punishment Act Increased demand for social responsibility through achieving ZERO accidents at workplaces 	<ul style="list-style-type: none"> Reinforced safety patrol inspections for major types of disasters → Identification of hazards – Work suspension – Establishment of a system to resume work after improvement Strengthening of industrial safety management supervision and technical support through construction machinery inspection Reinforced safety training for site managers and suppliers 	54-59
2	R&D competency reinforcement	 	<ul style="list-style-type: none"> Increased demand for digital innovation technologies such as construction automation and smart cities Reduction of the domestic construction market and expansion of the global construction market 	<ul style="list-style-type: none"> Forecast of technology trends and business environment to drive new growth business drivers Establishment of technology development plans in line with global technology trends Securing intellectual property rights such as technologies tailored to new growth business and patents Acquisition of technology application performance and performance creation 	20, 51-53
3	Improving customer satisfaction	 	<ul style="list-style-type: none"> Realization of customer satisfaction based on excellent technology and innovation Increased demand for prompt customer communication and active opinion collection 	<ul style="list-style-type: none"> Derivation of 4 tasks to strengthen customer service management through CS TFT establishment KPI establishment and performance management to protect consumer rights and interests Counselor job training 	68-73
4	Sustainable supply chain management		<ul style="list-style-type: none"> Growing demand for eco-friendly/social-friendly raw materials Growing demand of the global community for supply chain ESG management 	<ul style="list-style-type: none"> Implementation of supply chain ESG risk activity evaluation(monthly for the council once every other month for the Disciplinary Committee) Implementation of ESG management support project for partner companies Voluntary protection of local suppliers(management stabilization support) 	74-76
5	Fair HR system and employee empowerment	   	<ul style="list-style-type: none"> Strengthened corporate competitiveness through attraction of excellent talent and talent retention rate 	<ul style="list-style-type: none"> Establishment of education system by job/level and a regular learning program UK QS course to attract key talent, domestic MBA support, training course operation Expansion of non-discriminatory talent recruitment(gender diversity, respect for the disabled) 	60-64
6	Development of eco-friendly methods and technologies	  	<ul style="list-style-type: none"> Growing demand for eco-friendly building technologies in the areas of energy use, greenhouse gas emissions and resource circulation 	<ul style="list-style-type: none"> Development of construction methods and technologies for energy consumption and carbon reduction Development of seawater desalination plant technology 15MW-class offshore wind power floating body design technology development Technology development of carbon reduction high-quality early strength type slag cement concrete technology development 	50-53
7	Creation of management performance and profit	 	<ul style="list-style-type: none"> Need for business model and profit structure diversification in preparation for market volatility and uncertainty 	<ul style="list-style-type: none"> Inclusion of Strategic Planning Division in New Business Development Team and strengthening of decision-making system Establishment of mid-to long-term investment direction for new businesses after re-evaluation of existing investment businesses Establishment of strategies to expand new growth in priority focus countries such as Vietnam and Nigeria 	12-20
8	Compliance management and compliance practices		<ul style="list-style-type: none"> Need to meet corporate expectations for legal compliance and fraud prevention 	<ul style="list-style-type: none"> Reinforcement of compliance training program for employees(online training for all employees, compliance job competency reinforcement training) Reinforcement of the role of the reporting channels for compliance violations 	86-90
9	Climate change response	 	<ul style="list-style-type: none"> Increase in loss in response to natural disasters due to climate change, increased energy cost burden due to response 	<ul style="list-style-type: none"> Completion of declaring support for and joining TCFD in 2023 Issues related to climate change response and environmental management reported to/resolved by the ESAG Committee Signed the 2022 Greenhouse Gas Reduction Target agreement with the Ministry of Land, Infrastructure, and Transport 	40-53
10	Compliance with environmental laws	 	<ul style="list-style-type: none"> Reinforced environmental laws and regulations in response to climate change 	<ul style="list-style-type: none"> Training/work support for field environment managers Establishment of standards related to construction waste, facility investment promotion Introduction of evaluation to raise awareness of suppliers' compliance with environmental laws and regulations Enhanced online monitoring function 	43-48, 96

DOUBLE MATERIALITY ASSESSMENT

In line with the international trend, such as the strengthening of ESG information disclosure requirements by global stakeholders and the announcement of integrated standards for ESG information disclosure, Daewoo E&C derived material topics by introducing the double materiality perspective of the Global Reporting Initiative(GRI) and the EU.

Daewoo E&C establishes response strategies of each area by deriving materiality issue matrix based on the results of social/environmental and financial impact.

In particular, we intend to report ESG issues selected as material issues in faithful manner by establishing a process of management goals, performance, and plan reporting.



▶▶▶ STEP. 01

ESG issue pool creation

- Derivation of an issue pool of a total of 22 topics through internal/external analysis of Daewoo E&C's sustainability management
- Reviews of responsiveness to global disclosure standards and evaluation agencies(GRI, SASB, Korea Institute of Corporate Governance and Sustainability, etc.)
- Media risk analysis(analysis of articles and reporting frequency during the period of 01. Jan. 2022 – 31. Dec. 2022)

▶▶▶ STEP. 02

Carrying out of double materiality assessment based on stakeholder survey results

- [Financial Perspective] External environment analysis**
 - Analysis of Daewoo E&C's ESG strategy linkage to material topics
 - Analysis of ESG evaluation indicators(MSCI, SASB, DJSI, KCGS, etc.)
 - Survey of executives/team leaders and other higher-ranking management
- [Social/Environmental Perspective] Internal environment analysis**
 - Industry reporting methods and issue benchmarking
 - Internal and external stakeholder survey
 - Media analysis

▶▶▶ STEP. 03

Derivation of material ESG topics through board review

- Derivation of 10 issues belonging to the core response area as material issues
- Selection of 2023 material topics through the resolution of the board of directors and selection of separate material topics deemed important by the board of directors
- Report to separate material issues that the board deems important to the board within the year(Eco-friendly method and technology development, Advancement of occupational safety and health management system, Compliance management and compliance practices)

Materiality Assessment Results

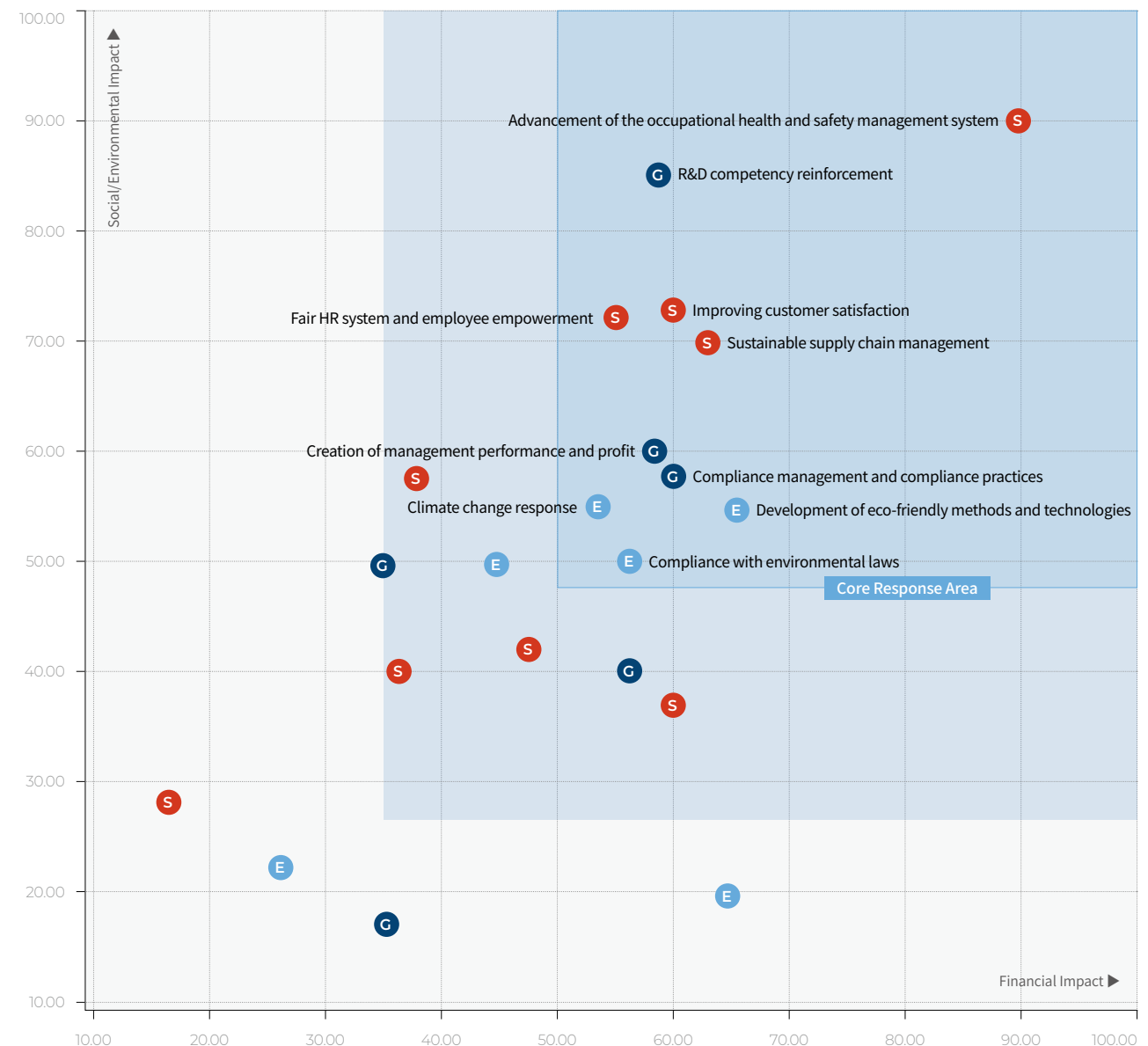
Daewoo E&C's material topics include the results of double materiality assessment, advancement of the occupational health and safety management system, R&D competency reinforcement, improving customer satisfaction, sustainable supply chain management, fair HR system and employee empowerment, development of eco-friendly methods and technologies, creation of management performance and profit, compliance management and compliance practices, climate change response, and compliance with environmental laws.


In particular, topics related to climate change response, advancement of the occupational health and safety management system, improving customer satisfaction, sustainable supply chain management, fair HR system and employee empowerment, and business diversification have been selected as material topics for two consecutive years, reaffirming the ESG risks and social responsibilities of Daewoo E&C from the perspectives of internal and external stakeholders. Please refer to Daewoo E&C's activities and achievements related to the selected 10 material issues in this year's Sustainability Report.

Ranking	Topic Name	Note ¹⁾
1	Advancement of the occupational health and safety management system	▲ 5
2	R&D competency reinforcement	New Material Topic
3	Improving customer satisfaction	▲ 1
4	Sustainable supply chain management	▲ 2
5	Fair HR system and employee empowerment	▲ 5
6	Development of eco-friendly methods and technologies	▼ 4
7	Creation of management performance and profit	▼ 6
8	Compliance management and compliance practices	New Material Topic
9	Climate change response	▼ 5
10	Compliance with environmental laws	▼ 7

1) Includes changes in ranking compared to the previous year's materiality assessment results and new material topics

Materiality Analysis Matrix





Daewoo E&C places its priority on faithful fulfillment of its environmental and social obligations, and strengthens relevant activities to become a company coexisting with the society, transparently disclosing the process and achievements.

We will not spare efforts in realizing a clean Earth and society, creating an eco-friendly green map in the name of Daewoo E&C.

► Sihwa Tidal Power Plant

SUSTAINABILITY PERFORMANCE

Response to Climate Change	32
Environmental Management	40
Safety Management	54
Talent Management	60
Customer Satisfaction Management	68
Win-win Management	74
Governance	80
Compliance/Ethical Management	86
Risk Management	91
Information Security	93

Response to Climate Change



2022 Highlights



Reinforcement of climate change-related governance system

ESG Committee, Climate Change Response Committee Establishment



Compared to GHG emission targets,

17,013 tCO₂-eq reduced



Compared to energy consumption targets,

310 TJ reduced

► Patrind Hydropower Plant in Pakistan

Approach

Environmental problems caused by climate change is the biggest threat faced by mankind. Daewoo E&C is making efforts to break away from the perception that the construction industry is one of the main culprits of environmental problems and play a leading role in solving climate change and environmental problems. Daewoo E&C is design and constructing energy-efficient buildings, using low-carbon raw materials, developing eco-friendly technologies, and expanding new and renewable energy businesses to reduce GHG emissions and energy consumption throughout the overall process, establishing a mid-to long-term roadmap and implementing detailed tasks.

Daewoo E&C is continuously identifying the rapidly changing climate change trends at home and abroad, and has introduced and is managing the Global Standard for more active and objective responses. Declaration of support for the Task Force on Climate-Related Financial Disclosures(TCFD) is one of the efforts, which was implemented through a board resolution in May 2023. We are strengthening our governance structure for climate change and have applied TCFD recommendations to strengthen climate change response system through the active participation of the Board of Directors. We are also expecting reinforcement of the response system for Carbon Disclosure Project(CDP), which has been responding to transparent information disclosure on carbon emissions since 2013. We are also considering the introduction of the Science-based Target Initiative(SBTi) to set and implement more scientific and feasible targets for GHG reduction.

Daewoo E&C will continue to actively support the global community's agreement to respond to climate change, faithfully fulfilling its responsibility to respond to climate change to become a global eco-friendly construction company.

Daewoo E&C Action Plan

Daewoo E&C established the Climate Change Response Committee in April 2022 to form a company-wide consensus and decision-making on climate change issues, also establishing the 2050 Carbon Neutrality Mid-to Long-term Roadmap for practical and active carbon reduction. 'Climate change impact analysis and strategy establishment' was set as the short-term goal, and 'execution of climate change response strategies', and 'leading the climate change market' have been set as mid-to long-term goals, establishing and implementing detailed promotion strategies. With the introduction of ESG management in October 2022, the establishment of more reinforced governance and decision-making system was enabled, and the Climate Change Response Committee was incorporated as a subcommittee of the ESG committee for this purpose. In the future, Daewoo E&C will continue to create a sustainable future through transparent disclosure of the company's activities and performance in achieving carbon neutrality by 2050.

Declaration to Join TCFD

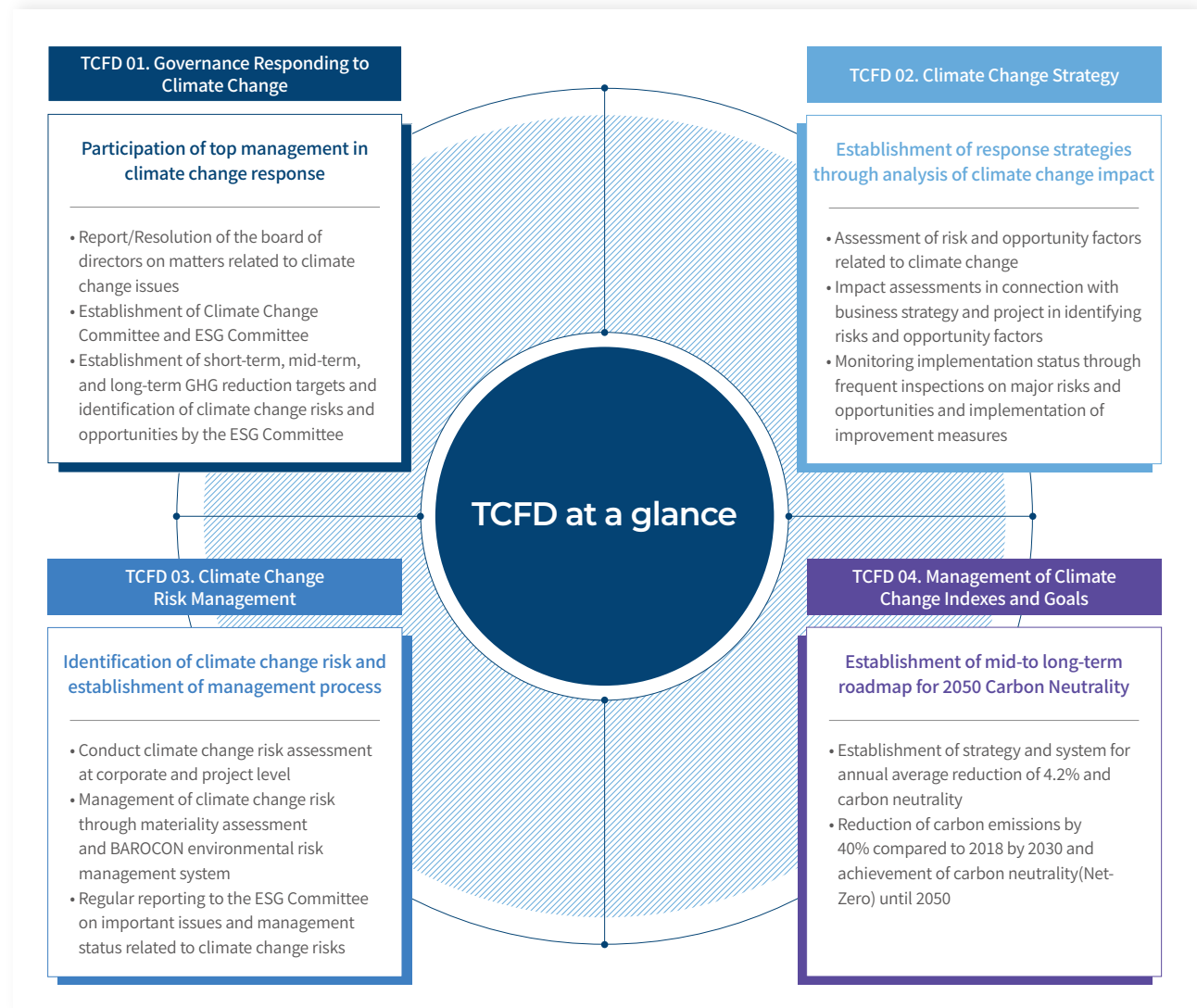
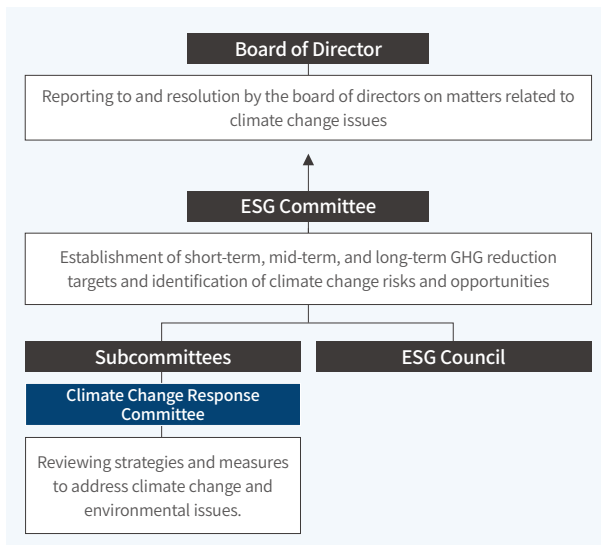


In May 2023, Daewoo E&C decided to join the Task Force on Climate-Related Financial Disclosures(TCFD) through the board of directors, the highest decision-making body in the company, declaring support for TCFD. By joining TCFD, we were able to strengthen our will to actively promote eco-friendly management and expressed our determination for a carbon-neutral era. We will further reinforce our ESG management by disclosing world-class climate change-related data in more systematic and transparent manner through application of the TCFD framework.

Introduction of Global Standards to Respond to Climate Change

Daewoo E&C seeks to improve the transparency and efficiency of climate-change response capabilities for carbon neutrality and GHG reduction through establishment, implementation, and disclosure of detailed climate change response implementation tasks. In May 2023, Daewoo E&C officially joined and declared support for the Task Force on Climate-Related Financial Disclosures(TCFD). Through TCFD recommendations, a global standard, we were able to systematically establish governance, strategies, risk management indicators, and goals for responding to climate change. We will continue our response to climate change through strengthening our environmental management system and establish effective means and plans for GHG emission reduction and carbon neutrality.

Company-wide Climate Change Response Organization System



TCFD 01 Governance Responding to Climate Change

Reinforced Response to Climate Change and Responsibilities for Environmental Management of Top Management

The Board of Directors at Daewoo E&C, as the highest decision-making body, receives resolutions or reports on climate change and other environmental management issues. Major environmental agendas for 2022-2023 reported and voted on to the board include a May 2022 report on the establishment of the Climate Change Response Committee, as well as a May 2023 resolution on the Environmental Policy Approval for ESG Management. The board of directors of Daewoo E&C is actively participating in solving and responding to climate change and environmental management issues facing companies.

ESG Committee Operation

Daewoo E&C established an ESG committee consisting of CEO and executives in October 2022 to strengthen ESG management and governance in response to climate change. The ESG Committee has incorporated the Climate Change Response Committee¹⁾, into a sub-committee to enhance corporate response systems and strategies by strengthening governance on climate change issues. The ESG committee of Daewoo E&C will continuously review its strategy for setting GHG reduction targets to derive improvements. In particular, we identify risk/opportunity factors that can affect Daewoo E&C and establish corporate countermeasures with ESG consultative environmental related departments. Major issues related to climate change response and environmental management are resolved or reported to the Board of Directors at Daewoo E&C, the highest decision-making body.

1) The Climate Change Response Committee is an organization chaired by the CSO, and consists of working-level executives(managing executives, team leaders) of related organizations capable of deciding company-wide climate change and environmental issues. Decisions made by the Climate Change Response Committee are confirmed through the approval of the CEO or the ESG Committee.

Major Agenda Deliberations by the Board of Directors(regarding climate change response and environmental management)

Date	Agenda	Note
12. May. 2022	Report to the Board of Directors of the establishment of the Climate Change Response Committee	Reported
14. Jul. 2022	Report to the Board of Directors on the results of the 1st Climate Change Response Committee	Reported
13. Oct. 2022	Environmental issues included among ESG material issues for 2022(response to climate change, compliance with environmental laws and regulations, response to environmental accidents, etc.)	Reported
12. Jan. 2023	Reporting of 2022 KCGS ESG evaluation results to the Board of Directors on improvement plans for each detailed item in the environmental sector	Reported
9. Feb. 2023	Reporting to the Board of Directors on the reinforcement of environmental activities and improvement measures	Reported
13. Apr. 2023	Environmental issues included among ESG material issues for 2023(climate change response, eco-friendly construction methods and technology development, etc.)	Approved
11. May. 2023	Resolution on agenda for joining/supporting Task-Force on Climate-Related Financial Disclosures(TCFD)	Approved
	Resolution regarding the establishment and public disclosure of specific environmental policies by sector	Approved

ESG Committee Agenda Deliberation(related to climate change response and environmental management)

Date	Agenda	Note
24. Oct. 2022	Reporting on establishment of short, mid, and long-term GHG reduction targets	Reported
	Report on future action plans, such as strengthening GHG emission management	Reported
6. Feb. 2023	Reporting on improvements(draft) for each detailed item in the environmental sector, such as environmental management policies and policy establishment	Approved
3. Apr. 2023	Environmental issues included among ESG material issues for 2023(climate change response, eco-friendly construction methods and technology development, etc.)	Approved
	Establishment of green(product) purchase standards by utilization of official green certification by the Ministry of Environment	Approved
	Selection of eco-friendly projects and establishment of criteria by applying K-Taxonomy	Approved
8. May. 2023	Adoption and resolution of board agenda related to joining/supporting Task-Force on Climate-Related Financial Disclosures(TCFD)	Approved
	Decision on the agenda of the Board of Directors regarding the establishment and disclosure of specific environmental policies by sector	Approved
	Establishment of eco-friendly management policies and mid-to long-term goals for the entire construction supply chain (production, transportation, construction, use, and disposal)	Approved

TCFD 02 Climate Change Strategy

Assessment of Climate Change Risk and Opportunity Factors

Daewoo E&C classifies climate change risks and opportunities into transitional risks(regulatory/market) and physical risks based on their business impact and the necessity for response. In case of a need for long-term management based on the impact and urgency of response, we identify and manage them as potential risks. The risks are generally classified into transitional risks(policies, market trends) and physical risks(acute and chronic), and evaluation/analysis of the potential impact on Daewoo E&C's business activities are carried out and strategic responses are made.

Criteria for Selection of Material Climate Change Issues

Criterion 1



Physical loss

When the cost of physical damage due to climate change exceeds KRW 1 billion

Criterion 2



Decrease in profits

When physical damage caused by climate change causes a loss of more than KRW 10 billion in operating profits

Criterion 3



Disclosure

When there is a penalty imposed by force or when information within financial impact is to be disclosed

Analysis of Impacts of Climate Change

Daewoo E&C regularly analyzes climate change risks and opportunities. The subjects of analysis include directly-operated business sites and upstream and downstream. After identification of risks and opportunities for climate change, impact assessments are conducted by linking business strategies and projects. The evaluation scope includes short, medium, and long-term aspects. The response strategies for identified major risks and opportunities are monitored through internal inspections, and tasks for improvement are identified and periodically evaluated/managed. One of the most notable risks related to climate is being incorporated as a company subject to Emissions Trading Scheme. Daewoo E&C calculates potential financial risks and establishes relevant response strategies by identifying global trends in case of being incorporated into the emissions trading system. In terms of market risk, rising raw material prices are a major risk. Climate change causes price increases of construction materials requiring a lot of energy, such as cement and steel. Accordingly, Daewoo E&C is continuously monitoring raw material price fluctuations, establishing countermeasures for stable raw material supply and demand. On the other hand, opportunity factors based on the impacts of climate change are also identified. The opportunity factors of operation cost reduction by using high-efficiency products and logistics systems in resource efficiency, increased products and services sales increase from increased demand for low-carbon products and services, and investment returns through expansion of renewable energy businesses and introduction of energy efficiency improvement measures have been identified.

Climate Change Response Strategy(Scenario)

Daewoo E&C has conducted scenario analysis considering both the physical and transitional aspects based on global climate change scenarios to identify the risks and opportunities associated with climate change in the short, medium, and long term. Daewoo E&C conducted analysis considering the physical risks, utilizing RCP scenarios(RCP 2.6, 8.5), the WRI assessment tool and climate change reports from the Korea Meteorological Administration. For the transition risks, they considered the Paris Agreement targets, Net-Zero plans, IEA scenarios(NZE 2050, B2DS), SBTi's science-based target methodology, and the Republic of Korea government's Nationally Determined Contributions(NDC).

The RCP scenario refers to climate change prediction scenario analysis according to GHG emission concentrations. RCP 2.6 is a scenario minimizing abrupt climate change through efforts to reduce GHG emissions. Buildings utilizing renewable energy such as solar power and solar heat in addition to efficient designs to minimize energy loss is an example. Daewoo E&C is establishing methods to minimize waste from construction and resource circulation in addition to purchase of eco-friendly materials from the design stage by linking zero-energy building certification system, which will be mandatory from 2025, with the RCP 2.6 scenario.

On the other hand, in the RCP 8.5 scenario, it is important to increase the durability of buildings, as the possibility of damage to buildings caused by disasters such as strong typhoons, heavy rains, and tidal waves increases. There are methods such as strengthening the building structure or reinforcing the safety equipment of the building in preparation for disasters such as earthquakes and typhoons. In addition, thermal barriers could be installed on the outside of the building to maintain temperature and energy efficiency within the building, or heat-resistant materials can be applied to enhance fire safety. Daewoo E&C is continuously monitoring the status of climate change, establishing and managing response strategies for each scenario. The IEA NZE 2050 was applied as a transition scenario to establish a mid-to long-term roadmap for carbon neutrality.

Financial and Non-Financial Risks and Opportunities Related to Climate Change

(Unit: KRW)

Risk Factor		Risk Type	Details	Potential Financial Impact	Risk Management Cost	Response Strategy	Period
Physical	Acute	• Extreme weather events such as floods and typhoons	• Direct damage to company assets, such as on-site structures or temporary offices caused by extreme weather events such as floods and typhoons. • Indirect damage caused by increase of on-site overhead costs(prime cost) caused by work inability during floods and typhoons.	6,269,308,000	399,041,185	• Subscription to and maintenance of construction work insurance • Operation of weather monitoring system	Short-term
	Chronic	• Extreme changes in precipitation patterns and weather patterns	• Although it is difficult to predict changes in weather patterns due to climate change, the trend is steadily increasing. Especially, rising temperatures may cause rises in sea level and precipitation. → Process delay and quality deterioration in the field caused.	23,391,944,640	1,200,000,000	• Operation of 'Emergency Planning Team'	Long-term
Transition	Policy	• Carbon pricing system (emissions trading system)	• Financial risks caused by incorporation into the emissions trading system. → With the revision of the law on March 27th, 2022, Daewoo E&C will be incorporated into the system from 2026. Emissions management is required from 2025.	203,292,000	173,000,000	• Participation in climate change/GHG training/seminars/conferences • Dedicated manpower operation • Consultations in preparation for carbon emissions trading system	Mid-term
	Market	• Increasing cost of raw materials	• Government policies for carbon neutrality and rising energy costs lead to increased raw material prices. Cost ratio increases from rising raw material prices, such as the use of eco-friendly materials to reduce GHG emissions.	76,038,991,200	310,500,000	• Service notifying changes of raw material price • Placement of purchase staff • Operation of in-house purchase management system	Mid-term

Opportunity Factors		Opportunity Type	Details	Potential Financial Impact	Opportunity Management Cost	Response Strategy	Period
Opportunities	Resource efficiency	• Use of highly efficient products and logistics systems	• Increase in demand for highly efficient products and logistics systems to reduce GHG emissions, leading to a decrease in the amount of carbon credits purchased, leading to a reduction overhead(operating) costs.	491,884,492	100,000,000	• Expansion of GHG reduction activities → LED light replacement, introduction of green cars, etc. • Installation of solar panels(10 sites as trial) • Expansion of R&D support for the Institute of Construction Technology	Mid-term
	Products and services	• Development and expansion of low-carbon products and services	• International trends, strengthened government policies and customers' need for eco-friendliness are increased. • Opportunities for sales increase and customer satisfaction through the expansion of eco-friendly construction projects.	31,368,100,000	787,000,000	• Operation and investment in Institute of Construction Technology to strengthen competitiveness of eco-friendly construction technology	Mid-term
	Resilience	• Participation in renewable energy programs and introduction of energy efficiency improvement measures	• Continued investment and business for new and renewable energy, such as establishing a new energy business team and actively developing fuel cell business. • The goal of supplying fuel cell power generation(domestic demand) up to 8GW by 2040 presented according to the Hydrogen Economy Revitalization Roadmap(January 2019).	69,687,805,341	1,521,000,000	• Establishment and operation of new energy business team	Long-term

TCFD 03 Climate Change Risk Management

Establishment of Climate Change Risk Identification and Management Process

Daewoo E&C has established a materiality assessment and BAROCON environmental risk management system to systematically manage climate change risks flowing through various channels, evaluating and managing them in alignment with company-wide strategies. We are continuously evaluating the importance of each factor at the company level to identify and manage factors impacting the company's climate change risk every quarter. Before project contracts, climate change risks are reflected in the preliminary review statement, and potential risks related to climate change and other major environmental issues are taken into consideration by the PJ Assessment Committee. After contracting, physical environmental risks and climate change risks with impact on the construction period or cost are recorded and managed at the project level. The identified risks are discussed by the ESG Council and then integrated and evaluated as company-wide risk, and major issues are regularly reported to the ESG committee to establish and implement risk response measures.

03

03. Response to Risks

- Establishment of risk response measures and delivery to relevant departments
- Establishment of response measures by the ESG Committee(if necessary)

Climate change risk identification/evaluation/response process

01

01. Risk Identification

- Company-wide climate change risk/opportunity identification and monitoring
- Discussion and resolution of identified risks/opportunities
- Reporting of material issues and impact to management



02

02. Risk Assessment

Before project contract

- Reflection of climate change and environmental risks in the project preliminary review statement
- Review by PJ Assessment Committee(if necessary)

After project contract

- Listing in BAROCON Environmental Module Risk Management Program
- Listed risks are identified at regular monthly meetings
- Evaluation by integration in company-wide risks after discussion with the ESG Council



Performance of checking environmental risks and opportunity factors in review and deliberation of new investment projects

2022	2023
2 cases <ul style="list-style-type: none"> • New construction of Gangnam Data Center Office • Redevelopment project for Daejeon Seonhwa District 1 	6 cases <ul style="list-style-type: none"> • Redevelopment projects in the "Da" section of the "Ojeon" area • Infrastructure reconstruction in Benghazi, Libya • Ocean View Villa project in Quy Nhon • Fertilizer plant project in Turkmenistan • Paldal 115-3 district redevelopment project • O Mon 4CCPP project in Vietnam

* As of May 2023

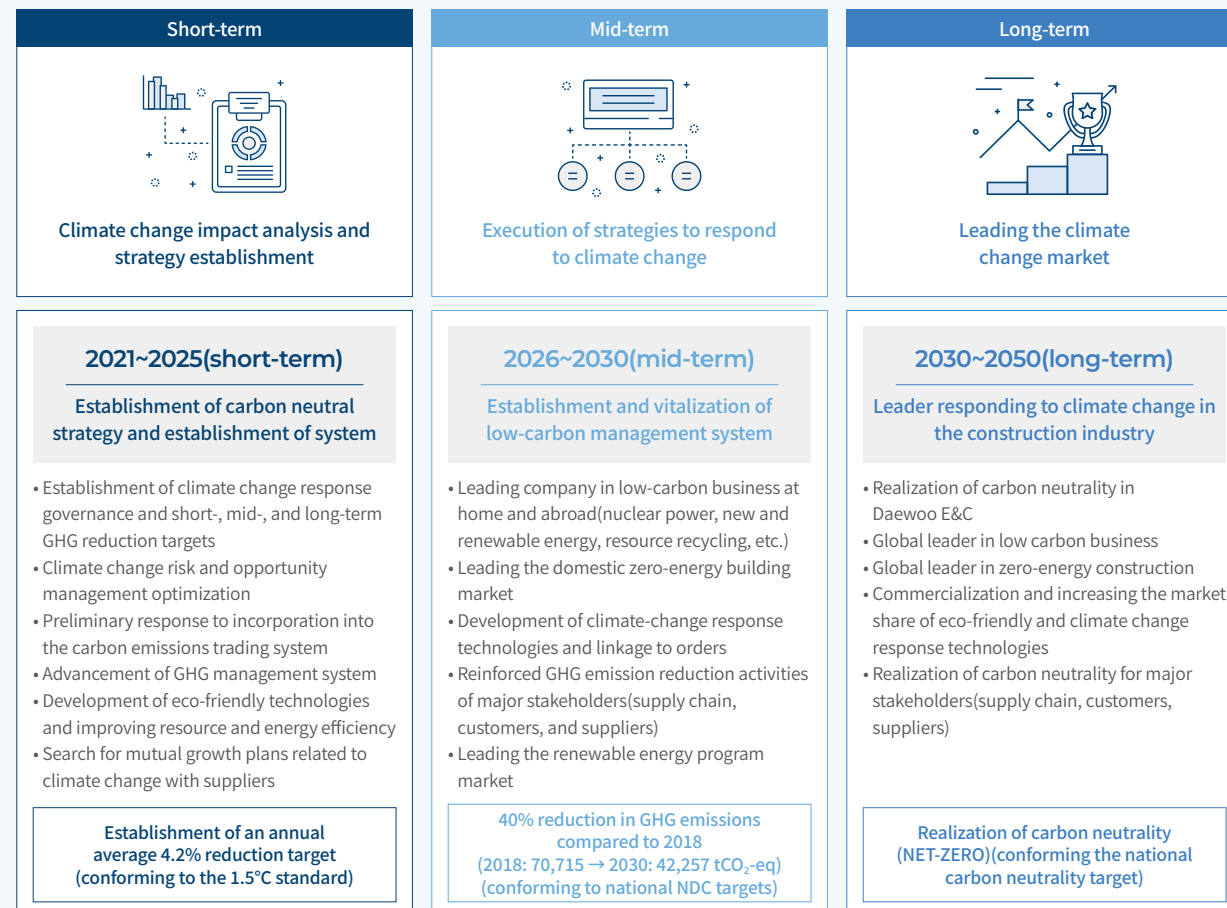
Process

TCFD 04 Climate Change Index and Target Management

Roadmap to Respond to Climate Change

Daewoo E&C has established a detailed mid-to long-term roadmap for 2050 Carbon Neutrality to realize climate change response strategies. We identified risk factors and opportunity factors that may have impact on the company by focusing on building governance for climate change response, aiming to achieve reduction results through effective means and methods to realize short-term, mid-to long-term targets and tasks. Daewoo E&C will disclose relevant activities and performance with all stakeholders in transparent manner, striving to achieve carbon neutrality.

Short/Mid/Long-term Greenhouse Gas Reduction Roadmap



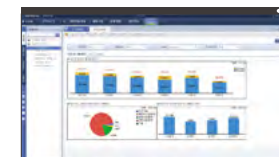
Participation in the Carbon Disclosure Project(CDP)

The Carbon Disclosure Project(CDP) is a global non-profit organization that collects information on carbon emissions of major listed companies around the world. The CDP publishes an analysis report on carbon information every year and provides it to stakeholders so that financial institutions around the world can make appropriate ESG investment decisions. The CDP report, which is used to understand a company's ESG-related performance, serves as a communication tool between the company and its stakeholders. Investors, policymakers, civil society, and academic societies around the world use the CDP data to respond to climate change. Daewoo E&C has been participating in the CDP since 2013 and disclosing carbon emission information.



BAROCON System(GHG Inventory)

Daewoo E&C has been operating a GHG inventory system under the BAROCON environmental management framework, an integrated management system, since 2012 for IT-based environmental performance management. Through the system, environmental data such as ISO 14001(environmental management system) operation, GHG emission management, and waste generation management are integrated and monitored to promote efficiency in environmental data management such as GHG emissions and energy consumption at all business sites.



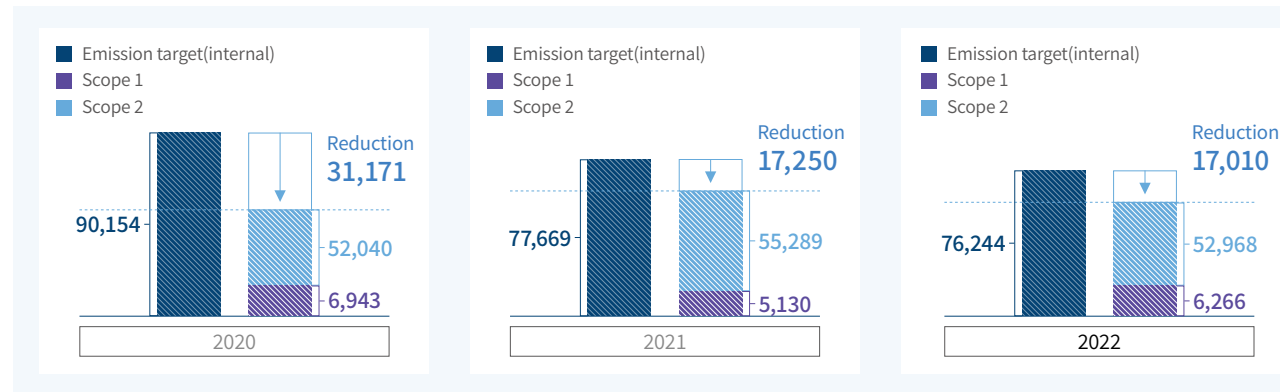
▲ BAROCON GHG Inventory

Current Status of Energy Consumption and GHG emissions

Daewoo E&C is actively participating in climate change response by setting GHG emission reduction targets and advancing the GHG inventory. As a company subject to the GHG target management system in the construction industry under the Framework Act on Carbon Neutrality, we are managing domestic Scope 1 and 2 emissions in compliance with the '2022 Greenhouse Gas Reduction Target Agreement' signed with the Ministry of Land, Infrastructure and Transport. GHG emissions in 2022 were 59,231 tCO₂eq, reduced by 17,010 tCO₂eq compared to the internal target. As the imperative and necessity of global response to climate change increase, demand for Scope 3 emissions management is also increasing. In response, Daewoo E&C has expanded the scope of domestic Scope 3 calculations, improving calculation method in more clear and scientific manner. As a result, the calculation range was expanded from 5 to 9, and the reliability of the calculation method was also improved as well. We are currently making preparations to voluntarily calculate and disclose not only domestic but also overseas GHG emissions in the future. We will continue our efforts to reduce GHG emissions and achieve carbon neutrality.

Greenhouse Gas Emission Targets and Performance

(Unit: tCO₂-eq)



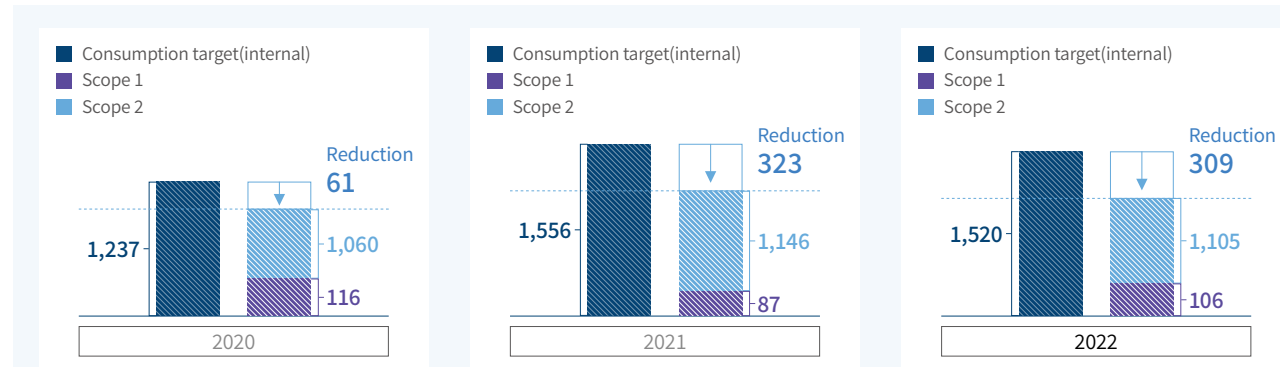
GHG emissions

Category	2020	2021	2022
GHG emission target(internal)	90,154	77,669	76,244
Direct GHG emissions(Scope 1)	6,943	5,130	6,266
Indirect GHG emissions(Scope 2)	52,040	55,289	52,968
Total GHG emissions(Scope 1 + Scope 2)	58,983	60,419	59,234

※ Note: Annual GHG emission is calculated by rounding down decimal points for each business site, so there is a difference from the sum of emission by type.

Energy Consumption Target and Performance

(Unit: TJ)



Energy Consumption

Category	2020	2021	2022
Energy consumption target(internal)	1,237	1,556	1,520
Fuel consumption(Scope 1)	116	87	106
Electricity/steam consumption(Scope 2)	1,060	1,146	1,105
Total energy consumption(Scope 1 + Scope 2)	1,174	1,230	1,210

※ Note: Annual energy consumption is calculated by rounding down decimal points for each business site, so there is a difference from the sum of energy consumption by type.

Environmental Management



2022 Highlights



PQ credibility environmental reductions caused by violation of environmental laws

ZERO



Waste recycling rate¹⁾

99.97%



Water usage(compared to sales)

9.8

ton/KRW 100 million

1) Recycling rate: Ratio of waste treatment by methods other than incineration and landfill to total generation

▶ Eulji Twin Towers Artificial Reforestation

Governance

Daewoo E&C focuses on environmental risk management by unifying the environmental system of the entire company into a single HSE-Q division's control and advancing the environmental management system. Responsibilities and authorities related to environmental management of each head of organization have been stipulated in company regulations, and the 'Quality & Environment Team' under the 'HSE-Q division' has been entrusted with environmental management, forming an organic system with related department such as the 'ESG Team'. The Chief Safety and Quality Officer(CSO) supervises the effectiveness of the company-wide environmental system and climate change response policies, inspecting annual performance through annual management reviews, directing improvement and policy directions. Also, we have appointed on-site environmental managers internally to establish and implement on-site management systems, and activities such as compliance with environmental laws and energy reduction are carried out.

Risk management

Daewoo E&C manages risks caused by environmental pollution and climate change through materiality assessment and the BAROCON environmental risk management system, with project-unit risks reviewed and managed in linkage with company-wide relevant organizations. Major issues and status are regularly reported to the ESG Committee. Also, we are reinforcing conservation activities for the natural ecosystem, continuously inspecting waste reduction and recycling rate enhancements at business sites to achieve transition into a resource-circulating economy.

Metrics and targets

Daewoo E&C aims to improve environmental management system efficiency and the internal stability of the on-site environmental management system operation, and to improve its reputation by upgrading the external environmental evaluation rating. At the same time, we are continuously making efforts to realize eco-friendly construction, management of resource circulation, and biodiversity preservation.

Strategy

Advancement of Environmental Management System

- Joining of TCFD
- Improvement of employee awareness of environmental management
- Protection of the ecosystem
- Reinforcement of the on-site environmental management system

Minimization of On-site Environmental Impact

- Water resources and water pollution management
- Air pollution and chemical management
- Construction site waste management
- Raw material/resource management

Supply Chain Management

- Environmental training for suppliers
- Reinforced investment in the environment sector
- Encouragement of improvement in awareness of supplier employees

Strengthened Decision-making by the Board of Directors



▲ Daewoo E&C Environmental Management Policy

Environmental Management Policies

Daewoo E&C integrated company-wide health and safety, quality, and environmental management policies and goals in January 2023, with the aim of complying with company-wide environmental management policies based on the employees' recognition, sympathy, and sense of responsibility. Also, we established the goal of zero violation of major environmental laws and regulations for our future and descendants, continuously making improvements by preparing achievements strategies. At the same time, environmental policies have been established to ensure the satisfaction of internal and external stakeholders and the sustainability of the company, and it was finalized through the resolution of the Board of Directors.

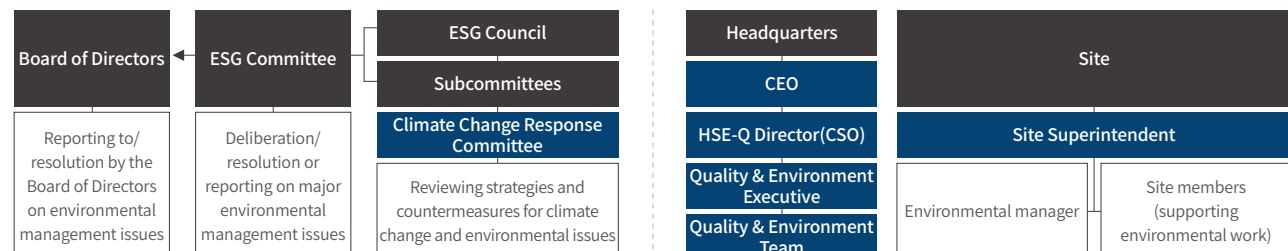
Environmental Management Specific strategy



Environmental Management Goals

	2023	2030	2050
PQ credibility environmental reductions caused by violation of environmental laws	0(zero)	0(zero)	0(zero)
GHG reduction target (emission allowance)	76,244 tCO ₂ -eq	42,257 tCO ₂ -eq	Net-zero
Energy reduction targets (allowed amount of use)	1,520 TJ	1,125 TJ	477 TJ
Waste recycling rate (compared to total generation)	99.79 %	99.99 %	99.99 %
Water Consumption(to sales)	10.5 ton/KRW 100 million	8.4 ton/KRW 100 million	4.6 ton/KRW 100 million
Long-term environmental Targets			
Promoted Strategies	Establishment of voluntary prevention system for on-site environmental management <ul style="list-style-type: none"> Strengthening effectiveness of inspection/support system Strengthening of management of major violations Reinforcement of response to external evaluation Transformation of environmental awareness 		
	Vitalization of on-site voluntary prevention system for environmental management <ul style="list-style-type: none"> Detailed on-site environmental management guidelines Improvement of on-site environmental management capabilities Continuous improvement of R&R for on-site environmental management Establishment of supplier environmental management support system 		
	Advancement of voluntary prevention system for on-site environmental management <ul style="list-style-type: none"> Establishment of environmental management guidelines for each work type Operation of a organization dedicated to on-site environment Operation of an organic environmental management system with suppliers 		

Company-Wide Environmental Management Organization System



Environmental Risk Management

Daewoo E&C conducts environmental impact assessments in order to preemptively respond to environmental risks that may be caused by the company's business activities and minimize the environmental impact on the surrounding area. We are identifying strengthened environmental regulations as a major risk factor externally, and we are implementing detailed strategies to manage them. Our risk management strategy for compliance with environmental regulations focuses on continuously improving the environmental management system, training/inspection/support for on-site environmental managers, improving construction waste management, and raising awareness of suppliers' compliance with environmental regulations.

Furthermore, we have identified 'lack of manpower in performing environmental inspections' at the site as an internal risk factor. Based on limited human resources, we are considering and have introduced practical technological enhancements such as strengthening online monitoring functions to improve the effectiveness of environmental inspections. Environmental data generated on site is collected and analyzed in real time and the progress of on-site environmental inspections are tracked and evaluated through the introduction of appropriate procedures and systems in order to alleviate the problem of lack of manpower. Reports of inspection results are prepared based on the collected and analyzed data, and solutions are derived promptly for environmental risk factors identified on site, and corrective recommendations are made for improvement measures to be quickly implemented through site managers. Daewoo E&C will continue to strengthen risk management activities to minimize environmental pollution.

Financial and non-financial risks and opportunities regarding major environmental issues

Category	Risk Type	Risk Factors	Opportunity Factors	Impact of Risk			Risk-management Strategies
				Financial		Non-financial	
External	• Continuously strengthened environmental regulations	<ul style="list-style-type: none"> • In case of violation of environmental laws and regulations <ul style="list-style-type: none"> - Fines imposed - Construction suspended (in part or whole) • In case of environmental issues/accidents <ul style="list-style-type: none"> - Negative media coverage 	<ul style="list-style-type: none"> • Minimization of environmental impact • Preparing the groundwork for establishing an eco-friendly workplace 	<ul style="list-style-type: none"> • Violation of environmental laws and regulations (Unit: KRW million)		<ul style="list-style-type: none"> • PQ credibility environmental reductions • Negative impact on ESG evaluation • Decline in external credibility • Negative impact on corporate image 	<ul style="list-style-type: none"> • Continuous improvements of the environmental management system • Continuous training/inspection/work support for on-site environment managers • Promotion of improvement of construction waste management (establishment of separate storage standards, facility investment, etc.) • Raising awareness of suppliers' compliance with environmental laws and regulations (granting incentives, operation of disciplinary system)
				Fines	Noise	59.8	
					Waste	30.4	
					Scattering dust	3.6	
				Construction suspension	Noise	1,881	
				Total		1,975	
Internal	• Lack of manpower at headquarters to carry out environmental inspections	<ul style="list-style-type: none"> • Cannot verify the implementation and validity of the environmental management system • Being unable to provide support for compliance with on-site environmental laws and prevention of environmental pollution 	-	-		<ul style="list-style-type: none"> • Lack of on-site guidance and training opportunities to comply with environmental laws and regulations 	<ul style="list-style-type: none"> • Improvement of the effectiveness of environmental inspections (clarification of the purpose of implementation, consideration of on-site environmental risks) • Reinforced online monitoring function

Encouragement of Employee Participation in Environmental Management

Daewoo E&C implements various systems to encourage employees' voluntary participation in environmental protection. The Environmental Slogan Contest was held to raise employees' environmental awareness and encourage strengthening of on-site environmental management, and 100 employees participated in the contest.



On-site Environmental Management

Daewoo E&C has established and is operating an environmental management system based on the ISO 14001 certification to strictly comply with environmental laws and regulations such as the Air Quality Conservation Act, Construction Waste Act, Noise and Vibration Control Act, Water Environment Conservation Act, Soil Environment Preservation Act, Carbon Neutral Basic Act, and the Greenhouse Gas Target Management System. The 'Quality & Environment Team', a team dedicated to the environment at the headquarters, monitors environment-related laws and regulations, and carries out support, training, evaluation, inspections, assessments, and monitoring through establishment of the basis for environmental management system operation such as in-house procedures/guidelines, policies, and on-site environmental management practice guide. At each site, the internally appointed environmental manager conducts on-site environmental management activities such as establishing an on-site environmental management system, environmental training, and inspections based on environment-related laws, environmental management systems, in-house procedures and guidelines, and on-site environmental management practice guidelines to strictly comply with environmental laws and create eco-friendly sites.

Environmental Training

Daewoo E&C conducts regular environmental training to raise environmental awareness of all employees and suppliers and enable field personnel to practice environmental management voluntarily. Collective face-to-face training is conducted for on-site environment managers under the supervision of the 'Quality & Environment Team' at the headquarters, and on-site in-house environmental training is conducted at least once a month for employees on site under the supervision of the on-site environment manager. Also, we are striving to raise environmental awareness at the site by requiring workers from suppliers to receive training as well during on-site environmental training.

Environment Manager Training Supervised by the Headquarters

Category	Plan (persons)	Performance (persons)	Completion rate(%)	Number of training days/sessions
New training	106	96	90.6	3/3
Job training	196	189	96.4	5/5
Total	302	285	94.4	8/8



▲ ISO 14001 certification

Environmental Training for Suppliers

Daewoo E&C conducts environmental training to strengthen the environmental management capabilities of suppliers, strengthening activities to prevent violations of environmental laws and regulations, improving awareness of on-site environmental management. Environmental training was conducted for 23,935 employees and workers of suppliers at each site in 2022.

In-house Environmental Training at Worksites

Category	No. of times carried out (times)			Participants (persons)		
	General environmental training	Construction waste training	Subtotal	Daewoo E&C	Suppliers	Subtotal
Housing & Building	432	551	983	16,711	21,128	37,839
Civil	190	208	398	5,391	2,378	7,769
Plants	33	30	63	1,063	429	1,492
Total	655	789	1,444	23,165	23,935	47,100



▲ Headquarters and Site-Led Environmental Training

Environmental investment performance

Daewoo E&C has been continuously investing in environmental costs arising from various facilities and management and eco-friendly technology development to prevent environmental pollution. Investment increased in 2022, and we continue to expand our investment in the environmental sector.

Category		Unit	2020	2021	2022
Environmental investment ¹⁾	Plan	KRW million		877	1,378
	Performance	KRW million	419	726	787
Investment implementation ratio		%		82.78	57.11
Environmental cost ²⁾	Plan	KRW million		31,432	40,300
	Performance	KRW million	67	25,451	32,709
Ratio of environmental cost implementation		%		80.97	81.16

1) Environmental investment: cost of environmental technology development(eco-friendly technology)

2) Environmental cost: environmental management cost(environmental pollution prevention)



▲ Spraying and washing the wheels in loading, sediment basin, and separate storage of waste(from upper left)

Responding to Environmental Accidents

Daewoo E&C has established an environmental accident response system based on ISO 14001 certification, conducting emergency response drills to prevent environmental pollution and minimize damage to stakeholders caused by environmental accidents through prompt and efficient responses to environmental accidents. Training plans are prepared at each site in advance to respond to emergencies, conducting mock training according to site conditions based on effective virtual scenarios. In addition, emergency plans are supplemented and recorded/managed in BAROCON environmental system with mock training scenarios/results after carrying out environmental accident mock trainings.

Mock Training to Respond to Environmental Accidents

Category	Unit	2020	2021	2022
Environmental accident response mock training performance	Times	23	26	16

Disclosure of Environmental Performance

Daewoo E&C registers and discloses environmental information and environmental performance regarding the headquarters and construction sites in the Environmental Information Disclosure system of the Ministry of Environment every year in accordance with the Environmental Information Disclosure System of the Ministry of Environment.

Worksites subject to Environmental Information Disclosure	Details of Environmental Information Disclosure
Headquarters and construction sites (216 sites) * As of 2022	<ul style="list-style-type: none"> * Environmental management promotion system * Resources and energy saving goal and performance * Targets and performance for environmental pollution discharge reduction

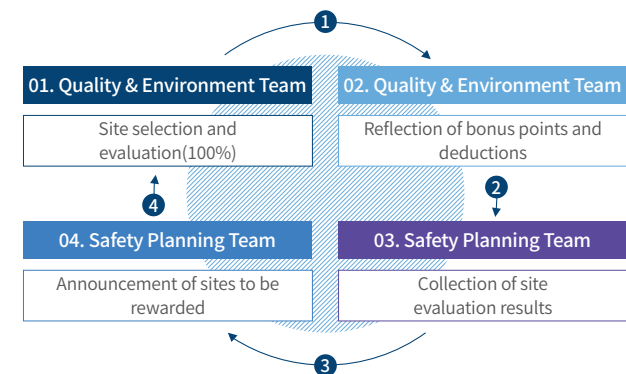
Environmental examination, inspection, and support performance

Category	Item	Unit	2020	2021	2022
Environmental examination, inspection, and support	On-site environmental examination and inspection	Cases	25	46	37
	On-site environmental support		16	52	31

Environmental Evaluation and Rewards

Daewoo E&C carries out environmental system examinations, environmental patrol inspections, and environmental activity monitoring for sites to inspect the implementation of the environmental management system and compliance with environmental laws. The results of screening, inspection, and monitoring are reflected in on-site environmental performance evaluation, and outstanding sites and employees are rewarded every year to encourage on-site environmental management activities. In 2022, evaluation was carried out for 133 sites for civil engineering, housing construction, and plant, and bonus points and deductions were reflected according to the criteria of the 'Quality & Environment Team' to reward employees.

Environmental Evaluation Process



Results of 2022 Environmental Management Performance Evaluation

Category	Sector	Site Name
Best Quality and Environment	Civil	Sejong-Anseong Highway Section 6
	Plants	Ulsan North Port Terminal Phase 1
Outstanding	Housing & Building	Geomam Station Royal Park City Prugio Complex 1
	Housing & Building	Gwacheon Prugio Ortus
Exemplary	Housing & Building	Ansan Prugio Bripark
	Housing & Building	Ansan Prugio Bripark

Protection of the Ecosystem

Water Resource Management

Daewoo E&C strives to collect rainwater from rainfall into sediment basins, reusing them as water for sprinkling to reduce scattering dust. Also, groundwater leakages during construction are reported in accordance with relevant laws and regulations, and efforts are made to minimize leakage. In inevitable cases of rainwater or groundwater discharge, sediment is removed through a sediment basin and water quality analysis is carried out by a professional agency to confirm that there are no water pollutants before release. Furthermore, in case of wastewater generation, water pollution prevention measures are taken to install sewage treatment facility or wastewater discharge facility according to the type of wastewater, generation area, discharge type, etc. Daewoo E&C strictly manages water pollution contaminants by applying On-site Environmental Management Practice guide, which contains in-house management standards that are 10% stricter compared to the legally permitted standards such as the Water Environment Conservation Act and Sewerage Act. Furthermore, water usage and evidence(bills, etc.) are attached in the SAP system(accounting system) in accounting for water usage, and the data is managed in linkage with BAROCON.

2022 water usage(compared to sales)

target: **10.9**ton/KRW 100 million,
performance: **9.8**ton/KRW 100 million

Water Usage

Category	Unit	Usage
Water supply	Ton	1,013,448
Underground water		1,151
Stream water		3,820
Total		1,018,419

Water Usage and Management of Water Sensitive Areas

A large amount of water is consumed to reduce the generation of scattering dust during the construction process. However, areas suffering from water shortage are expanding globally and the importance of water use and management is increasing. Accordingly, Daewoo E&C includes water usage as an environmental management goals, and is raising employees' awareness of water usage in efforts to reduce water usage. Also, according to Aqueduct Projected Water Stress Country Rankings of the World Resources Institute(WRI), water stress levels of countries included in our major markets, and total water consumption for the major three countries have been identified. We will gradually expand our subjects of analysis and will encourage sites located at countries of high water stress to join in activities to reduce water usage reduction.

Current Status Of Water Use Proportion By Major Countries Based On WRI Water Stress In 2022

No.	Category	Water Stress		Proportion compared to sales	Proportion of water usage	Note
1	Nigeria	0.33	(<10%)	14%	-	Water usage not calculated
2	Vietnam	1.09	Low to Medium(10-20%)	1%	10%	
3	Saudi Arabia	4.99	Extreamly High(4-5)	1%	-	Water usage not calculated
4	Singapore	5.00	Extreamly High(>80%)	8%	29%	
5	Algeria	4.17	Extreamly High(>80%)	3%	60%	
6	Oman	4.97	Extreamly High(>80%)	11%	-	Water usage not calculated
7	Iraq	3.67	High(40-80%)	37%	-	Water usage not calculated
8	India	3.62	High(40-80%)	11%	-	Water usage not calculated
9	Indonesia	2.88	Medium to High(20-40%)	4%	-	Water usage not calculated
10	Qatar	5.00	Extreamly High(>80%)	3%	-	Water usage not calculated
11	Kuwait	4.97	Extreamly High(>80%)	4%	-	Water usage not calculated
12	The Philippines	2.78	Medium to High(20~40%)	4%	-	Water usage not calculated
Total				100%	100%	

Management of Air Pollutant

Daewoo E&C completes the report of scattering dust generation before starting construction in accordance with the Clean Air Conservation Act as well as in-house procedures and guidelines and on-site environmental management practice guide to curb scattering dust generation, and installed and operates construction vehicle washing facilities, mobile high-pressure water sprinklers, sprinkler vehicles, and anti-dust covers. Although there is no site where air emissions facilities emitting air pollutants such as NO_x and SO_x have been installed and operated, the on-site environmental management practice guide containing in-house management standards which are 10% stricter compared to legally permitted standards is applied to domestic business sites. In addition, we have installed fine dust concentration meters on site and the measured values are disclosed and monitored in real time to strengthen activities for reducing scattering dust and fine dust. In addition, we have signed voluntary agreements with the Ministry of Environment and the Seoul Metropolitan City to strictly comply with them.

Category	Agreement Name	Agreement Period	Note
Ministry of Environment	Voluntary agreement to reduce high-concentration seasonal fine dust	30. Jan. 2019 - Continued	Automatic renewal by 1 year
Seoul Metropolitan City	Voluntary agreement for eco-friendly construction site operation for fine dust generation reduction from construction sites	29. Jul. 2022 - 28. Jul. 2023	



▲ Agreement with the Ministry of Environment

▲ Agreement with the Seoul Metropolitan City

Water Pollutant Management

In case of wastewater generation during construction process, water pollutants are discharging and minimizing through wastewater discharge facilities. Wastewater treatment facilities have been installed and is being operated under the direct management of Daewoo E&C at three business sites. The business sites comply with the water quality standards by entrusting wastewater discharge facility management to a specialized company. In addition, sewage water generated from the operation of on-site temporary offices is discharged through septic tanks or sewage treatment facility, and these facilities are also consigned to a specialized company to prevent water pollution.

Water Pollutant Discharge Status and Legal Allowance

Category				2021	2022
SS	Legally accepted level(mg/L)	120	Emissions(ton)	0.296	0.209
	Internal accepted level(mg/L)	108	Discharge(m³)	25,437	49,173
			Discharge concentration (mg/L)	5.5~17.8	1.0~7.5
BOD	Legally accepted level(mg/L)	120	Emissions(ton)	0.003	0.037
	Internal accepted level(mg/L)	108	Discharge(m³)	2,898	45,974
			Discharge concentration (mg/L)	1.2	0.4~1.2
TOC	Legally accepted level(mg/L)	75	Emissions(ton)	-	0.045
	Internal accepted level(mg/L)	67.5	Discharge(m³)	-	38,834
			Discharge concentration (mg/L)	-	1.1~1.2
Note(number of disclosed sites)				2 sites	3 sites

* Emissions = Amount of discharged water

* Average discharge concentration(median value of discharge concentration values)

Management of Chemicals

Daewoo E&C manages and supervises the entire process from introduction of hazardous chemicals of suppliers to final disposal, including directly operated worksites. Daily inspections are carried out by on-site safety/health managers and inspections at least once a week are carried out by environment managers to reduce risks from hazardous chemicals to all sites. Daewoo E&C is a business site subject to submission of chemical substance statistical surveys. In addition to the Chemical Substances Control Act, a strict management system has been established, and we are making efforts to prevent damage to the surrounding environment caused by chemicals leakage accidents.

Usage of Hazardous Chemicals

(Unit: ton)

Category	2020	2021	2022
Sodium hydroxide(25%)	605.96	0	0
Sodium hydroxide(35%)	671.59	0	0
Sulfuric acid(50%)	21.01	0	0
Total	1,298.56	0	0

Soil Pollution Management

Daewoo E&C identifies works causing soil contamination in advance through environmental impact assessment, and establishes and implements management measures for the identified hazardous work. When installing facilities(oil storage, generators, etc.) or carrying out work(concrete pouring, waste separation screening, etc.) that may cause soil contamination, measures suitable for soil protection, such as installation of a shelter on the soil surface to prevent soil pollution, are carried out. Also, when pollution or pollution concerns are detected during the construction process, we are sparing no efforts in preserving the soil environment by requesting a soil pollution level analysis by a specialized analysis agency, carrying out soil purification according to the results.

Resource Circulation and Waste Management

Daewoo E&C strictly manages waste at every stage from generation to disposal in order to minimize the environmental impact of waste generated at worksites. We establish a waste recycling target every year and separate and store wastes by type and method of treatment. In addition, we expanded training on domestic field construction waste, with 8 types of teaching plans prepared and distributed to sites, and quarterly on-site construction waste training provided.

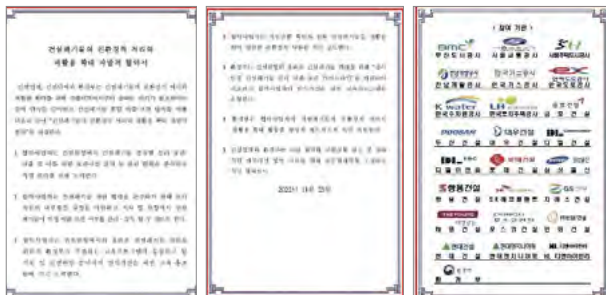
Waste Recycling Target for 2022

2022 Emission
Quantity
633,300 ton
Comparison

target : **99.76%** (631,780 ton),

Performance : **99.97%** (633,139 ton)

In addition, we are revising existing guidelines and improving the system for separate discharge and storage of waste in order to increase the waste recycling rate and maximize resource circulation, monitoring effectiveness by preferentially applying them to pilot sites. The monitoring results will be reflected in the new construction waste management guidelines through an internal review. In addition, we are also actively participating in the government's environmental policy by signing the 'Voluntary Agreement to Expand Recycling and Eco-friendly Treatment of Construction Waste' with the Ministry of Environment.



▲ Agreement with the Ministry of Environment

Management of Waste-Related Suppliers

Daewoo E&C has been discovering excellent waste treatment companies and registering them as suppliers to fulfill consignment contracts through registered suppliers on site since 2011. Registered waste disposal companies are evaluated on a yearly basis, and warnings, dismissal measures, or warning reduction measures are implemented according to evaluation results. A total of 101 waste disposal companies were registered in 2022, and we are discovering new companies twice a year regularly (January and July) and in non-regular manner to improve work efficiency.

Waste Generation and Recycling Rate

(Unit: ton)

Category	2020	2021	2022
Waste generation	532,854	772,730	633,300
- Construction waste	527,312	762,688	628,557
- Worksite waste (general)	5,528	10,031	4,613
- Worksite waste (designated(hazardous))	14.14	11.05	129.01
Recycling quantity	529,156	770,613	633,139
Recycling rate	99.31%	99.73%	99.97%

Details of Worksite Waste (Designated(hazardous)) Generation

(Unit: ton)

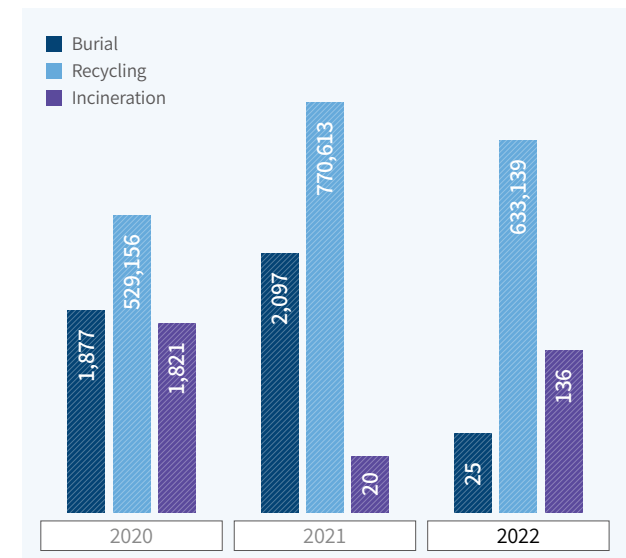
Category	2020	2021	2022
Waste oil	12.64	5.5	105.42
Waste paint	1.5	0.8	-
Others	-	4.75	23.59
Total	14.14	11.05	129.01

Waste Management, Recycling Status

Daewoo E&C signs contracts with appropriate waste contractors according to internal procedures, and generated waste is transported and processed through contracted companies. A separated storage facilities suitable for the characteristics of the waste is installed on site, and the generated waste is sorted and stored separately by type before being consigned to a licensed collection and transportation company. The collection and transportation company passes through the waste weighing scale at the disposal company and transfers the contracted waste to the disposal company. The Korea Environment Corporation periodically calibrates the weighing scale and measurement, and the information is correctly entered into the Allbaro system. Also, we have established and are operating a system monitoring waste treatment in real time by linking the Korea Environment Corporation's Allbaro system and the company's waste management system, developing and using a mobile application enabling preparation of an electronic handover anywhere for the first time in Korea since 2015. In addition, all data related to waste, such as waste generation and outsourcing, is managed by Barocon.

Waste Treatment for the Past 3 Years

(Unit: ton)



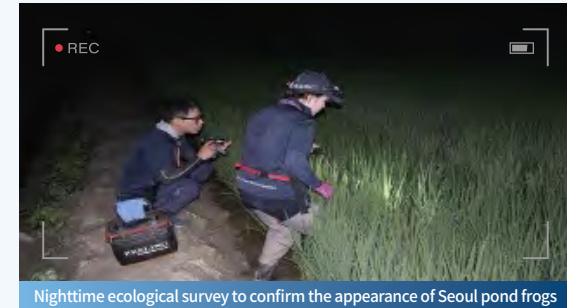
Biodiversity Conservation Strategies

Daewoo E&C identifies the current status of endangered animals and species in accordance with the Environmental Impact Assessment Act in order to conserve biodiversity and the natural environment near business site and the region near business sites, establishing relevant response plans. In addition, continuous monitoring is performed through quarterly surveys and carrying out necessary measures in order to conserve biodiversity and minimize negative impact on the ecosystem. For example, we conducted nighttime ecological surveys to protect Seoul pond frogs at sites deployed in the Gyeonggi area and also performed activities such as releasing adult Seoul pond frogs into safe rivers. In addition, we are creating terrestrial and aquatic biotopes by utilizing landscaping green areas within and outside of project sites where residents' interference can be minimized. We are making efforts to minimize impact on biodiversity and protect habitats through various methods according to the characteristics of endangered animals and plants for each business site.

Establishment of Activities for Protected Species in the Region by Business site

Region	Legally Protected Species					Activities	Performance	
	Amphibians, reptiles	Mammals	Fish	Birds	Terrestrial plants		2022	Note
2 sites in Gyeonggi area (Gwacheon Knowledge Information Town district development, Geomdan District 3 site development)	• Seoul pond frog • Narrow-mouthed frog	-	-	-	-	Migration of protected species	<ul style="list-style-type: none"> • Elimination of ecological disturbing plants(Japanese hop, giant ragweed) • Quarterly monitoring 	Close inspection of legally protected species(2018) Completion of Seoul pond frog and narrow-mouthed frog migration(2018)
3 sites in Gyeongsang area (Gyeongsan Knowledge Industrial Complex Phase 2, Daegu Outer Ring Expressway Section 2, Busan Metro Yangsan Line Section 1)	• Kori salamander • Narrow-mouthed frog	• Otter • Wildcat	-	<ul style="list-style-type: none"> • Mandarin duck • Goshawk • Kestrel • Long-billed ringed plover • Whooper swan 	• Prickly water lily	Implementation of protection measures according to the characteristics of the species based on advice from experts	<ul style="list-style-type: none"> • Quarterly monitoring 	Elimination of ecological disturbance plants(2020) Plan to immediately establish and implement appropriate protection measures in case of discovery of protected species
2 sites in Jeolla area (Gangjin-Gwangju Expressway Section 1, Saemangeum Section 6-1)	-	-	• Variety of perch	• Oyster catcher • Kestrel	-	Establishment of ecological pathways, and securing habitats	<ul style="list-style-type: none"> • Adjustment of construction sensitivity and avoidance of night work in consideration of major breeding and activity periods • Use of low-noise and low-vibration equipment • Quarterly monitoring 	Installation of ecological corridors and waterway escape facilities (2019-2021)
1 site in Chungcheong area (Seohae Railway Section 4)	• Seoul pond frog • Narrow-mouthed frog • Suwon tree frog	-	-	-	-	Installation of protective fences, capture/relocation	<ul style="list-style-type: none"> • Quarterly monitoring 	Installation of protection fence(2017) Completion of capture and migration of Seoul pond frogs and monitoring of alternative habitats (2018-ongoing)

Biodiversity Conservation Activities



Nighttime ecological survey to confirm the appearance of Seoul pond frogs



Release of Seoul pond frogs



Installation of alternative habitats and protective safety nets

Eco-friendly Supply Chain Management

Support to Strengthen Suppliers' Environmental Management Capabilities

Daewoo E&C is sparing no efforts to fulfill responsibilities as a prime contractor and practice win-win management by carrying out environmental management support activities and environmental training for suppliers to support them to strengthen their environmental management capabilities.

Incentives for Suppliers with Excellent Environmental Management

In addition to the existing reward system for suppliers with excellent environmental management, Daewoo E&C introduced a new system granting additional points related to the environment in comprehensively evaluating suppliers. We are encouraging voluntary environmental management by granting additional points to suppliers with ISO 14001 environmental management certification, awards for outstanding environmental performance, or participation in construction environmental management best practice contests.

Expansion of Eco-Friendly Purchases and Businesses

Daewoo E&C is disclosing eco-friendly purchase results by categorizing eco-label certified products, good recycling(GR) certified products, and low-carbon certified products as green products through the ESG Committee. Also, businesses applying K-Taxonomy standards(Korean Green Categorization System) are categorized as eco-friendly businesses, transparently disclosing eco-friendly sales performance. Daewoo E&C will make efforts to expand business in the eco-friendly field and improve performance in the future.

Business Standards for Eco-Friendly Business

Field	Major Details
R&D	Various activities related to R&D and demonstration related to GHG reduction
Development and Energy	Establishment, remodeling, and operation activities of renewable energy production facility
	Establishment, remodeling, and operation of power generation facilities, cogeneration facilities, and heat production facilities utilizing LNG or mixed gas
Urban Buildings	Green building certification(highest grade), etc.
Carbon Dioxide Capture	Establishment, remodeling, and operation of carbon dioxide capture facilities, etc.

Field	Major Details
Water	Installation and operation of water supply facilities to supply water for living or industrial use

*A total of 15 categories

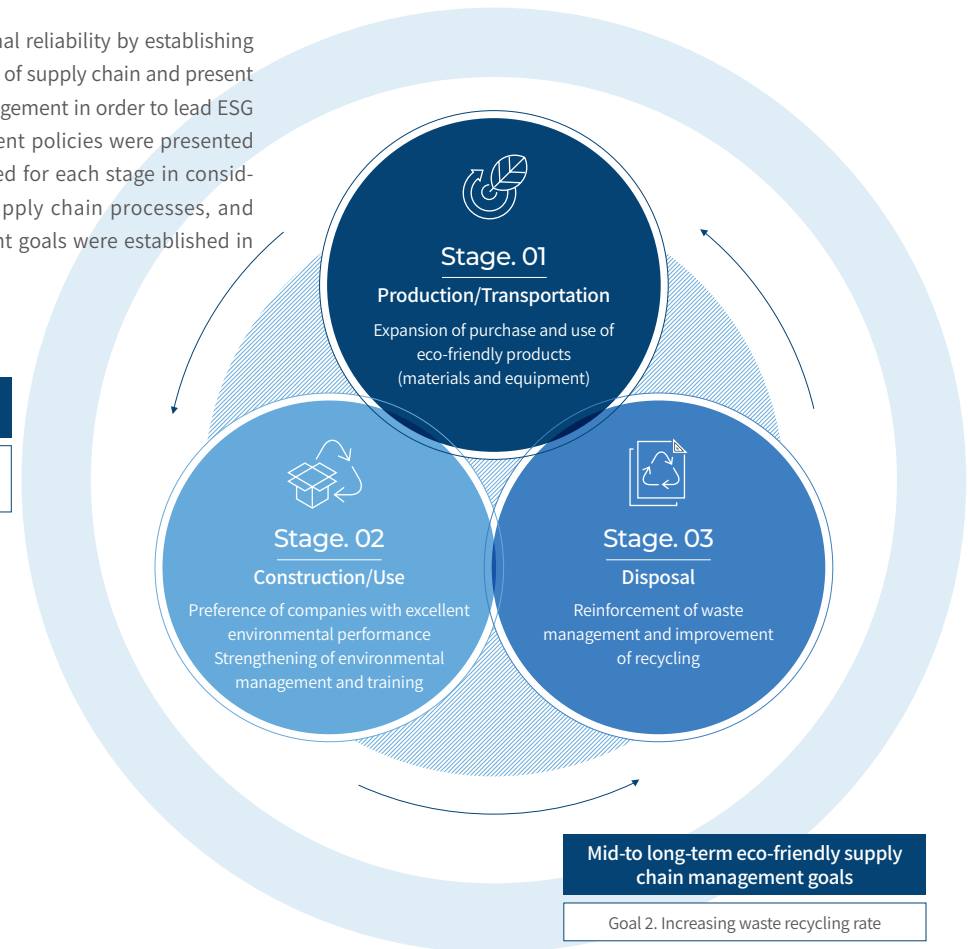
Green Supply Chain Policy

Daewoo E&C is striving to boost external reliability by establishing eco-friendly policies and goals in terms of supply chain and present the direction of supply chain risk management in order to lead ESG management. Eco-friendly management policies were presented and detailed policies were established for each stage in consideration of the entire construction supply chain processes, and eco-friendly supply chain management goals were established in the mid-to long-term as well.

Supply Value Chain For Construction

Mid-to long-term eco-friendly supply chain management goals

Goal 1. Increasing the ratio of green purchases (3.4% of the current total sales)



Establishment of detailed eco-friendly policies for each stage and continuous monitoring for organic circulation of policies between different stages are necessary

Eco-Friendly Social Contribution Activities

Daewoo E&C considers social contribution to be an important value, and is steadily practicing waste recycling, donation, and activities for local environment cleaning and resource circulation in domestic and overseas sites in order to contribute to local communities. In addition, we are sponsoring the preservation of inland wetlands in Mudeungsan National Park in cooperation with the Jungheung Group, and we are sharing eco-friendly energy by sending solar lanterns assembled by Daewoo E&C Executives and employees' family to children in energy-scarce countries through the Lighting Children Campaign.



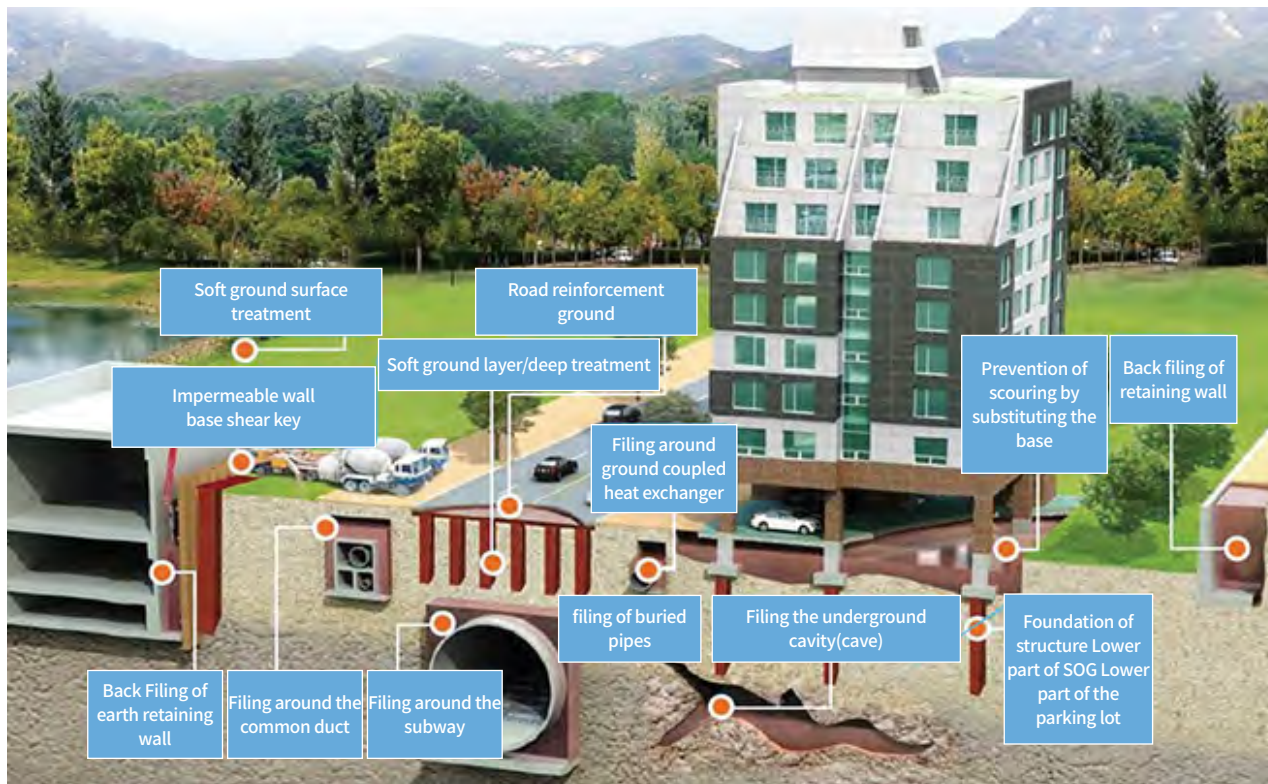
- 1 2 Environmental cleanup activities at Ulsan North Port Terminal Phase 2 Construction Project Site(Dec. 2022)
- 3 Donation of recycled wood to the local community at Duqm near the Duqm Refinery project site in Oman(Jun. 2022)
- 4 Business agreement ceremony for Mudeungsan National Park's Pyeongdume wetland(Nov. 2022)
- 5 Plogging activities by the Finance Division(Sep. - Oct. 2022)
- 6 Lighting Children Campaign(May. 2023)

Implementation of Eco-Friendly Construction

Construction Applying Eco-Friendly Technologies

Controlled Quick & Quality Ground Cementation(CQC)

Daewoo E&C uses eco-friendly construction methods to reduce the use of raw and subsidiary materials and to recycle natural resources in a very innovative way. The Controlled Quick & Quality Ground Cementation(CQC), one such method, does not discard industrial by-products such as reclaimed coal ash generated during urban construction, poor waste soil generated at worksites, and calcium carbonate(CaCO_3) generated during the carbon dioxide capture. Instead, it uses blue eco-cement, a binder made of eco-friendly materials, to reinforce industrial by-products and recycle them into high-strength ground materials comparable to weathered rocks. By doing so, we recycle industrial by-products, address problems related to the ground at construction sites, create economical and stable ground materials, and protect the environment by reducing carbon emissions. This is an eco-friendly construction method developed by Daewoo E&C, and can be applied to the entire construction site in various combinations. This method was developed in 2012(Patent No. 1241364) and has been applied to 59 projects.



Eco-Friendly Building Certification

Green Building Certification System(G-SEED)

The Green Building Certification System(G-SEED) is a system recognizing the eco-friendliness of buildings in four grades by evaluating them in eight special fields of land use and transportation, energy and environmental pollution, materials and support, water circulation management, maintenance, ecology, indoor environment, innovative design, covering the entire process of building materials, design, construction, maintenance, and disposal. Daewoo E&C acquired the highest level of green building certification(Green Grade 1) in a number of projects, including Daechi Prugio Summit, Seun Prugio Heritage City, Gwacheon Prugio Summit, and Eulji Twin Tower.

LEED(Leadership in Energy and Environmental Design)

LEED is an internationally recognized green building certification system developed by the United States Green Building Council (USGBC), applicable to all building types including housing, commercial interiors, schools and medical institutions, and also the lifecycle of buildings encompassing design, construction, and operation. Daewoo E&C has obtained third-party eco-friendliness certification through the US Green Building Council(LEED) certification in many projects including Songdo Hotel and Keimyung University Dongsan Medical Center.



▲ SHERATON INCHEON HOTEL



▲ WISMA GUOCOLAND



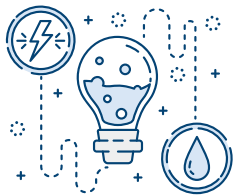
▲ NEW KEPCO
HEADQUARTER OFFICE



▲ KEIMYUNG UNIV DONGSAN
MEDICAL CENTER

Development of Eco-Friendly Methods and Technologies

Daewoo E&C is developing sustainable eco-friendly methods and technologies to realize energy and carbon reduction.

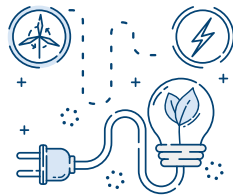


Development of low-energy seawater desalination plant customized for the Middle East

- Background: Korea and UAE signing an MOU to expand cooperation in the water industry sector and construction of pilot and verification agreement on seawater desalination of joint research between governments
- Final Goal: Securing technology to promote seawater desalination projects at home and abroad and establishing the basis for expansion of the seawater desalination market
- Performance/Effects: Preparation of opportunities to enter the seawater desalination market in accordance with the expected expansion of the seawater desalination market at home and abroad



▲ UAE Pilot Plant Completion Ceremony



Development of 15MW-class offshore wind power floating body design technology

- Background: Securing qualifications for participating in pre-FEED bidding for floating offshore wind power projects(secured own floating body model)
- Final Goal: Strengthening competitiveness in winning orders by securing a 15MW-class offshore wind power floating body model and design technology
- Performance/Effects: Proposal by Equinor to collaborate on the Ulsan Firefly Floating Offshore Wind Power Project(800MW, KRW 8.1 trillion)



▲ Floating Offshore Wind Power



Development of carbon reduction high-quality early strength slag cement concrete technology

- Background: Necessity to secure carbon reduction technology according to the expansion of the EU Carbon Emissions Trading System and the government's goal of reducing net carbon emissions by 2050
- Final Goal: Establishment of the carbon reduction concrete technology market and technological strategy through preemptive securing of carbon reduction technology
- Performance/Effects: Reduction of concrete quality risks at the company's sites through stabilization of cement quality, shortening of construction period, and reduction of costs



▲ Low-Carbon Concrete Quality Testing

[Highlight] Rooftop PC/Rooftop Steel Modular

Daewoo E&C applied the hybrid-PC method for the first time in Korea to the new construction site building the Gwangmyeong Prugio Centver. The hybrid-PC construction method is an innovative method that can shorten construction time, reduce construction costs, and ensure safety, which minimizes site construction. In addition, the PC materials used for this method are custom-made at the plant and reassembled on site, reducing carbon emissions and on-site noise and dust throughout the entire lifecycle including production, distribution, use, disposal, and recycling. Daewoo E&C aims to contribute to working environment improvement, secure safety, and reduce construction waste through the expanded application of OSC(Off-Site Construction) technology.



▲ Hybrid PC Rooftop(Gwangmyeong Prugio Centver)



▲ Rooftop steel frame modular construction(Haeundae Central)

Water treatment(water supply)

- Design/construction/operation of an integrated management system
- Development of energy efficiency and monitoring technologies for utility(device)-based water supply systems

Water treatment(sewage)

- Development of a post-treatment filter system for the reuse of treated sewage water
- Development of technology for improving and optimizing efficiency in food waste anaerobic digestion and anaerobic digestion effluent wastewater treatment
- Development of reactor structure and piping design technology to improve the efficiency of sewage treatment

Wind Power

- Development of Wind Environments evaluation technology for eco-friendly buildings

Renewable energy

- Development of heat pump utilization technology for applying to apartment houses and development of processes for applying new renewable energy

Energy Savings

- Development of technology to construct customized and ecofriendly energy-saving apartments
- Convergence technology demonstration project for low-energy buildings

Waste recycling

- Basic research on optimal hydrogen production technology from waste
- Development of methanol retrieval technology from high caloric waste syngas

Carbon reduction

- Development of storage technology for CO₂ capture and mass use
- Development and commercialization of carbon-reduced concrete technology

Air pollution

- Development of a quantitative supply monitoring system for dioxin-controlled activated carbon

Biogas

- Development of a quantitative supply monitoring system for dioxin-controlled activated carbon
- Development of technology for post-treatment of high concentration organic wastewater by anaerobic digestion(DBS)

Offshore wind power

- Technology for independent design of floating platform
- Design & technology for 15MW offshore wind power floating body
- Development of tilt attitude control technique based on offshore wind power
- Development of design standards for offshore wind power support structures and concrete support structure technology

Seawater desalination

- Development of low-energy seawater desalination plant technology tailored to the Middle East
- Commercialization of low-energy forward osmosis technology for desalination of seawater
- Energy saving technology for seawater desalination facilities

Safety Management



2022 Highlights



Additional budget for safety innovation
(outside the legal obligations)

KRW **12.5** billion



Number of persons completing
on-site in-house CLEAR training

55,973 Persons



Rewards for Outstanding Cases of
Work Suspension

KRW **16** million

▶ CEO Safety Inspection

Governance

Daewoo E&C proposes safety and health plans as an agenda item for the board of directors and obtains approval in accordance with the Occupational Safety and Health Act. Also, management reviews are conducted every December to review the suitability and effectiveness of the implementation results in accordance with the safety and health management system (ISO 45001, KOSHA-MS), and future improvement measures are established for operational problems. In addition, we are continuously promoting safety innovation with the HSE-Q Division, with a strong control tower function, at the center of efforts to ensure that the health and safety management system is operating properly.

Strategy

Under the management policy of achieving a self-prevention system for safety, health and quality environment, Daewoo E&C is striving to achieve zero major industrial accidents. Company-wide capabilities were concentrated by reflecting the strong determination of the management to prevent major accidents, strengthening safety patrol inspections for major disaster types, maintenance of construction machinery safety management system, establishment of regular education operating system, and expanding communication with suppliers. Based on the principle of “no safety, no work”, Daewoo E&C ensures a safe and pleasant working environment, actively participating in accident prevention activities with all employees and suppliers.

Risk management

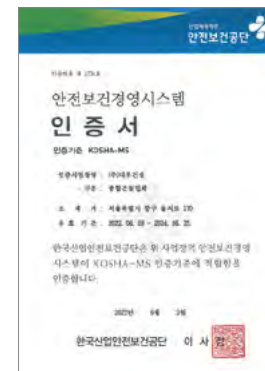
Serious accidents (fatal accidents) and injuries that may cause social issues are considered to be risks that may have a financial or non-financial impact on the company. Daewoo E&C applies health and safety management system to all business sites in operation, continuously undergoing renewal and extension examinations for KOSHA-MS and ISO 45001 certifications.

Metrics and targets

Daewoo E&C will prepare countermeasures in preparation for the government roadmap for severe accident reduction, shifting the paradigm to establish a culture of safety. To this end, we plan to secure autonomous health and safety capabilities, improve the on-site inspection system, provide practical on-site support, and introduce and utilize SMART safe work infrastructure.



▲ ISO 45001 Certificate



▲ KOSHA-MS Certificate



Occupational Health and Safety Management

All business sites(headquarters, sites) operated by Daewoo E&C are subject to the occupational health and safety system. The health and safety system is continuously removing and minimizing health and safety risks and risk factors through KOSHA-MS and ISO 45001 certifications, continuing renewal and extension review. In addition, we clearly set the direction for workers' health and safety activities as part of our health and safety policy, making inspections to ensure that specific plans and measures are being shared with stakeholders to improve health and safety performance. Our health and safety policy encompasses not only for our workers but also all stakeholders including suppliers, all workers at business sites, shareholders, customers and the local community.

Strategy System

Daewoo E&C receives approval for annual health and safety plans from the board of directors. In relation to the recently enacted Serious Accidents Punishment Act, the impact of major accidents on suppliers, customer companies, and overall management of the company has become greater. Daewoo E&C is focusing company-wide capabilities by reflecting the management's strong will to prevent major accidents, strengthening safety patrol inspections for major types of disasters, improving safety management systems for construction machinery, establishment of regular education operating system, and expanding programs and communication to improve level of safety of suppliers.

Health and Safety Organization

CEO		
CSO		
HSE-Q Division (Headquarters)		Business Division
Safety Planning Team Safety Management Team		Housing & Building Construction Management Team Domestic Civil Project Support Team Plant Technical Support Team
HSE-Q Division (Suburbs)	HSE-Q Division (Region)	HSE-Q Division (Region)
Health & Safety Training Team	Middle Region PJ Safety Support Team	South Region PJ Safety Support Team

Goals and Plans

Health and Safety Management Policy and Goals

Management Policy

Establishment of a self prevention system for safety & health, quality & environment

Management Goals

ZERO Serious Industrial Accidents

Strategies for Achievement

Policy prioritizing communication and site

Establishment of a practical support system

Strengthened execution on site

Promotion Plans

- Promoting an environment where each class can focus on its entrusted roles
- System improvement through vitalizing the culture of communication
- Spreading the culture of safety awareness through participation and cooperation
- Shift of safety management paradigm

- Settlement of health and safety management system
- Differentiation of on-site disaster prevention activities by level
- Carrying out hazardous processes in stepwise manner
- Site-oriented health and safety training support
- Improvement of safety level improvement programs for suppliers

- Strengthening of human resources to eradicate serious disasters
- Early settlement of the SMART safety system
- Practical health and safety management system
- Inspection and training of major construction machinery

Mid to Long-term Goals

2024	2025	2026
Death rate target		
0.6 or less	0.4 or less	0.2 or less
Methods for Achievement		
<ul style="list-style-type: none"> • Settlement of SMART work infrastructure • Establishment of self prevention system for risk assessment 	<ul style="list-style-type: none"> • Advancement of intellectual SMART safety 	<ul style="list-style-type: none"> • Introduction and settlement of global advanced safety culture

Achievements and Response Strategies

Safety Patrol System

Daewoo E&C is taking the lead in eradication of serious accidents by operating a safety patrol system to ensure compliance with essential on-site guidelines for each major work type. All sites are subject to unannounced inspections at least once a quarter through the safety patrol system, and work is suspended to block the link to major accidents when any nonconformity is found. 346 inspections were carried out in 2022, and inspections and improvement of the overall operation of the safety system on site are being promoted through safety and health inspections and jump-up inspections.

Safety Patrol Status

Category		Unit	2020	2021	2022
Major nonconformity	Inspections	Times	66	342	346
	Discoveries	Cases	13	34	17
	Discovery rate	Cases/Times	0.2	0.1	0.05
Light nonconformity	Inspections	Times	66	342	346
	Discoveries	Cases	250	811	281
	Discovery rate	Cases/Times	3.79	2.37	0.81

Inspection/Support for Construction Machinery

To prevent accidents due to mechanical defects of construction equipment, Daewoo E&C conducts pre-entry inspections and in-use inspections of construction machinery. The pre-entry inspections include visual and nondestructive inspections, and are conducted by an inspection agency designated by the company. After they are brought into the worksites, regular inspections on construction equipment that are prone to accidents during use are conducted, identifying mechanical defects and supervising workers to prevent unsafe behaviors. In 2022, in-use inspection of construction machinery was conducted on the site and we shared the inspection results to the site on a semi-annual basis.

Inspection Before Bringing Construction Machinery to Site in 2022

Category	Total	T/C	Lift	Pile-driver	Suspended access equipment
Performance	1,348	683	486	131	48

Inspection During Use of Construction Machinery in 2022

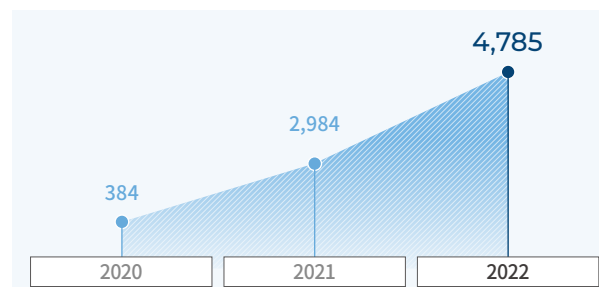
Category	Excavator	Forklift	Mobile Crane	Aerial work platforms
Civil	56	4	22	4
Housing & Building	137	165	37	184
Plants	3	3	5	2
Total	196	172	64	190

Identification of Near-miss events

Daewoo E&C is contributing to preemptive accident prevention by promoting the discovery of near-miss events in August 2021 and applying them to daily safety management and spreading excellent cases to the site every month. As part of this drive, we run a reward system to prevent the occurrence of accidents in advance. Rewards are paid to 7 sites and 3 individuals with excellent performance quarterly. The near-miss events identified are registered in BAROCON and the mobile application to be shared immediately from the worksite to the company.

Discovery of Near-miss events

(Unit: Cases)



Operation of CLEAR, Daewoo E&C's Safety Culture Program

CLEAR is Daewoo E&C's in-house safety culture program, introduced to improve the performance of accident prevention activities by correcting workers' unsafe behavior and promoting safety behaviors. After the initial introduction and expansion stages in 2015, the program is currently being operated with the goal of settlement. For strengthening of self-activities and voluntary operation support to settle the program on sites, video contents and training for managers and workers are being developed and provided. Also, we are producing and distributing multilingual content(11 languages) to spread a safety-first culture to all members on site, including foreign workers.

Number of persons completing CLEAR in-house training in 2022
(cumulative)
55,973 persons



▲ Daewoo E&C's in-house safety culture(CLEAR) training program

Safety Risk and Improvement Task Derivation Process

Safety Risk

Health and safety risk management refers to a series of improvement activities to identify, eliminate, and respond to risk factors or preparation and implementation of control measures to protect the health and safety of workers. Serious accidents(fatal accidents) and injuries that may cause social issues are considered to be risks that may have financial or non-financial impacts on the company, and the accident rate of suppliers is under separate management. Daewoo E&C is conducting preventive disaster prevention activities by concentrating company-wide capabilities at both the headquarters and sites in order to manage health and safety risks as a top priority in all business activities.

Improvement Task Derivation Process

Risk assessment activities are focused on activities to predict and prevent harmful risk factors in advance for each site. Recurring risk factors or missing work types are discovered at the headquarters level, shared and distributed to sites, and periodic on-site inspections and reviews are conducted. In addition, we check actual implementation and supplementary items through monitoring and performance measurement, continuously supplementing insufficiencies.



▲ Occupational Health and Safety Committee

Activation of Communication Culture of Health and Safety

Daewoo E&C divided the country into 8 regions to promote a culture of health and safety communications with the site, conducting health and safety communication session at least once a quarter. This enables us to collect and communicate regular on-site opinions for institutional improvement between the headquarters and each site, discuss external issue together, sharing guidelines and announcements from headquarters. In addition, the Industrial Health and Safety Committee or Labor-Management Consultative Body is operated according to the Industrial Safety and Health Act in order to listen to the opinions of workers on-site, periodically listening to and improving workers' health and safety-related requests for improvement. In addition, we strive to spread safety awareness and culture through participation and cooperation through close monitoring of implementation of improvement requests during system reviews and on-site inspections lead by the headquarters. Furthermore, the company-wide health and safety organization holds regular monthly meetings attended by the heads of the 'HSE-Q Team' at each business division to discuss opinions and issues on health and safety system improvement, establishing a safety hotline to address the grievances of Daewoo E&C employees and workers from suppliers, receiving anonymous grievances and suggestions.

Category	Number of suggestions and reports in 2022	Number of measures taken (ratio)	Note(channels)
Suggestions for health and safety improvements by supplier workers	977 cases	956 cases(97.85%)	Safety Hotline, SMARTY

Health and Safety Support for Suppliers

Daewoo E&C supports suppliers in strengthening their own health and safety capabilities by operating a safety level improvement program for suppliers. We improved the areas needing improvements for each supplier, such as establishment of a health and safety management system, performing the roles and responsibilities required for managers in accordance with the Serious Accidents Punishment Act, and improving risk assessment. In 2022, 10 supplier company headquarters received support, and the number of injured persons compared to sales(persons/10 billion) decreased by 0.4 persons. In 2023, we plan to provide support to the headquarters and sites of 10 partner companies showing a trend of increase in the number of injured persons, operating systematic health and safety activities through discovery and improvement of practical problems.

Worker Participation and Consultation Results

Category		Agenda
Health and Safety Committee	1st(in writing)	<ul style="list-style-type: none"> Reinforcement of management standards such as prohibition of high-risk work depending on worker age and blood pressure Change of reporting period for general disasters
	2nd	<ul style="list-style-type: none"> Change of standard for disciplinary measures for executives and employees in point deductions from PQ credit ratings(rejection of change of subjects of disciplinary action)
	3rd	<ul style="list-style-type: none"> Change of additional budget for safety innovation plan Establishment of construction lift safety facility items and unit price adjustment
Health and Safety Opinion Session	1st	<ul style="list-style-type: none"> Safety patrol and health and safety management system implementation inspection plan, and others
	2nd	<ul style="list-style-type: none"> Safety patrol and health and safety management system implementation inspection results, and others
	3rd	<ul style="list-style-type: none"> Improvements for operation of the health and safety management system
	4th	<ul style="list-style-type: none"> Change of criteria for the use of expanded operating expenses by the safety monitoring group, and others

Disaster Prevention Programs

Category		Details
Work Safety and Medical Services	Infirmery at Headquarters	<ul style="list-style-type: none"> • A resident nurse with professional qualifications • Equipped with medical beds and blood pressure monitors • Cold medicine, antipyretic analgesic, digestive medicine, antidiarrheal medicine, ointments and bandages, patches, artificial tears, testing kits for COVID-19, etc. equipped
	Operation of Mind Care Programs	<ul style="list-style-type: none"> • Operation of a separate counseling room in the form of visits by clinical psychologists • Provision of systematic programs in connection with the Institute of Corporate Mental Health at Kangbuk Samsung Hospital (in-depth psychological evaluation, marital relationship, education for children, etc.) • Operation of 'Visiting Psychological Counseling Center' for on-site workers • Online counseling for overseas and rural workers
	On-site	<ul style="list-style-type: none"> • Periodic evaluation of suitability for work through establishing criteria for pre-assignment and special health examinations regarding harmful substances workers are exposed to in the field
Healthcare services outside of work	Operation of obesity management campaigns	<ul style="list-style-type: none"> • Employee health management through strengthening of adult obesity management • Recruitment of employees with a BMI above a certain level or those with obesity comorbidities to provide 1:1 non-face-to-face coaching for weight management for a specific period of time
	Operation of smoking cessation clinic and campaign	<ul style="list-style-type: none"> • Employee health management through continuous in-house anti-smoking activities • Consultation services at the infirmery for those hoping to quit smoking, provision of smoking cessation supplements and periodic nicotine testing • Small gifts provided when employees succeed in quitting smoking – frequently distributing snacks with anti-smoking promotional texts on them
	Non face-to-face medical consultation services for employees overseas	<ul style="list-style-type: none"> • Provided for all employees working abroad • Relieving medical anxiety through diagnosis and opinions of domestic doctors for symptoms and chronic illnesses • English medical certificate and prescription including drug ingredient name issued • The individual privacy of employees working overseas can be respected through QR codes and Kakao Channels, through individual applications and non face-to-face treatment

Health and Safety Training

Daewoo E&C continuously monitors compliance with the legal health and safety training standards, such as training for new hires, special health and safety training, and regular health and safety training for all workers. In addition, 16 courses of health and safety training is being developed and operated by the headquarters, provided for employees of our company and suppliers, safety monitoring team, and safety facility personnel. In 2022, a total of 8,137 persons completed health and safety training. In 2023, we plan to expand the program to 19 training courses, further strengthening support for on-site health and safety training through on-site training and video content.

Health and Safety Education Operation Status

Category		Details
All employees	Health and safety training	<ul style="list-style-type: none"> • Health and Safety Management Leadership • Improvement of safety awareness and culture
	Health and safety training before deployment	<ul style="list-style-type: none"> • On-site health and safety management system, mandatory implementation guidelines, etc.
On-site employees	Health and safety training	<ul style="list-style-type: none"> • Health and safety responsibilities and job knowledge required for site manager/supervisor
	Training for new hires	<ul style="list-style-type: none"> • Company safety system and practice
Suppliers	Special safety training	<ul style="list-style-type: none"> • Corporate health and safety management system and culture
	Job training	<ul style="list-style-type: none"> • Corporate safety culture/system
Stakeholders(safety monitoring group, safety facility)	Health and safety training	<ul style="list-style-type: none"> • Improving on-site risk observation skills and cases of serious accidents • Facility risk factors and cases of poor construction of safety facilities

* All 16 steps/processes

Technology Development and Investment Reporting

Investment in Safety Budget

Daewoo E&C is promoting investment and execution of health and safety budgets. In addition to the legally required occupational health and safety management expenses used at construction sites, we are making various investments continuously to strengthen safety capabilities, such as organizing safety innovation budgets by item and expanding other safety-related facilities.

- ① Reinforcement of safety manpower, including additional deployment of safety managers at small sites
- ② Additional budget to secure safety facilities for on-site safety management efficiency and competency enhancement
- ③ Expansion of training and inspection to strengthen safety capabilities of executives and employees
- ④ Improving the safety level of suppliers and supporting excellent suppliers

Health and Safety Budget Execution in 2022 (Unit: KRW 100 million)

Category	Item	Execution Performance
Headquarters	Health and safety training culture budget	2.4
	Health and Safety certification inspection budget	6.4
	Reward for health and safety and budget for other activities	13.8
	Subtotal	22.6
Site	(Statutory) Occupational health and safety management expenditure	1,101.5
	(Additional) Additional budget for safety innovation	125.45
	Subtotal	1,226.9

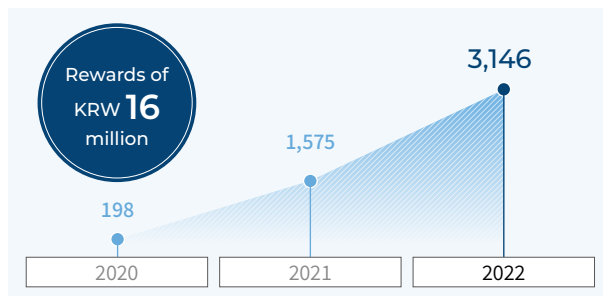
Strengthened Activity/Strategy Reporting Compared to 2021

Evaluation for Utilization of Right to Suspend Work

Daewoo E&C motivates safety activities through evaluation and rewards for best practices utilizing the right to suspend work, contributing to accident prevention through dissemination and sharing of best practices. A total of KRW 16 million was rewarded by evaluating the best practices of right to suspend work.

Activation of Rights to Suspend Work

(Unit: Cases)



3335 Campaign to Prevent Illnesses Caused by Heat

Daewoo E&C conducts the 3335 Campaign to check the health of workers to prepare for the government inspections and respond to the Occupational Safety and Health Act and regulations related to resting facilities. We are providing training for and publicizing the campaign theme and 5 precautions to prevent heat-related illnesses according to site conditions. Field-specific feedback is collected and improved as a result of campaign monitoring site inspections, making improvements for sites needing improvement or not implementing safety measures.

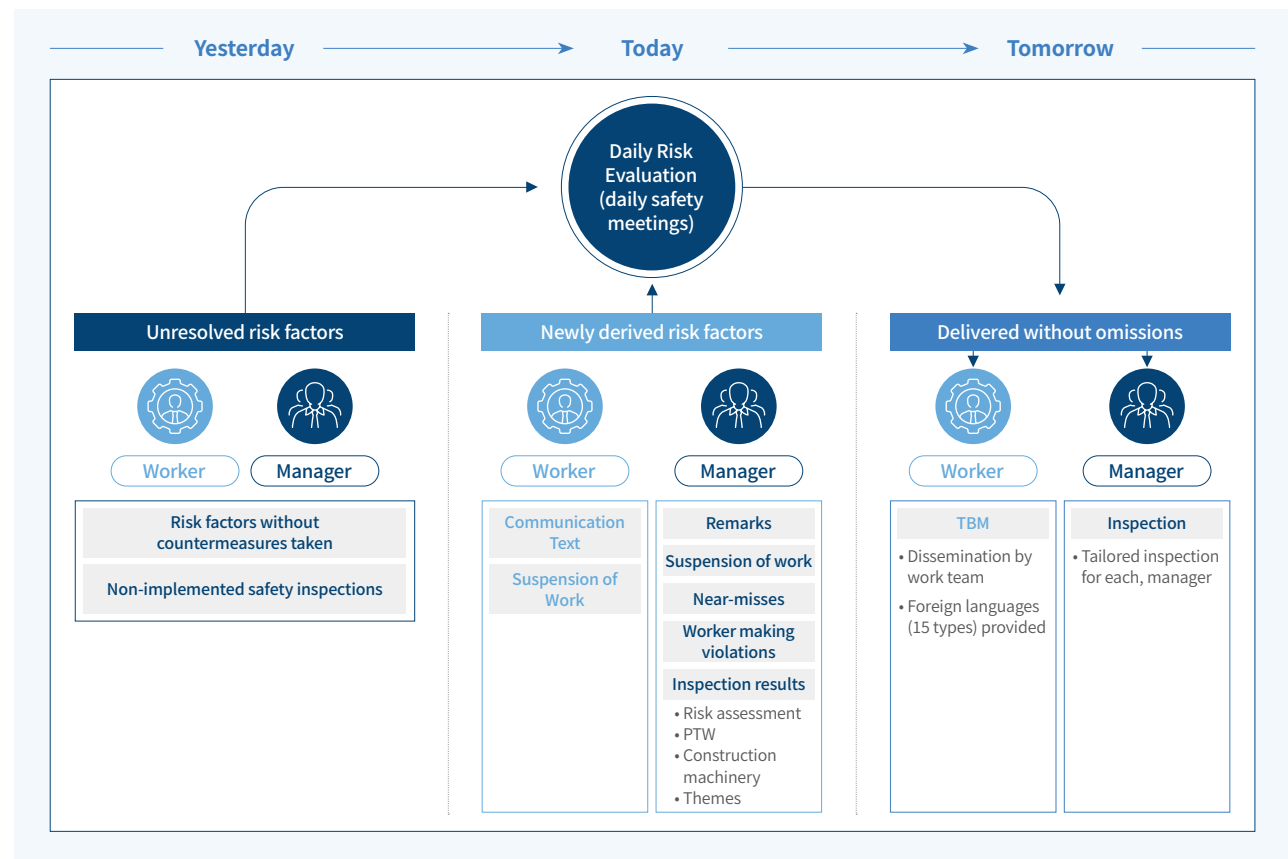


▲ 3335 Campaign to Prevent Heat-Related Illnesses
(installation of resting facilities/promotion)

SMART Safety System_SMARTY

Daewoo E&C has opened and is operating SMARTY, a mobile-web-based domestic worksite health and safety system in order to strengthen on-site execution. SMARTY predicts potential risks from the field, helping solve problems through real-time communication between workers. Work efficiency was maximized through digitalization of the existing offline-based safety management work at each site, making it possible to prevent safety accidents through establishment of a health and safety database. In addition, safety accidents are predicted and appropriate measures are taken through the frequent and daily risk assessments in the SMARTY program. Effectiveness of communication is promoted through mobile apps and 'communication text', and a translation system in 15 foreign languages is provided for foreign on-site workers, encouraging participation of all employees in safety management tasks.

SMARTY Safety System



Talent Management



2022 Highlights



Improvement of diversity
Proportion of female employees and disabled workers

Increased for **3** consecutive years



Enactment of
Human Rights
Charter

Approach

Companies must create an environment where individuals can fully demonstrate their capabilities for sustainable growth, from hiring excellent talent to training and fair personnel management. In addition, welfare benefits and organizational culture must be managed to ensure diversity of human resources. After being acquired by the Jungheung Group, Daewoo E&C has strengthened the benefits provided to its employees such as wages and welfare benefits, continuously promoting the stabilization of human resource management.

Daewoo E&C Action Plan

Daewoo E&C is concentrating on improvement of the working environment home and abroad by improving wages and expansion of site-oriented management in order to enhance corporate sustainability. We have established a talent development strategy and action plan to build a job system, provided customized competency training, and developed online contents to provide frequent training for employee in order to strengthen the capabilities of employees.



▲ CEO meeting with new employees

Mid / Short-term Directions for Human Resource Development Promotion

EFFECTIVE & EFFICIENT

- Additional improvement of refreshing and effective training courses (webtoon content for leadership strengthening, etc.)
- Reinforcing course suitability and educational effect by designing and conducting courses through communication and collaboration with the field workers
- Utilization of optimal operation methods for each course (offline, real-time online, online content, etc.)
- Contribution to achieving course targets through advancement of process operation through pre- post-training evaluation

ENTERTAINING & ENJOYABLE

- Promotion and motivation for work performance by providing an opportunity to refresh from work away from the busy field in addition to highly immersive training
- Encouragement of synergy generation in business promotion through expansion of opportunities to create teamwork/network among participants
- Improvement of simple teaching/one-way training and continuing to operate participatory/discussion courses

ENTERPRISING & DARING

- Preparation of system changes in advance and immediate reflection of changes when confirmed → training for employees changing positions or being promoted, support for qualification training according to law revision, etc.
- Reinforcement of job expert training courses (planned/proposed training, support for MRICS¹⁾ acquisition)
- Introduction of new courses to achieve mid-to long-term strategic targets (DT²⁾, preparation for 4th industrial revolution, etc.)

1) MRICS: Member of Royal Institution of Chartered Surveyors

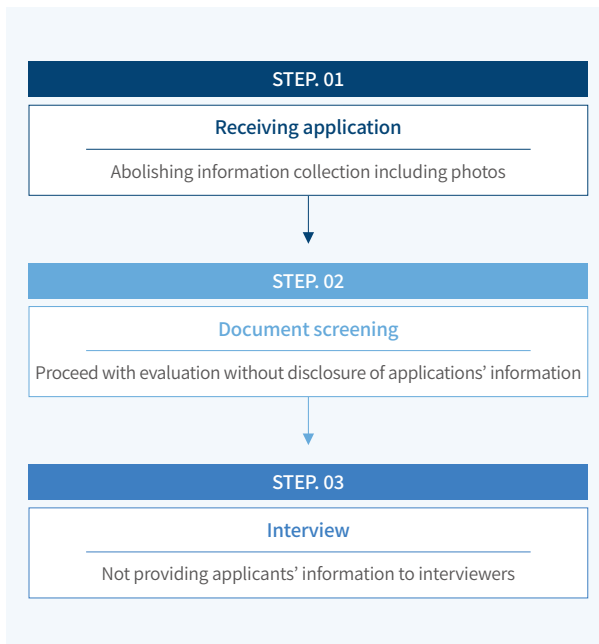
2) DT: Digital Transformation

Fair Recruitment

Daewoo E&C is looking for talents through a fair and transparent recruitment process that does not discriminate based on gender, region, or age. In particular, considering the nature of the construction industry, which is operated on a project by-project basis, relevant hiring regulations are applied when hiring contract workers for a project to ensure fairness in recruitment.

In addition, we make it compulsory for all interviewers to complete interviewer training, such as mock interview, to strengthen their hiring expertise and ensure fairness in recruitment. We plan to organize a group of professional interviewers from among the best employees and reinforce training for interviewers on topics such as the latest interview trends, interviewer attitudes and mock interviews to ensure fairness in recruitment and strengthen the validity of evaluation results.

Blind Recruitment Process



Talent Nurturing System

Mission

To provide a better quality of life to people in the globe, we create valuable environment and space beyond construction itself

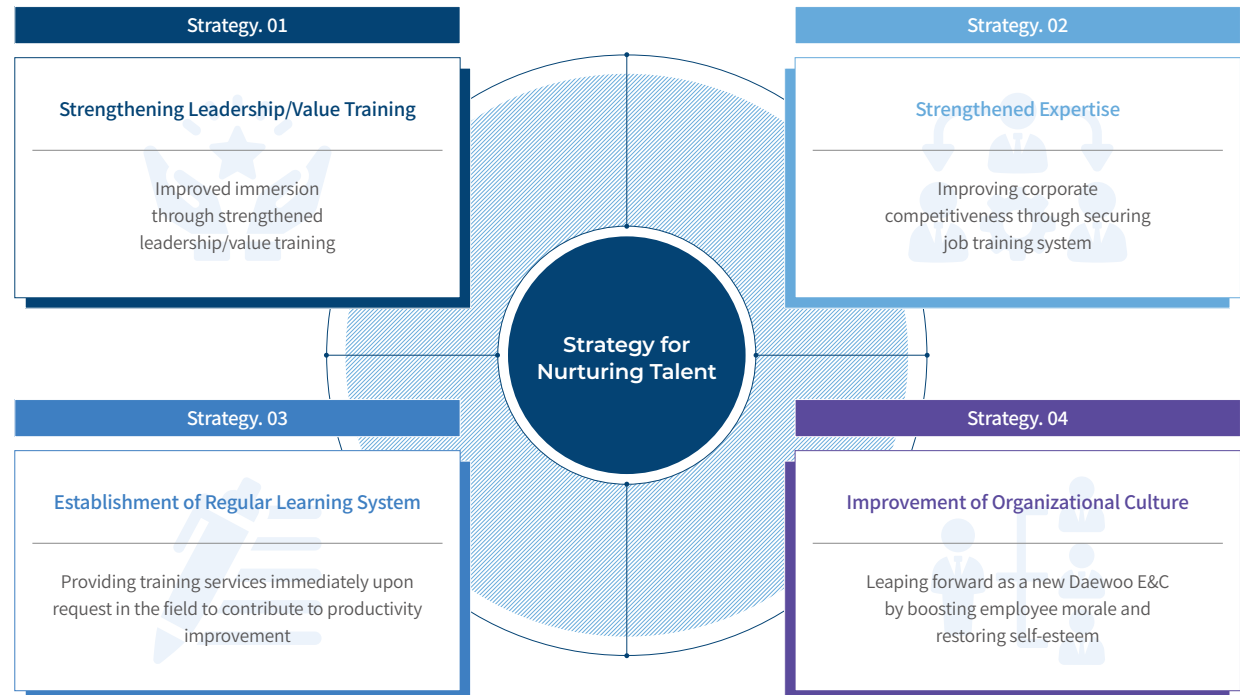
Vision

Your Dream, Our Space
Bringing customers' dream into real life

Talent

Those who accept challenges with faith and passion and fulfill their responsibilities according to their beliefs based on trust and cooperation

Talent Nurturing Strategy



Daewoo E&C Manpower Training Curriculum

Customized Training by Job Level

Daewoo E&C establishes talent development strategies and an action plan to build a job system to strengthen employee competencies, providing customized competency training. We are developing operating various job-oriented training courses such as strengthening overseas business capabilities(cost, process, contract management, etc.) and job development processes(safety, health, environment, quality, etc.) in order to strengthen the professionalism of executives and employees in all business divisions of the company. We also plan to propose a competency training roadmap by each job level for our employees to strengthen their job competencies through the right career path.

Job Training (in-house online job course)

Category	Unit	2020	2021	2022
Persons completing training	Persons	6,372	5,573	3,691

Training for Prospective Retirees

Daewoo E&C provides a reemployment support course to support the next stage of employees' lives. We support employees in designing the second part of their lives with an educational curriculum tailored to the needs of employees before retirement, striving to improve the educational process.

Prospective Retiree Training

Category	Unit	2019	2021	2022
No. of persons completing training	Persons	49	45	25
Total training hours	Hours	1,152	720	400

* Not carried out in 2020



▲ Re-employment support service

Post-training Evaluation System

Daewoo E&C conducts post-training surveys to measure the performance of training. The survey is categorized into training satisfaction, understanding of training, appropriateness of training period, application to job, satisfaction of service and training environment and others. We derive possible improvements for the future through organization of quantitative evaluation results for the overall course and each lecture after each period. Daewoo E&C also measures the effectiveness of the training program. Out of 83 employees who took the construction safety engineer certification course in 2022, 8 employees obtained the license. We plan to strengthen the management of training programs through pre- and post-training level testing of employees taking on-the-phone English lessons in 2023.

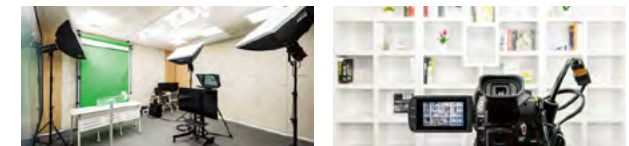
2023년 1월 제1차 리더 과정 (1차수) 결과보고			
담당: 인사총괄팀		2023.05.24	
1. 과정개요			
구분	주요 내용	비고	
수료인원	• 10명		
교육일시	• 2023년 1월 10일 (목) ~ 11일 (금)		
주요내용	• 경영철, 리더십, 본사의 역사정황, 동기부여, 혁신 수업, 등		
2. 설문조사 결과			
■ 객관식 (5점 척도)			
항목		2023년 1월	2022년 1차수
교육만족도	본 교육에 대해 만족스럽고, 만족한다.	4.66	4.90
교육이해도	본 교육 과정에 대해 내용을 잘 이해하였다.	4.85	5.00
교육기간	본 교육 과정에 교육 기간은 적당하였다.	4.92	4.90
업무적용도	본 교육에 향후 나의 업무 등에 관련 및 적용에 도움이 된다.	4.50	5.00
교육 내용 및 서비스	교육 내용에 본 교육 내용이 부족하다.	4.47	5.00
총 평균		4.64	4.96
참고사항	[1차수] 1차수 교육과정, 2차수 교육과정 [2차수] 2차수 교육과정, 3차수 교육과정	—	4.67
교육인원		4.61	4.97
■ 주관식 (자유 응답)			
구분	주요 내용	비고	
1	교육이 끝나고 나서 교육 내용에 대해 만족스럽고, 교육 내용에 대해 도움이 되었다.		
2	본 교육 내용에 대해 만족스럽고, 교육 내용에 대해 도움이 되었다.		
3	교육 내용에 대해 만족스럽고, 교육 내용에 대해 도움이 되었다.		
4	교육 내용이 리더십 1차수 학습과 관련 있는 것 같다.		

※ 별첨: 교육 수료자 명단, 표.

▲ Report on training results by level/course

Efforts to Develop Various Job Training

Daewoo E&C plans to expand the production of in-house online content through the 'Barobaeum' Studio to enable employees to take necessary job courses without constraints of time and place. We are working to improve our teaching skills and expertise in connection with the in-house instructor training course in order to produce high-quality content.

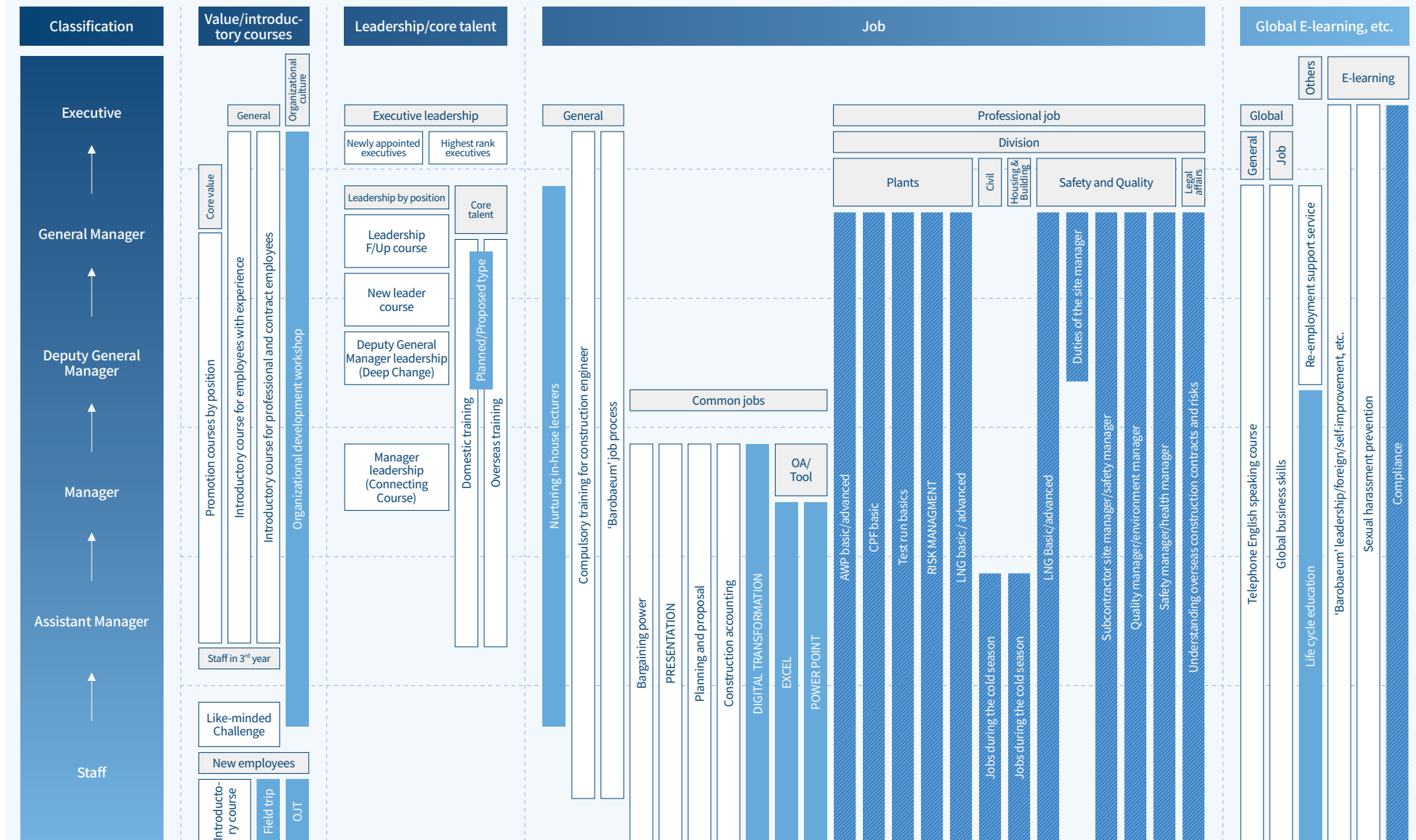


Attracting and Managing Core Talent

Daewoo E&C operates various domestic and overseas training courses to retain and nurture excellent talent. We are planning new planned/proposed training courses to nurture job experts in addition to the existing British QS course and domestic MBA course. In addition, Daewoo E&C is making various attempts to respond to the rapidly changing trends of the job market and job seekers' needs after the COVID-19 pandemic. An online job café was introduced to actively carry out promotional for students living in remote areas, and a one-day interview activities system was introduced as well. A new employee recruitment process improvement workshop was newly established to listen to the thoughts of recent employees, actively reflecting them in improving the recruitment process. Daewoo E&C is reviewing the introduction of a new training platform and diagnosis to promote efficient sharing and participation of company-wide intellectual property, and to develop and provide customized training through diagnosis of individuals and the organization. Utilization of knowledge assets will be improved through integration of the company-wide knowledge platform and unnecessary management will be eliminated while encouraging voluntary participation with mobile workplaces. Also, we plan to introduce a training and coaching plan by utilizing data in the fields of leadership, values, and job through developing our own AI diagnosis.

Training System

■ Carried out by each division □ Company-wide training ■ New or under review for expansion in 2023



Securing Diversity of Human Resources

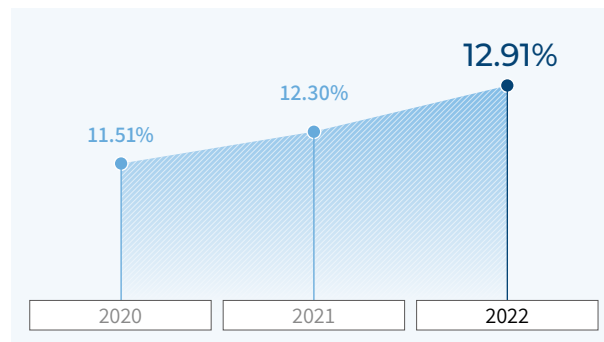
Daewoo E&C strives to improve human diversity within the organization through provision of fair and opportunities to social minorities such as women, foreigners, the disabled, high school graduates and veterans as part of securing human diversity and practicing socially responsible management.

Non-discriminatory Talent Recruitment

The construction industry has traditionally been perceived as a male-dominated industry, but Daewoo E&C has expanded the proportion of female workers by hiring talented women, breaking away from stereotypes about gender. Recently, the proportion of female new employees in public recruitment has increased from 16.9% in 2020 to 24.1% in 2022, and the proportion of female executives and employees has continued to increase to 12.91% in 2022. Daewoo E&C will continue its efforts to enhance social equity through implementation of non-discriminatory recruitment regardless of gender, implementing fair human resource management without gender discrimination.

Proportion of Female Employees

(Unit: %)



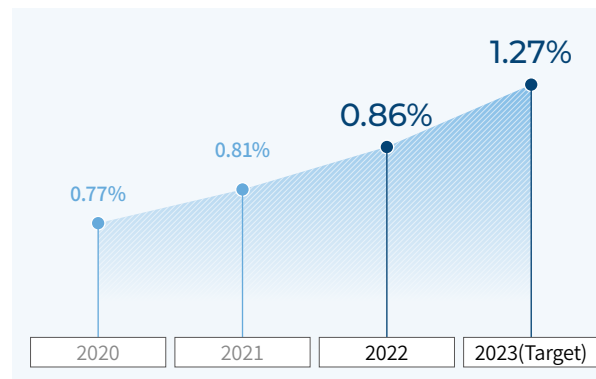
Expansion of Employment of the Disabled

Daewoo E&C strives to continuously expand the employment of the disabled to realize social contribution activities and equal employment, operating the same wage system as non-disabled persons depending on the type of employment, ensuring long-term employment and benefits. The proportion of the employment of the disabled is increasing from 0.81% in 2021 to 0.86% in 2022, and the scale of recruitment of the disabled will be further expanded in 2023.

Also, Daewoo E&C has contracted with consigned companies to exclusively hire and manage the disabled in order to expand employment opportunities for the disabled, with the consigned companies directly providing guidelines or acting on behalf of the disabled to perform their duties. The tasks given to the disabled employees are decided according to the severity of physical and mental disabilities. If the disabled workers are limited in direct job performance, they are assigned tasks necessary for mental and physical training and rehabilitation to participate in economic activities as a member of society.

Proportion of Disabled Employees

(Unit: %)



Employee Diversity and Performance Evaluation System

Fair Performance Evaluation

Personnel evaluation of contract workers has been adjusted and expanded to twice a year from 2022, and the evaluation results are utilized as screening data for employment type conversion, promotion, and change of title. In addition, we are promoting conditions to manage the performance of fixed-term employees in more systematic manner by dividing the personnel evaluation cycle into the first half and second half of the year. Regular employee personnel evaluation is conducted twice a year in the first and second half of the year, and the results are utilized for calculation of annual salary levels and promotions. Balanced evaluation based on fairness is conducted through the 1st and 2nd evaluation, and there is a procedure for objecting to the evaluation for the evaluation to be adjusted through deliberation by the reexamination Committee for employees receiving unfair evaluation, improving objectivity of evaluation.

Equal Compensation for Male and Female Workers

Daewoo E&C strictly prohibits discrimination based on gender in the compensation and working conditions offered to its employees. We emphasize the role of women and not only strive to secure women's workforce, but we also give them responsible positions and support in growth. We provide female workers with a lot of supports so that they can serve as a productive member of the company. In the remuneration and promotion system, the same evaluation criteria are applied to male and female employees to link compensation and promote according to performance. In the future, we will continue to review the working environment for female workers and establish various measures.

Human Rights Management

Human rights are basic rights and respect for human beings. For companies, efforts to protect human rights in the workplace through declaration of promotion of human rights management in order to establish a culture of human rights and expressing official positions and promotion of policies are becoming more important. To this end, Daewoo E&C conducts human rights violation prevention training for all employees, preventing human rights risks through the grievance handling system.

Human Rights Policy

Daewoo E&C announced the Human Rights Management Charter in October 2022, establishing human rights regulations, preparing a labor-management joint pledge to implement the Human Rights Management Charter, and measure to prevent human rights risks. Employees and all stakeholders are subject to Daewoo E&C's human rights policy. The information can be found on Daewoo E&C's website.

Human Rights Management at Daewoo E&C

<https://www.daewooenc.com/company/management/moral-hr>

Basic Principles of Daewoo E&C's Human Rights Management Charter

Article 1	Supporting domestic and foreign norms related to human rights
Article 2	Non-discrimination
Article 3	Guaranteeing freedom of association and collective bargaining
Article 4	Prohibition of child labor and forced labor
Article 5	Guarantee of occupational safety and promotion of the right to health
Article 6	Protection of stakeholder human rights
Article 7	Protection of the human rights of local residents
Article 8	Human rights violation prevention and remedies

Goals and Plans

Finding Factors of Human Rights Management

Daewoo E&C aims to contribute to the spread of a culture of human rights through the development of the 'Human Rights Management Index' to quantitatively measure the implementation level of human rights management and performance management. We have set detailed quantitative performance management indicators for each human rights item based on the data disclosed by the Ministry of Employment and Labor, and we plan to improve the human rights management index items every year to ensure the effectiveness of human rights impact assessment.

Daewoo E&C Human Rights Management Index(100 points)

Purpose of quantitative measurement of human rights management implementation level and performance management

Human Rights Impact Assessment (50 points)

Level of human rights management checklist implementation by area

Level of Quantitative Performance of Human Rights Management (30 points)

Establishment of detailed management indicators for each human rights category

Human Rights Management Status Survey (20 points)

Reflection of employee awareness and internal human rights conditions

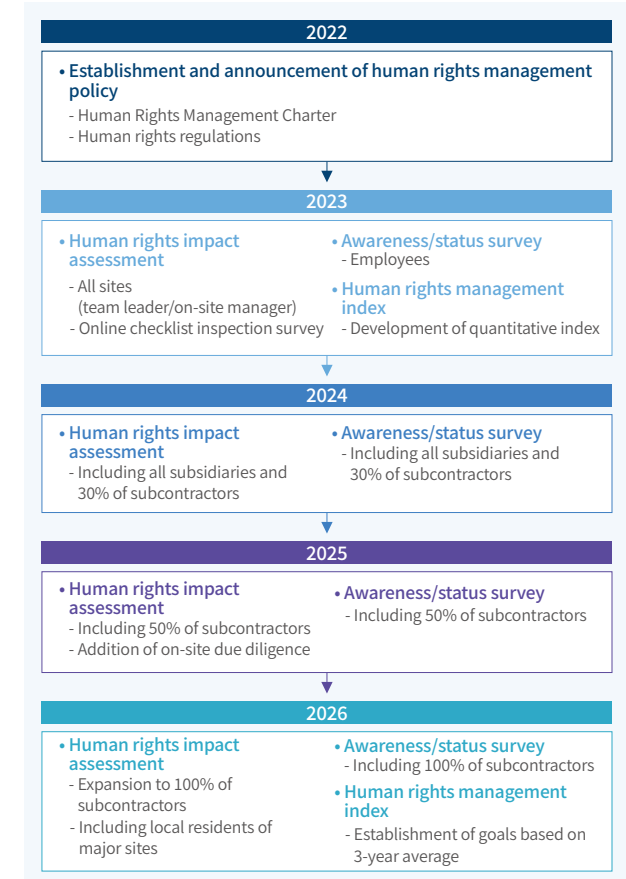


▲ Labor-management joint human rights management pledge ceremony

Human Rights Impact Assessment

Daewoo E&C is establishing human rights impact assessment system to identify human rights-related risks, establish measures, and evaluate effectiveness. Human rights impact assessment was conducted in May 2023, and the results will be disclosed on the company website. We plan to transparently disclose the current status of our human rights management.

Human Rights Mid-to Long-term Roadmap

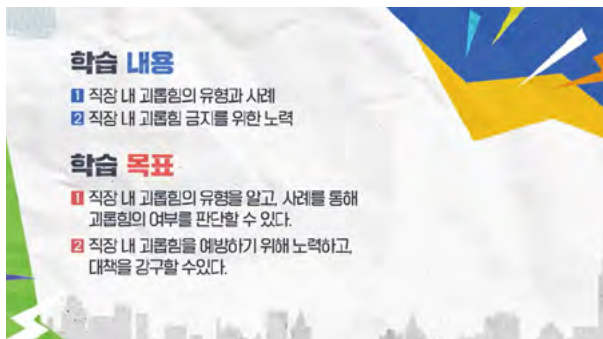


Human Rights Training Program

Daewoo E&C provides its employees with a non-real-time online course annually to understand the purpose and details of the anti-bullying law, promoting understanding of the conditions and criteria of workplace bullying and examples of workplace bullying.

Sexual Harassment Prevention and Human Rights Training Completion(including workplace bullying)

Category	Unit	2020	2021	2022
Total number of training hours	Hours	5,415	5,482	5,701
Completion rate	%	100	100	100



▲ Anti-bullying in the workplace(online education)

Human Rights Protection

Daewoo E&C is operating a process to respond to human-rights related issues to identify human rights violations in advance and eradicate sexual harassment and bullying in the workplace and make improvements. When anonymous reports are received through the internal and external ethics violation reporting channels, investigations are promptly carried out according to the report handling procedure. Furthermore, we promote practical and systematic human rights management activities through accident prevention and reasonable handling, such as requesting correction of unreasonable business procedures.

Building Trust in Labor-Management Relations

Daewoo E&C values trust and harmony between labor and management. Under the collective agreement signed in 2022, Daewoo E&C guarantees free labor union activities, stipulating that the company cannot interfere with joining the labor union or force them to leave. The collective agreement also contains provisions regarding consultation and the composition of negotiating members. As for on-site contract workers who are not under the collective agreements, an agreement on working conditions with the labor-management council is signed to guarantee the working environment and conditions for the relevant employees.



▲ Labor union win-win agreement signing ceremony

Work-Life Balance

Daewoo E&C was selected in 2013 as the Excellent Family-Friendly Company for the first time as a construction company through the family-friendly certification system. We are making continued efforts to create a family-friendly workplace culture by operating exemplary family-friendly systems such as childbirth and childcare support, flexible working hours, and creating a family-friendly workplace culture in order to support workers' work-life balance. As a result, Daewoo E&C was certified as a 'family-friendly company' by the Ministry of Gender Equality and Family in December 2021. In the future, we will continue to operate various systems to harmonize family life and work.

Supporting Workers and Their Families

Operation of PRUGIO Daycare Centers

Daewoo E&C opened PRUGIO Daycare Center in 2016 to support childcare responsibilities of employees. We seek to relieve the concerns of our employees related to childcare facilities and childcare helps through the operation of the PRUGIO Daycare Center, with the center meeting all areas suggested in the periodic national evaluation of daycare centers. We will continue to support our employees in various ways to support their balance between family life and work.



▲ Headquarters PRUGIO Daycare Center

Telecommuting

Daewoo E&C implemented telecommuting due to the COVID-19 pandemic. Even after easing of governmental social distancing and quarantine measures, telecommuting is being implemented for employees with confirmed cases of COVID-19 and those with confirmed family members.

Family Medical Cost Assistance

Daewoo E&C subsidizes a portion of medical expenses when employees' family members(spouse, child, parent, spouse's parent) is hospitalized due to injury or disease in order to support the healthy life of employees' families. In addition, if an employee's family member is severely disabled, part of the rehabilitation cost, surgery cost, and prosthetic equipment cost are subsidized to alleviate the employee's difficulties.

Shortened Work Hours

Daewoo E&C operates a shortened work hour system in accordance with the Equal Employment Opportunity and Work-Family Balance Assistance Act. If an employee wants shortened working hours due to reasons such as childcare, family care, pregnancy, and others, the system supports the harmony of work and family life.

Shortened Working Hours for Childcare

- Employees with children who are 8 years or younger or in second grade or younger may apply for childcare
- Working hours are shortened by an hour to 5 hours a day
- Employee can apply for up to a year for a child

Shortened Working Hours for Family Care

- Employees can apply for reasons such as family care, personal health, retirement preparation, and academic reasons
- Working hours are shortened by two hours to 5 hours a day
- Employee can apply for up to a year and can extend the period for a year(for reasons other than academic reasons)

Shortened Working Hours for Pregnant Women

- Female employees within 12 hours of pregnancy or after 36 weeks of pregnancy may apply
- Working hours can be shortened by up to two hours a day
- No limitations on the number of applications

English Camp for Employees' Children

Daewoo E&C provides Play With Daewoo, an English camp for employees' children who are in 5th or 6th grade of elementary school, in order to enhance employees' loyalty to the company and inspire the employees' children to take pride in Daewoo E&C. Play With Daewoo is held at the Suwon Training Center for a total of 4 nights and 5 days, providing high-quality English education program by native speaker instructors from an external English education institution.

Improvement of Organizational Culture

Corporate Culture Campaign

Daewoo E&C strives for innovative corporate culture, serving as the company's growth engine, through internal campaigns to enhance corporate value and employee work efficiency. In 2022, under the slogan of 'RE-BOOT', we conducted an in-house campaign by developing witty slogans on the themes of communication, understanding, cooperation, and practice. Postings on the company intranet and electronic bulletin board, in-house broadcasting, and posters were prepared and distributed to encourage all employees to participate.

Support System for Workers and Their Families

	Category	Details
Statutory Duty	Family care leave	Leave of absence for 30 days per leave, up to 90 days per year
	Family care working hours reduction	Working hours may be shortened by an hour ~ 5 hours (applications made in units of 3 months, up to 1 year(can be extended by 1 year for non-academic reasons))
	Childcare expense support	Minimum of KRW 110,000 ~ maximum of KRW 197,000 per month
	In-house daycare center	Monday ~ Friday, 07:30~19:30(Total capacity of 70 children)
Voluntary Operation	Family medical cost support	Support for hospitalization medical expenses(KRW 3 million per year for family members)
	Family rehabilitation support	Rehabilitation cost support(KRW 100,000 per month), surgery expense cost (KRW 10 million, once during employment), purchase of prosthetic devices(KRW 400,000, once during employment)
	Children's high school tuition	Quarterly support for national and public schools in Seoul
	Children's college tuition	KRW 2.7 million per semester, actual expenses for up to 8 semesters per person
	Welfare fund loan	Educational expenses for new employees(KRW 10 million per person), emergency living expenses (KRW 20 million per person), housing funds(KRW 50 million per person)
	Employee group insurance	Injury insurance(actual loss type, non-loss type), installment savings(KRW 85,000 per month), pension savings(differs for each position)
	Vacation expense support	A fixed amount of support by position once a year(maximum KRW 1 million ~ minimum KRW 400,000)
	Employee birthday gift	Gift support worth KRW 30,000 per person
	Family anniversary gift for employees working overseas	Gift support worth KRW 50,000 per year from the date of appointment
	Medical checkup for spouses	Support for health checkups up to KRW 220,000 per year
	Leave for family time	Leave for family time(paid leave) and related facility(accommodations, amusement facilities) support once a year
	Congratulatory/condolence money and wreath	Congratulatory/condolence money and wreath for employees' family events (differing amount of support for each item)
	Corporate condominium reservation	Condominium support utilizing company-owned memberships

Customer Satisfaction Management



2022 Highlights



Korea Service Grand Prix Grand Prize in Apartment Category for

3 consecutive years

▶ Prugio Balcony Concert

Approach

The key to customer satisfaction in the construction industry is providing products and services of consistent quality, and constantly seeking quality improvement is a top priority. In particular, serious completion quality problem or not meeting the completion date may cause financial losses such as delay compensation and customer loan interest compensation. If such problems are mentioned internally and externally through media outlets, non-financial risks of loss of brand credibility and image decline may occur.

Daewoo E&C is sparing no efforts to meet customers' rising standards for quality through continuously improving customer satisfaction and quality management processes accumulated over the past five decades. As competition between construction companies is intensifying, Daewoo E&C is continuing company-wide efforts to enhance its capabilities in all areas, including brand management, product design, quality management, after-sales service management, and customer management, striving to become a trusted global construction company through continuous system inspection and risk management.

Daewoo E&C Action Plan

Daewoo E&C has working teams within the 'HSE-Q Division' planning and establishing a company-wide quality system, and a CM team within the 'Housing & Building Division' carrying out on-site quality measurement, evaluation, and support. Furthermore, the Customer Satisfaction Task Force (CS TFT) was newly established to attain innovative quality improvement and customer satisfaction improvement through simplification of the customer satisfaction management system.

Daewoo E&C has introduced and is operating a system to manage risks caused by quality-related issues. The MOT organization is being expanded nationwide to promptly handle defects, and we are striving to improve our brand image by providing various housing services to improve quality. We will continue our efforts to achieve Daewoo E&C's vision of becoming 'Bringing customers' dream into real life' by improving the level of customer satisfaction through improvement of construction quality and strengthened after-sales service and customer service, while also striving to rank first in various external customer satisfaction surveys.

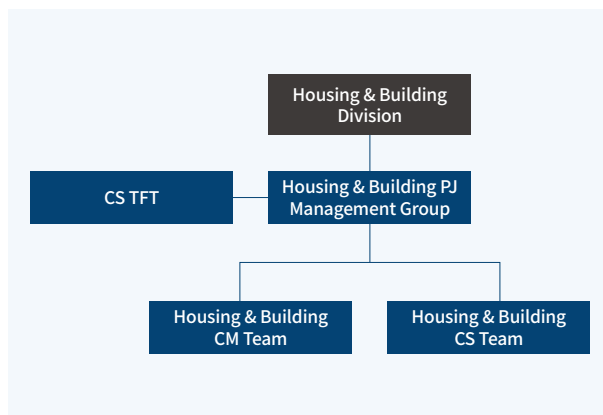
Performance compared to Target of Customer Satisfaction Indicators

Defect handling rate	Target	Performance
Increase by 1.9 %p	↑ 94.5%	96.4% 1.9%p
Defect average processing date	Target	Performance
Shortened by 4.4 days	8.5 DAYS	↓ 4.1 DAYS 4.4
Customer complaint rate	Target	Performance
Decreased by 2.1 %p	4.0%	↓ 1.9% 2.1%p

Customer Satisfaction Promotion System

Daewoo E&C prioritizes customer satisfaction through the entire process from the start of construction too after-sales service after moving in. Believing that improvement of customer satisfaction leads to maximized brand and corporate value of Daewoo E&C, we provide customer-centered services.

Organization



Protection of Customer Rights

New Establishment of Customer Satisfaction Task-Force

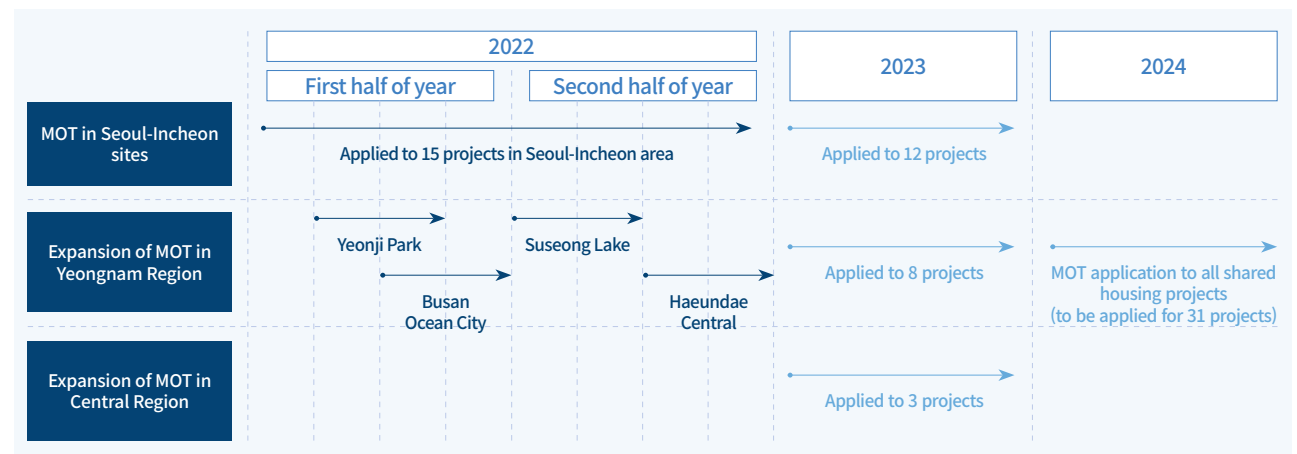
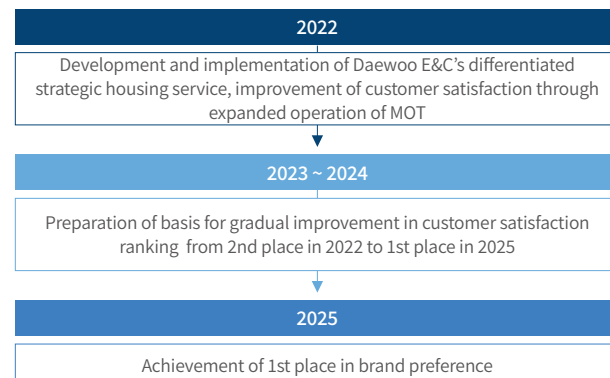
Daewoo E&C operates a CM team conducting on-site quality measurement, evaluation, and support, and a CS team providing after-sales services. In 2023, the CS TFT organization was established in 2023 to simplify the decision-making system to achieve innovative quality and customer satisfaction improvement. 23 tasks were identified by the 'CS TFT', and we are striving to improve customer satisfaction through concentration of company-wide capabilities on 4 tasks related to strengthening of customer service management.

Setting Goals to Protect Consumer Rights and Interests

Daewoo E&C is continuing its company-wide efforts to protect consumer rights and interest, setting and striving to achieve quantitative goals such as promise compliance rate, defect handling rate, and average processing time.

Category	Target	Performance	Performance against target	Note
Customer promise compliance rate	96.50%	98.10%	▲ 1.6%p	Whether the scheduled work completion date and the actual completion date are identical
Average processing date	8.5 days	4.1 days	▲ 4.4 days	Average processing time under the received defects are handled
Defect handling rate	94.50%	96.40%	▲ 1.9%p	Proportion of handled cases compared to the total number of received defects
Customer complaint rate	4.00%	1.90%	▲ 2.1%p	Proportion of complaints against number of call center counseling cases

Mid-to Long-term Roadmap to Improve Customer Satisfaction



Management System for Complaint Prevention, Prompt Action

Improvement of Customer Satisfaction through Active Communication

Daewoo E&C operates various customer channels to improve customer satisfaction. We are improving the convenience for complaint-filing through utilization of various media such as phone counseling, customer counseling through the website, Prugio mobile counseling app, and counseling through online chats. In addition, we are improving customer satisfaction through conducting satisfaction surveys for all after-sales customers through notification messages and mobile counseling app. In order to provide prompt feedback, the processing time has been maintaining an average of 10 days for 3 consecutive years.

We are actively communicating with customers through preventing defect complaints after moving in and receiving and reflecting customer complaints by checks by housewives(BS inspection) 85 days before move-in and pre-visit inspections stipulated by the Housing Act from 45 days before move-in. In particular, professional technicians with customer-oriented mindsets provide after-sales service through the Moment of Truth(MOT) system, promptly receiving and processing defects to improve customer satisfaction. We plan to secure additional general counseling and mobile counseling personnel in 2023 to reach the KPI-based productivity target, and improve the quality of customer counseling through promoting counselor job training and field trips to construction sites.

2022 KS-SQI Survey Results(Apartments)



Job-Training for Counselors

Daewoo E&C improves the quality of customer consultation through job training on major customer counseling topics for counselors. The training topics include basic customer satisfaction training and training related to work carried out by counselors. Training is conducted once every quarter. Also, counselors are provided an opportunity to learn the basics related to construction processes through annual field trips, and we expect counselors to be able to respond more effectively to the voices of customers through this process.

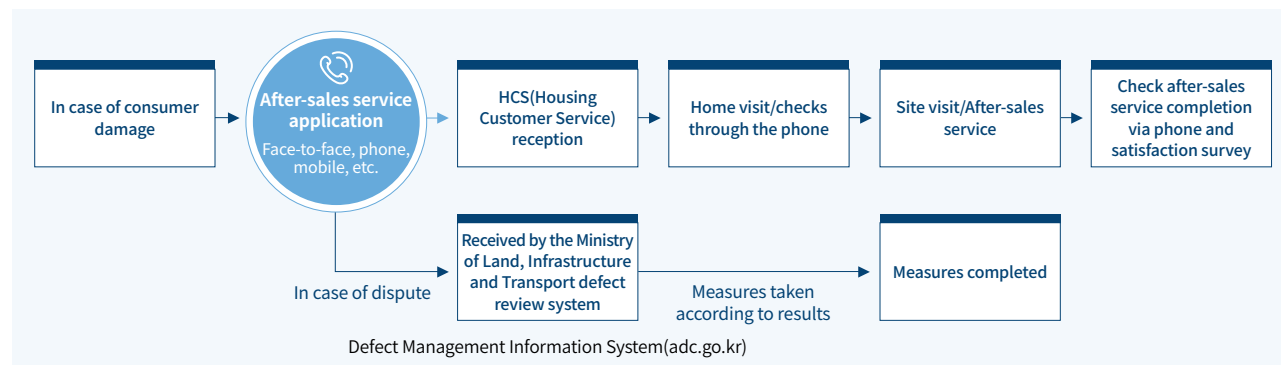
Quarter	Topic	Managing Team
1	Training on the understanding of chatting	Brand Marketing Team
2	CS mindset	Housing & Building CS Team
3	Basic training for Home Gateway	Telecommunications Technology Team
4	Change of defect processing policy by Daewoo ST	Daewoo ST AS Team

Consumer Damage Relief Procedure

Daewoo E&C discusses and handles complaints and demands filed by customers with relevant departments, reports results and establishes measures to prevent recurrence of issues. The Prugio customer center, Prugio website, and mobile consultation app are operated in order to promptly take action on customer complaint. If there is a difference of opinion between the consumer and Daewoo E&C, the consumer can receive relief through the defect review system of the Ministry of Land, Infrastructure and Transport.

Defect Management Information System of the Ministry of Land, Infrastructure and Transport
<https://www.adc.go.kr/adms/portal/defectInfo.do>

Consumer Damage Relief Procedure(Defect Reception And Handling Procedure)



Programs to Improve Customer Satisfaction

New Establishment of Customer Satisfaction Evaluation System

Daewoo E&C established customer satisfaction evaluation upon completion of the Prugio building construction in order to carry out evaluations from the customer's point of view. The customer satisfaction evaluation includes pre-inspection for tenants via mobile, in which tenants could carry out preliminary inspection and transmit results via mobile, which has been planned to substantially enhance customer satisfaction. The evaluation consists of a total of 2 steps, and the number of defects per household is reflected in the valuation, and efforts are made to make practical improvements through evaluation.

Customer Satisfaction Evaluation System Risk Identification and Management Activities

Based on quarterly field evaluation data, Daewoo E&C identifies risk points in responding to after-sales service at the site. During evaluations consisting of two sessions, some sites receive lower evaluation compared to the 1st evaluation, calling for a need for improvement of overall conditions to manage the number of defects per household after completion, the average number of days for defect handling, etc. After completing construction, we have been working to improve overall conditions by withdrawing personnel according to the changes in the number of defects per household instead of rushing to withdraw employees from the sites. While on-site after-sales service status is being managed by an indicator of 1.0 unprocessed case or less per household in D+3 months, we have newly established and are managing a new indicator of 2.0 unprocessed case per less for D+2 months. On-site after-sales service plan and personnel withdrawal plan are reported if the number exceeds 2.0 at the given point, and customer satisfaction is promoted by prompt processing after moving in through interactive communication with the headquarters. In addition, we strive to manage the site until after construction is completed through various points of contact by disseminating and training the field team on the importance of after-sales service, rewards and punishments. The issues and improvements derived through CS evaluation system are continuously improved and reflected to enhance customer satisfaction from the customer's point of view.

Customer Satisfaction Events and Programs

Service Prioritizing Residents

Prugio is implementing PRUS+(Pride Up Service), which is a residential service prioritizing the satisfaction of residents. A total of 52 items were provided to 41 projects in 2022. In particular, various services including 'welcome meal' for new residents who are too busy to prepare meals while moving in, and 'gardening classes', 'kids & mom class', and 'greenery lounge planner' have been prepared. Furthermore, we plan to start providing new services such as 'wine classes' and 'everyday life record' in 2023, and supplement serviced items in the future and strategically expand and implement them according to changes in customer tendencies, needs, and trends for each complex.



▲ Welcome meal service



▲ Smart organization and storage service

Attraction of Customer Inclusive Services

With the recent revision of the Infant and Child Care Act, apartment complexes with more than 500 households are required to have public daycare centers. Daewoo E&C signed agreements with 15 national and public daycare centers prior to the completion of construction for the residents' convenience and the early opening of national and public daycare centers. We developed a consent management system for the PRUGIO mobile consultation application, so the consent process was shortened by more than three months compared to written consent, which sped up the installation of daycare centers. In addition, the housing construction standards were revised, making it compulsory for construction companies to establish the Together Care Center, a care center for primary school students living in apartment complexes with 500 or more households. Accordingly, we have implemented a consent management system through the PRUGIO mobile consultation application.

Improved Culture Events

Prugio has been holding concerts within apartment complexes since 2022 as a cultural event unique to Prugio. We hold the Prugio Garden Concert to reinforce Prugio's unique cultural and emotional image, providing healing time with beautiful music to tenants fatigued from busy daily lives. In 2022, three complexes in Gwangmyeong Cheolsan, and Incheon Geomdan enjoyed successful pilot projects, and in 2023, we are expanding the Garden Concert service for more Prugio customers to enjoy the unique culture of Prugio.

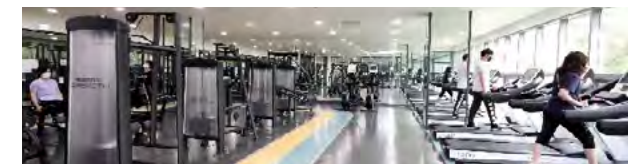


▲ Prugio Garden Concert

Customer Satisfaction Improvement System

Activation of Customer Community Facilities

Daewoo E&C is striving to revitalize customer community facilities to improve customer satisfaction, such as the Greenery Lounge Planner service for Prugio tenants to enjoy community facilities from the beginning of their move-in. Even during the COVID-19 pandemic, we continued operation of services to improve the quality of life of residents by operating community facilities in six complexes including Dasan New Town Nature & Prugio, improving the quality of life for our residents.



▲ Community facility within Prugio complex

Quality Management System

Management Policy and Goals

Management Policy

Establishment of Self Prevention System for Health and Safety and Quality Environment

Management Goals

ZERO Serious Quality Accidents

Strategies

Prevention of quality risk

Advancement of quality-related competencies

Promotion plan

- Strengthening of construction quality inspection
 - Social issues, types of work with multiple cases of major defects
- Response to external inspections (expansion to technological safety inspection)
- Strengthening of material quality
 - Implementation of quality control inspections for ready-mixed concrete, PC factories, etc.
- Establishment of in-house BIM system and new certification
 - BIM international standard (ISO 19650) acquisition
- Ensuring superiority in nuclear power quality
 - Main equipment work for Shin Hanul Units 3 and 4
- Reinforcement of equipment quality management capabilities
- Simplification of quality-related work
 - Demonstration support for on-site quality test management Q-Box¹⁾

1) Q-Box: On-site quality testing management web/app

Excellent Company Award for Integrated Management System

Daewoo E&C was selected as a winner in July 2022 by the British Standards Institute(BSI) in recognition of its achievements in contributing to the development of the construction industry by operating the integrated management system. Also, Daewoo E&C is continuously providing maintenance and management to comply with various international standards and regulations. Recently, we have acquired ISO 19650-2(BIM) to gain a foothold in securing technological expertise/competitiveness and responding to internal and external requirements.

Advancement of Quality Management System

Daewoo E&C is striving to improve quality through clearly distinguishing responsibilities and authorities for quality work between the company and different business divisions through organizational reorganization in March 2022, organically and efficiently advancing the quality management system within the company. The Company-wide Quality Team serves as the control tower for the company, monitoring systems and guidelines and establishing standards, conducting quality activities at business divisions and constructing on-site organizations, monitoring quality management, identifying and supporting on-site issues, performing equipment inspections, and providing quality-related support for bidding and purchasing. The Quality Team in the Business Division serves as the control tower for the division, disseminating the systems, guidelines, and standards established throughout the company, guiding and managing on-site construction and quality management for them to be operated in seamless manner.

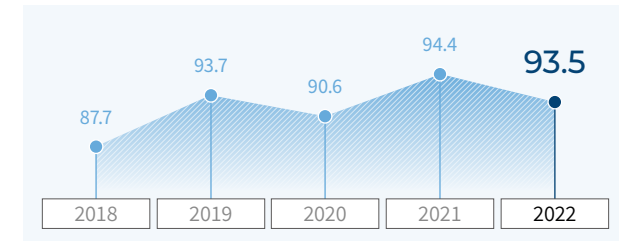
Company-wide control tower Quality & Environment Team within the HSE-Q	Division control tower Quality Team in Business Division
<ul style="list-style-type: none"> • Establishment of laws, systems, and monitoring standards • Operation and management of external certification, and headquarters quality systems 	<ul style="list-style-type: none"> • Dissemination of response knowhow according to the establishment of company-wide standards • Implementation of company-wide operation guidelines for the quality system
<ul style="list-style-type: none"> • Quality monitoring and performance measurement of business division • Support for preventive inspection on quality risks 	<ul style="list-style-type: none"> • Worksite quality monitoring and performance measurement • Due diligence and evaluation of worksite quality management training
<ul style="list-style-type: none"> • Equipment inspection and standardization of work • Technical support for special project management 	<ul style="list-style-type: none"> • Collection and management of worksite complaints regarding equipment and materials • Support for project construction quality management

Quality Management System Audit Record(Organizations in the headquarters)

No. of organizations	Average score	No. of findings	No. of measures taken	Processing rate
92	93.5	179 cases	179 cases	100%

Headquarters Quality Evaluation

(Unit: Average score)



Ensuring Quality and Safety

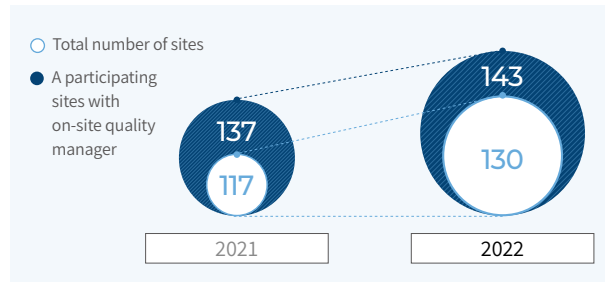
Communication with the Site Quality Manager, the Key Person

Daewoo E&C designates and operates 'Key Persons', who are on-site quality managers, in order to bridge the quality gap between the site and the headquarters and facilitate smooth communication. We have been continuously operating the 'Voice of Quality' system to listen to and collect the opinions of field quality managers. In 2022, a total of 130 out of 143 sites participated in efforts to secure excellent quality. In addition, Daewoo E&C conducts job training for quality managers once a year for each of the Housing & Building, Civil, and Plants divisions to improve the work capacity of on-site quality managers and their ability to respond to external inspections. In 2022, a total of 256 quality managers completed training of a total of 12 courses, and training subjects applicable in the field were selected and provided to increase trainee concentration and effectiveness.



▲ "Voice of Quality" operation

Voice of Quality Participation



Quality Management Capability Enhancement Support for Subsidiaries/Suppliers

Daewoo E&C has contributed to strengthening quality capabilities by supporting quality management systems for subsidiaries, providing quality training to 28 new equipment and material suppliers to provide support for quality enhancement and continuous contract signing. From 2022, we are conducting quality evaluations for external suppliers, and we are also providing training for supplier employees to support each company's quality competency improvement in order to meet and exceed standards. In addition, in the plant business field, we are reviewing quality technical specifications for equipment suppliers, organizing manufacturing and quality requirements. Furthermore, we provide training on quality requirements to partner companies prior to product inspection for them to manufacture high-quality equipment meeting delivery standards.



▲ Award for Outstanding Integral Management Certified Company



▲ ISO 9001:2015 Quality Management System



▲ KEPIC Nuclear Power Plant Construction and Design Domestic Qualifications



▲ ASME International Qualification for Nuclear and Non-nuclear Construction, Design and Manufacturing



▲ NBBI International Qualification for Repair of Boilers, Pressure Vessels and Pressure Pipes



▲ ISO 19650-2 Building Information Modeling

Quality Evaluation Results of Suppliers

Target suppliers	Selection of suppliers	Evaluation results
60 companies	Major types of work under quality management • Construction: reinforced concrete, tiles, etc. • Civil engineering: earthworks/structures/waterworks, etc. • Machine electricity: Plant equipment, electricity equipment	• Construction: Seowon E&C • Civil engineering: Sungbo C&E • Machine electricity: Cheongahm

Minimization of Quality Risk

Strengthened Equipment Quality Management

Daewoo E&C reviews purchase specifications from the pre-production stage to ensure that made-to-order materials meet the required quality standards, and quality control is being strengthened for each step in production stage, including factory inspections. We have expanded and managed the scope of major construction and civil engineering materials from 2022, focusing on materials delivered to plant sites. In 2023, we plan to expand the scope to inspections of ready-mixed concrete factories without prior notice and quality control of PC manufacturing factories to ensure the outstanding quality of products for our customers.

Factory Inspection Results Of Suppliers Manufacturing Housing Construction Materials

Category	General furniture	Kitchen furniture	Fire door	Total
No. of inspections	19	5	8	32

Preemptive Quality Risk Prevention System

Daewoo E&C operates worksites by preventing major quality risks in advance. Through the “External Institutional Inspection Information System” within BAROCON, the status and information for each stage, from pre-examination to results, are monitored periodically and utilized for preventive activities and autonomous inspection. We check, support, and provide training on major issues in advance so that a consensus can be formed among the employees of the company/business division and preventive activities can be carried out in an active manner.



◀ BAROCON's External Institution Inspection Information System

Quality Monitoring without Prior Notice

The Ministry of Land, Infrastructure, and Transport is continuing to strengthen special inspections and inspections without prior notice. Daewoo E&C conducts intensive management at the company-wide level to prevent risk in order to improve competitiveness and external credit rating during company inspections. Quality patrol was operated in 2022 to inspective and preemptively improve potential areas of penalty points, conducting training for employees during field inspections and supporting them to continuously share and recognize the importance of penalty point management. As the proportion of inspections in technical safety increases, our on-site management will place greater emphasis on technical safety.

On-site Quality Patrol Work Support Performance

Category	Number of sites	Average score	No. of findings	No. of measures taken	Processing rate
Housing & Building	40	97.1	75 cases	75 cases	100%
Civil	15	95.7	58 cases	58 cases	100%
Plants	2	96.7	0 cases	0 cases	100%
Total	57	96.5	133 cases	133 cases	100%

Win-Win Management



2022 Highlights



Mutual Growth Fund
KRW **9.6** billion



Donations to UNICEF during the last 3 years

USD **500** thousand

▶ Volunteer activities to improve the residential environment of persons of merit for independence

Approach

Daewoo E&C prioritizes the value of shared growth, deriving improvement tasks and promoting improvements through examination of internal win-win growth systems and policies. In particular, we are raising the values of fairness and win-win to the next level based on close cooperation with our suppliers. Furthermore, we are contributing to the underprivileged and local communities (domestic/overseas) through social responsibility activities based on the win-win relationship encompassing our employees, stakeholders, and the mankind in hopes of making a positive impact on the overall industry.

Daewoo E&C Action Plan

Daewoo E&C plans to continue strengthening of the existing win-win cooperation programs in both quantitative and qualitative manner. We plan to expand the scope of win-win cooperation program through significant expansion of excellent partner companies. We plan to strengthen various incentives for excellent partners, including contract priority given to best partners, expanding resources for win-win growth to faithfully achieve the goal of win-win management. Furthermore, we will continue to carry out various programs for social contribution activities related to the environment and win-win relationship with local communities.



▲ Excellent Partner Collaboration and Growth Conference

Supply Chain Sustainability Management

Fairness

Establishment of the Order for Fair Trade

- Compliance with the 4 major guidelines of the Fair Trade Commission
- Reinforced compliance with the Subcontracting Act

Fair Evaluation and Compensation

- Preference given to eco-friendly product suppliers
- Preference given to companies with excellent safety management
- Strengthened bidding opportunities for excellent partners

Grievance(reporting)
handling center



Supplier Code of
Conduct

Win-Win Partnership

Technical Support

- Technical cooperation and technology protection, etc.

Management Support

- Training support(safety, environment, quality)
- Consulting support(ESG), etc.

Financial Support

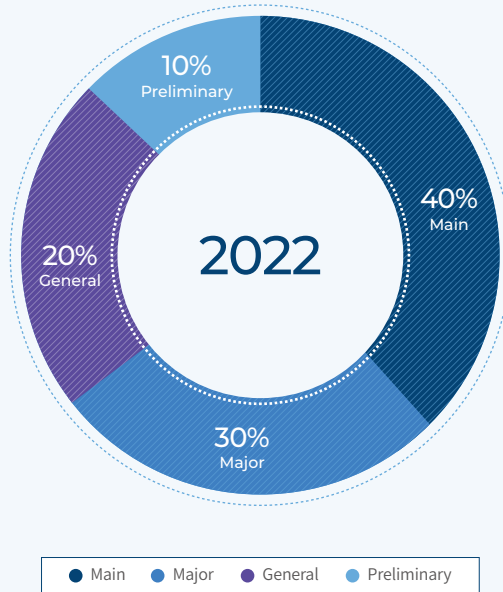
- Creation of mutual growth fund
- Contribution to the win-win cooperation fund
- Early execution of payment before holidays, etc.

Supply Chain Management System

Daewoo E&C is recruiting new partners in each sector such as out-sourcing/materials/service twice a year(first half/second half). Opportunities to participate in bidding are granted to companies that have passed various risk assessments such as technology/safety/quality/environment/finance.

Based on the results of regular annual evaluation of suppliers, Daewoo E&C assigns four grades to suppliers: main/major/general/preliminary. Daewoo E&C's main suppliers are considered to be key suppliers, and incentives for key suppliers are being strengthened by providing differentiated opportunities for participation in bidding by class.

Proportion of Selection of Participating Bidders



Supplier Selection and Evaluation

Supplier Registration

Daewoo E&C secures the quality of construction and supports seamless construction through discovery and nurturing of excellent partners. In addition, we are creating a mutually trustworthy business foundation through strengthening win-win cooperation with partner companies. We have been conducting safety evaluations before bidding for partner companies from 2022, striving to improve and manage site safety. In registration of new suppliers, we encourage suppliers to voluntarily participate in ESG management activities by attributing additional points to suppliers with ESG evaluation results in addition to credit rating, debt ratio, and construction capability evaluation.

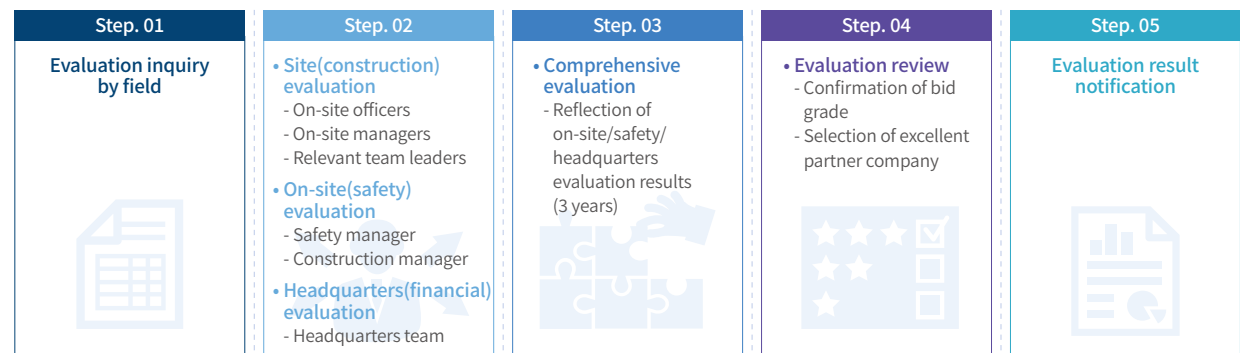
Selection of Supplier Participating in Bidding

Although the bidding process used to be operated in a way in which up to 12 partner companies participate in bidding and a company is selected at random, but starting in 2023, the bidding method has been changed to manual selection method by lowering the number of participating companies to 4 to 8 and selecting a suitable company after screening. The bidding operation system was improved to alleviate competition among suppliers and for excellent suppliers to be selected.

Supplier Evaluation

For site-oriented management, Daewoo E&C has increased the on-site evaluation score from 20% to 50% in the comprehensive evaluation of partner companies from 2021 for site-oriented information. In addition, on-site evaluations are conducted twice a year(construction evaluation, safety evaluation) for timely evaluation of on-site support capabilities of suppliers, conducting comprehensive evaluations including on-site and financial evaluations at the end of the year. The ranking and bidding grade of suppliers are decided based on the calculated according to the bidding grades to operate a transparent bidding system. In addition, additional points are given to companies with excellent environmental performance with ESG evaluations by credit rating agencies, top rated companies, or ISO 14001 as excellent companies in ESG management by improving the system of additional and deducted points in comprehensive evaluation of suppliers.

Supplier Evaluation Process



Sustainable Supply Chain Management

Supplier Code of Conduct/Guidelines

Daewoo E&C seeks to improve the competitiveness of the entire supply chain and encourage participation in sustainable management through the Supplier Code of Conduct, establishing a specific code of conduct to create a true win-win partnership where the growth of the company and the growth of the suppliers are aligned. The code of conduct consists of health and safety, ethics, environment, labor and human rights, and management system, and applies to all suppliers that have signed contracts with Daewoo E&C for all transactions. The code of conduct is published on the Daewoo E&C Collaboration System(E-COS).

Daewoo E&C Collaboration System(E-COS)

<https://www.dwecos.co.kr/icms/co/common/login/loginPageSvc.xpl#>

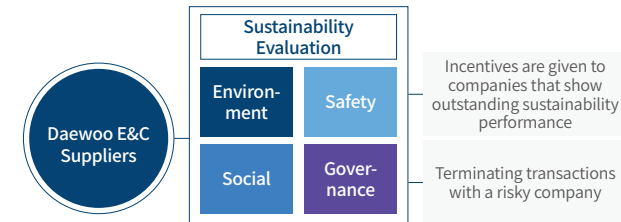
Strengthened Compliance with the Subcontracting Act

Daewoo E&C ensures that the four fair trade practices enacted and revised by the Fair Trade Commission are faithfully reflected in our fair trade guidelines and internal procedures related to contract signing to block unfair trade practices at the very roots. We protect all assets, including intellectual property rights, of suppliers in accordance with the procedures. We use Standard Subcontractor Contract for all subcontracting for construction works and construction materials as of 2021. We protect the subcontractors' rights and interests and comply with The Fair Transactions in the Subcontracting Act by receiving the subcontractor's warranty after completing a contract. In addition, we designate the subcontract payment for construction work on the 10th of the following month, and utilize NOMUBI.COM, a subcontract payment system linked to financial institutions, to prevent delays in the payment of workers' wages or equipment and materials costs.



Assessment of Supply Chain ESG Risk Activities

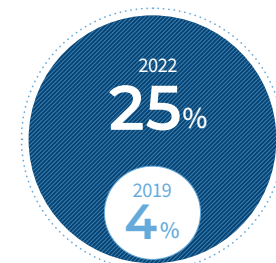
In order for a supplier to participate in Daewoo E&C's bidding, it must go through the "Certificate of Integrity" approval process when participating in the first bid. Daewoo E&C conducts monthly monitoring(once a month) and supplier disciplinary committee (once every two months) to ensure that the suppliers are complying with the Code of Conduct. Measures ranging from exclusion from bidding to exclusion as business partners are taken for suppliers proposed as an agenda of the disciplinary committee. Daewoo E&C enhances competitiveness throughout the supply chain by considering environment, safety, society, and governance when selecting and evaluating suppliers, and encourages suppliers to promote sustainability management. Daewoo E&C cancels the registration of suppliers if it is determined that a serious problem has occurred due to insufficient environmental management at the worksite in environmental terms; or if a serious accident(one or more deaths, etc.) or serious injury occurred or safety accidents are covered up in safety terms. In social terms, Daewoo E&C restricts a supplier from bidding or terminates transactions with a supplier if the supplier has not paid workers for a long period of time or violates the Fair Transactions in the Subcontracting Act/Labor Act/Framework Act on the Construction Industry, etc. In terms of governance, we are working hard to strengthen the supplier's management status and corporate governance by considering the supplier's financial soundness such as credit rating and debt ratio, the number of patents/ISO certifications, establishment and operation period, license holding period, and whether the headquarters and CEO support worksites, etc. In addition, evaluations of outsourcing and material and equipment suppliers are conducted once a half year, regularly evaluating the health and safety capabilities of suppliers through evaluation of the detailed evaluation results and disaster records of the sites directly worked with partner companies, as well as training and safety system certification.



Reinforced Health and Safety Management of Suppliers

Daewoo E&C has declared company-wide safety innovation to strengthen support for the safety management of suppliers. When registering a supplier, we verify its eligibility through safety screening(accident rate, management training, system certification, etc.). We added safety evaluation to the quarterly comprehensive evaluation to evaluate the safety risks as well as the construction capabilities of suppliers in a systematic manner. Specifically, in the comprehensive evaluation of suppliers, the proportion of safety evaluation items was increased from 4% in 2019 to 25% in 2021. We secured the independence and objectivity of the evaluation by excluding the worksite director from conducting the safety evaluation. When the safety evaluation scores of a supplier increase, the results are reflected in the bidding rating. We are building a system to increase business with suppliers with excellent safety management performance. Through this, we expect that our suppliers will be empowered to raise safety awareness among their employees, minimize accidents, and prevent enormous damage from accidents. In addition, we added suppliers' health and safety management expenses to our safety budget. Through this, suppliers will be able to voluntarily and actively maintain and improve worksite safety.

Ratio of safety evaluation criteria in the comprehensive evaluation of suppliers



Shared Growth Programs

Shared Growth Meeting With Excellent Suppliers

Daewoo E&C has been holding conference for mutual growth with excellent partners since 2007 based on the philosophy that ‘growth of our suppliers is the growth of the company’. In particular, in 2023, in celebration of the 50th anniversary of Daewoo E&C’s foundation, we expanded the scale of excellent suppliers by additionally selecting excellent suppliers in the fields of safety and quality. Furthermore, we plan to prepare opportunities for communication to promote friendship and information exchange between suppliers cooperating with Daewoo E&C for decades, by expanding supplier gatherings(Friendship Society) to provide opportunities for conversation with our management.



▲ Excellent Partner Collaboration Growth Conference

Financial Support for Suppliers

Daewoo E&C operates a Shared Growth Fund to create an environment of smooth cash flow with relatively weak financial foundations. This fund was prepared through the signing of an agreement with KDB Industrial Bank in 2012, and a total of KRW 9.6 billion(KRW 8 billion from Daewoo E&C and KRW 1.6 billion from KDB Industrial Bank) will be prepared to help suppliers obtain approval for Shared Growth Fund loans. 2.05% interest rate reduction is automatically applied when the loan is received, helping to resolve financial difficulties by enabling suppliers to obtain loans at lower interest rates than market rates. In addition, the total fund management amount was expanded to KRW 14 billion(KRW 8 billion from Daewoo E&C and KRW 6 billion from KDB Industrial Bank) in 2023, with the loan interest reduction rate increasing from 2.05% to 2.14%, with raised interest reduction benefits.

Reinforcement Of Win-win Cooperation With SMEs

Daewoo E&C strengthens win-win cooperation with SMEs by contributing to the Shared Growth Fund. For the first time in 2023, we reviewed contributions to the Win-Win Cooperation Fund worth KRW 600 million to the Foundation for Large Enterprises, Small and Medium Enterprises, and Agriculture and Fisheries Cooperation, and KRW 100 million was first donated in the first half of the year. In addition, various support programs are being operated for SMEs, which contribute to strengthening the competitiveness of SMEs and job creation. In the second half of the year, about KRW 500 million will be additionally contributed to the fund, and sustainable mutual growth will be promoted continuously through strengthening of win-win cooperation with SMEs.

Smart Construction Technology Support And Cooperation

Daewoo E&C carries out various activities for mutual growth with local companies. Daewoo E&C signed a business agreement with UOK Co., Ltd. and Dakong S&T Co., Ltd. in Gwangju for win-win cooperation and mutual growth between large and small businesses in the smart city and construction fields to pursue mutual growth with small giants while pioneering new business areas in the field of construction. We plan to share the resources and capabilities of each company to carry out research and development(R&D) related to smart construction technology. The project will be a great assistance in sustainable architecture and urban construction through the use of BIM models based on accurate 3D surveying.



▲ Win-Win Growth Agreement Ceremony

Supplier Management Support

Daewoo E&C promotes the ESG management support project for suppliers to spread a culture of mutual growth and win-win cooperation by supporting ESG management and capacity building of suppliers. To this end, we have signed an agreement with a credit rating agency to provide ESG training and consultation/evaluation costs (KRW 10 million) to our suppliers. As a result of the comprehensive evaluation of partner companies in 2022, we first selected partner companies (20 companies) with ESG evaluation grades to support ESG-related education, workplace due diligence, and consulting. In addition, training is provided to suppliers to strengthen their environmental, quality, and safety capabilities.

Voluntary Protection of Local Suppliers

Daewoo E&C has been fully implementing a random selection system from participating bidders since 2019 for transparent procurement operation. However, since there were institutional limitations in selecting local supplier companies as bidders due to the system, we are focusing on improving the system so that the subcontracting rate of local suppliers and the rate of use of local materials/equipment/manpower can increase. The system is improved to prioritize selection among suppliers by district/region during the manual selection process for bidding, and we are covering excellent suppliers by listening to their opinions through regular site visits. At the same time, we are continuing our efforts for win-win growth with local partners by participating in various local government meetings and events to improve subcontracting rates and mutual cooperation.

Social Contribution System

With the core slogan of “Greater love with greater sharing” for social contribution, Daewoo E&C strives to improve mid-to long-term value for customers and local communities. In addition, we are contributing to the development of local communities in order to fulfill our responsibilities as members of society.

Daewoo E&C conducts various employee participation relay volunteer programs every year, led by the “Daewoo E&C Social Volunteer Group” founded in 2007. These activities aim to enhance the local community’s environment, contribute talents, and engage in sharing activities for the underprivileged. On the internal front, we conducted volunteer activities to create a green environment together with the Jung-gu Office in Seoul near our headquarters. We plan to continue cooperation with local residents and listen to their opinions to conduct projects that support coexistence with the underprivileged. On the external front, we are promoting different projects to meet the demands and expectations of various fields for the local communities near local overseas sites. As such, Daewoo E&C will become a company fulfilling its social responsibilities as a global construction company leading social contribution activities abroad as well as in Korea.



▲ Earthquake relief support for Turkey and Syria

Social Contribution Strategy System

Social Contribution Mission

Fulfilling our responsibilities as members of society by contributing to the mid-to long-term value increase of our customers and local communities.

Social Contribution Vision

Daewoo E&C building a better world

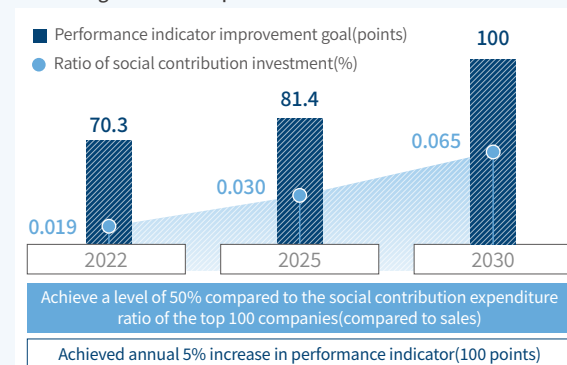
Social Contribution Organization

Social Contribution Committee (Social Contribution Working Council)	Social Contribution Secretariat	Social Contribution Group
Decision on major matters related to operation, such as volunteer group operation rules, business plans, and fund utilization plans	Social contribution program development, operation and financial management	Volunteer activities are carried out by forming volunteer teams at the headquarters and at each site

Social Contribution Strategy



Mid-to long-term roadmap for social contribution



Measurement of CSR Performance

Daewoo E&C does not stop at conducting social contribution activities, but measures its performance to establish mid-to long-term goals of more than three years. Daewoo E&C evaluates the performance of social contribution activities in 13 major categories, including organization, policies and systems, key performance indicators, and businesses linked to business characteristics. The performance index score for 2022 is 70.3, and we plan to improve the score by 5% every year in the future. Daewoo E&C will continue to strive to have a positive impact on the local community through effective and efficient social contribution activities.

Performance of Social Contribution Activities

Category	Unit	2020	2021	2022
Number of annual participants	Persons	1,311	1,041	3,432
Total expenditure	KRW million	749	967	1,644
Operating costs	KRW million	379	57	61
Donations(culture and arts, etc.)	KRW million	390	910	1,583
Average activity time per person	Hours	4.54	4.46	5.9
Number of relay volunteer activities	Times	5	0	6
Persons participating in relay volunteer activities	Persons	402	0	486

※ Number of participants in coin donation activities: 2,033 persons(only including 2022 due to the number not collected in 2020 and 2021)



▲ Operation of the Social Contribution Committee

Social Contribution Activities

Habitat

Daewoo E&C has been working with Habitat to implement 'House Repair for Hope', remodeling old facilities and improving the living environment for the benefit of the underprivileged. In 2021, we expanded the project to include Vietnamese nationals in Korea and descendants of independence activist(contributed to Korea's Independence), improving poor housing conditions and engaging in inclusive and equitable social contribution activities. In addition, Daewoo E&C signed a business agreement with the Seoul Metropolitan Government and Habitat to improve the residential environment for the vulnerable, and plans to complete facility renovation and flow of human traffic from 2022(for 10 persons from 7 households) to 2023(50 households scheduled).



Employee Coin Collection Donation

The employees of Daewoo E&C are collecting less than KRW 1,000 in coins from their salaries every month, using the fund raised to help those in need. After the support for victims of forest fires in Gyeongbuk and Gangwon regions in 2022, we provided support for earthquake damage and emergency relief in Turkey and Syria in 2023.

Category	2021	2022	2023
Donation made to	Eastern Social Welfare Society	Community Chest of Korea	Korean Red Cross
Major activities	<ul style="list-style-type: none"> Implemented as a social contribution activity participated by employees' families Non face-to-face-Making masks from home and delivery of donations 	<ul style="list-style-type: none"> Support for victims of forest fires in Gyeongbuk and Gangwon regions 	<ul style="list-style-type: none"> Support for earthquake damage in Turkey and Syria
Amount	KRW 5 million	KRW 30 million	KRW 28 million

※ The amount differs from the total amount of donations as only the funds raised through the employee coin collection donation are included.

Blood Donation Campaign

Daewoo E&C conducted the '2022 Daewoo E&C Blood Donation Campaign' in which executives and employees from the headquarters and domestic sites participated to contribute to improve domestic blood supply. The campaign was conducted by a visiting blood donation bus in front of the Euljiro headquarters. Employees unable to visit the bus participated in the campaign by donating blood donation certificates. Daewoo E&C's blood donation campaign has been participated by company-wide employees for 17 years since 2006, and we plan to continue carrying out life-sharing activities to lead the spread of blood donation culture at the corporate level.

Environmental Improvement Activities For Small Businesses In The University Commercial District

Daewoo E&C carried out store environment improvement activities for small business owners in university commercial districts struggling due to the COVID-19 pandemic with university student public relations ambassadors. We selected 6 stores near universities and carried out environmental improvement activities by reflecting the opinions of the owners of each store, creating the effect of rebranding the stores. In particular, online and offline events were held to attract customers, revitalizing the university commercial district. Daewoo E&C and university student ambassadors plan to promote and practice activities for coexistence with neighbors and local communities.

Donation to Scholarship Foundation

Daewoo E&C donated KRW 100 million in scholarship funds to Haneul Sarang Scholarship Foundation to continuously promote social contribution activities related to education. The Haneul Sarang Scholarship Foundation was established in 2010 based on KRW 100 million in survivor's pension collected by the late Lieutenant Park Kwang-soo(29th Republic of Korea Air Force Academy Graduated)'s parents for 28 years and KRW 200 million collected by 2,700 pilots. Remembering the noble sacrifice of the pilots who devoted themselves to defending the skies of the Republic of Korea, we support their bereaved children to grow into great talents while taking pride in their parents' spirit of sacrifice.

Global Social Contribution

Daewoo E&C has provided various supports through overseas branches and worksites. In Morocco in from 2012, we conducted 600 cataract and strabismus surgeries and offered treatment to 7,000 outpatients, and opened a local training school to educate the local people, helping them become self-reliant. In Oman, we planted 440 trees to celebrate the Environment Day and conducted road maintenance. In Iraq, we provided COVID-19 test kits and medical supplies and supported relevant facilities, continuing volunteer service on local branches and worksites.

In 2022, we collaborated with Vision Care, an NGO, to support 387 cases of cataract surgeries and 736 eye examinations for local residents suffering from eye-related diseases in Vietnam and Nigeria. In addition, we are striving for win-win growth with the local communities near overseas expansion sites, such as producing local trainees through establishing a technical training center in Nigeria and directly hiring excellent trainees. We plan to further contribute to the development of overseas communities, health, and education by collaborating with international relief organizations at overseas sites and branches.

Global Social Contribution Activities

Country	Details
Czech Republic	<ul style="list-style-type: none"> Local NGO support according to local needs
Nigeria	<ul style="list-style-type: none"> Establishment of technical training center in Nigeria Supported 217 cataract surgeries and 396 eye examinations (collaboration with Vision Care)
Iraq	<ul style="list-style-type: none"> Establishment of an infant education center in Al Faw, Basra, Iraq(collaboration with UNICEF)
Vietnam	<ul style="list-style-type: none"> Establishment of a shelter for Vietnamese people living in Korea(collaboration with Habitat) Supported 170 cataract surgeries and 340 eye examinations (collaboration with Vision Care)

Governance



2022-2023 Highlights



New Establishment of the Compensation Committee



BoD Evaluation and Board Skills Matrix
Board Skills Matrix Disclosure



CEO Succession Regulations
Enacted and candidate pool managed

Governance

Daewoo E&C is governed by an independent and professional Board of Directors, with majority of the members of the BOD as independent directors. The 'Corporate Governance Charter' was enacted in 2020, and governance principles and procedures have been stipulated in the charter. We are striving to establish a sound governance structure based on the 'Corporate Governance Charter'. We will strive to take the lead in proper ESG management by not only enhancing the reliability of our governance structure through fair and transparent BOD operation, but by also continuously strengthening safety and environment sectors.

Strategy

Daewoo E&C plans to take the lead in ESG management, strengthening the governance sector through changes in composition and operation of the board of directors. Additional female independent directors who are experts in accounting and finance (a total of two female independent directors) have been appointed, and some of the articles of incorporation was changed to improve the board convening process and establish a Compensation Committee. In particular, the establishment of a Compensation Committee within the board of directors is expected to have positive effects such as transparent and fair remuneration execution.

Risk management

Daewoo E&C is making efforts to manage financial and non-financial risks in business activities in line with global ESG trends and strengthened regulations. Risks and opportunities throughout the whole project life cycle are managed by 'PJ Assessment Team', 'Budget Management Team' and 'Project Management Team'. Through the legal support team, we are conducting thorough risk management by conducting legal issues from bidding to completion and responding to post-conflict. In addition, risks are discovered and managed from various angles to minimize risks and maximize opportunity factors, and the Director of Strategic Planning, the Chief Risk officer(CRO), reports key risk management activities to the Board at least once a year.

Metrics and targets

Daewoo E&C has amended the articles of incorporation to notifying each director 7 days prior to convening a board meeting to enhance substantial review and efficiency of the board. In addition, we will establish a board evaluation system, prepare and disclose a board skills matrix, and manage candidates for independent directors and the CEO to continue to further strengthen board-centered management.

Corporate Governance Charter

I . Shareholders

1. Shareholders' Rights
2. Equitable treatment of shareholders
3. Shareholder responsibility

II . Board of Directors

- | | |
|--|--------------------------------|
| 1. Function of the BOD | 4. Operation of the BOD |
| 2. Composition of the BOD and appointment of directors | 5. Committees within the BOD |
| 3. Independent Director | 6. Directors' Obligations |
| | 7. Directors' Responsibilities |

III. Audit Organization

1. Internal Audit Organization
2. External Auditors

IV. Stakeholders

1. Protection of stakeholders' rights
2. Stakeholder participation in management monitoring

V . Management Monitoring by Market

1. Public disclosure
2. Corporate management right market

Governance Structure

Daewoo E&C is governed by an independent and professional Board of Directors. Over half of the members of the BOD are independent directors. This has helped us to ensure rational decision-making and transparent, efficient management. In 2020, Daewoo E&C enacted 'Corporate Governance Charter', stipulating governance principles and procedures in its charter, securing health governance structure and striving for the continuous growth of the company.

Corporate Governance of Daewoo E&C

<https://www.daewooencir.com/management/stock.asp>

Functions and Roles of the Board of Directors

As the highest decision-making body, the Board of Directors takes decisions on matters stipulated in the laws and articles of incorporation and business practices, supervises the execution of duties by the management, and helps rational decisions on major management issues. Through the fair and transparent operation of the Board, Daewoo E&C seeks to promote efficient corporate management, to create shareholder value, and to strengthen trust with stakeholders by focusing on the balancing of interests among stakeholders.

Composition of the Board

The board of directors at Daewoo E&C consists of two internal directors and six independent directors. The chair of the board is decided by a resolution of the board of directors in accordance with the articles of incorporation. At Daewoo E&C, the CEO also serves as the chair of the board of directors to strengthen the decision-making process and promote efficient communication. The board of directors at Daewoo E&C is sparing no efforts to secure competitiveness in company management through mutual checks and balances based on transparency and independence as a key decision-making group.

Composition of the Board of Directors

(As of 31. May. 2023)

Category	Name	Gender	Position	Appointment date	Field of expertise	Major career
Internal directors	Baek Jung-wan	Male	CEO, chair of the board of directors	28.Feb.2022	General management	Former head of Housing & Building Division at Daewoo E&C Current CEO of Daewoo E&C
	Kim Bo-hyun	Male	Member of Independent Director Recommendation Committee, Member of Compensation Committee	28.Mar.2023	Management	Former Air Force Brigadier General Current Vice President of Herald Co., Ltd. / Senior Executive Vice President of Daewoo E&C
Independent directors	Youn Gwang-lim	Male	Member of Independent Director Recommendation Committee, Chair of Audit Committee	28.Feb.2022	Accounting, Finance	Former Vice President of Shinhan Bank Former CEO of H Industrial Co., Ltd. Current independent director of Daewoo E&C
	Kim Jai-woung	Male	Chair of Independent Director Recommendation Committee, Member of Audit Committee	28.Feb.2022	Taxation, Administration	Former Commissioner of Seoul Regional Tax Service Current advisor of Gwangjang Law Firm
	Lee In-seok	Male	Member of Independent Director Recommendation Committee, Member of Audit Committee	28.Feb.2022	Law	Former Seoul High Court High Court Judge (Presiding Judge) Current lawyer of Gwangjang Law Firm
	Kim Jae-joong	Male	Member of Independent Director Recommendation Committee, Chair of Compensation Committee	1.Apr.2022	Administration	Former Fair Trade Commission Seoul Office Manager Current advisor of Kim & Chang, a law firm
	Lee Young-hee	Female	Member of Independent Director Recommendation Committee, Member of Compensation Committee	23.Dec.2022	Law	Former member of Korean Review Commission for Elevator Accidents Current representative attorney of Bareun Law LLC
	Ahn Sung-hee	Female	Member of Independent Director Recommendation Committee, Member of Audit Committee	28.Mar.2023	Accounting, Finance	Former Director of Korea Accounting Information Association Current Associate Professor of Department Accounting at the Catholic University of Korea

Committees Within the Board of Directors

The Independent Director Recommendation Committee and Audit Committee are delegated specific responsibilities by the Board for efficient decision making, bringing expertise and building up sustainable business operations. The Independent Director Recommendation Committee was established to ensure transparency, soundness and independence in recommending candidates for the position of Independent Directors. The Independent Director Recommendation Committee consists of 6 independent directors and 1 internal director, and recommends independent director candidates to shareholders' meeting by searching for and screening candidates with expertise in carrying out the tasks of independent directors by managing the pool of independent director candidates. The Audit Committee consists fully of independent directors, and conducts pre- and post-audits from the decision-making stage to the work process to prevent conflicts of interest such as corruption. The Compensation Committee discusses matters stipulated in the articles of incorporation or bylaws in relation to the limit of remuneration for registered directors to be submitted to the general meeting of shareholders, the limit of remuneration for individual registered directors delegated by the general meeting of shareholders, and the payment method, and consists of two independent directors and one internal director.

Board Committee Status

(As of 31. May. 2023)

Category	Composition	Committee chair(position)	Major roles
Independent Director Recommendation Committee	6 independent directors, 1 internal director	Kim Jai-woung (independent director)	Recommendation of candidates for independent directors at the general shareholders' meeting
Audit Committee	4 independent directors	Youn Gwang-lim (independent director)	Conducting company accounting and business audits
Compensation Committee	2 independent directors, 1 internal director	Kim Jae-joong (independent director)	Determination of compensation and payment method for management

Independent Director Recommendation Committee

Session	Meeting date	Attendance/Size	Agenda		Whether approved
			Category	Details	
1st	27.Jan.2022	6/6	Resolution	Recommendation of independent director candidate	Approved
2nd	10.Feb.2022	5/6	Resolution	Recommendation of independent director candidate	Approved
3rd	10.Mar.2022	6/6	Resolution	Recommendation of independent director candidate	Approved
4th	9.Jun.2022	5/5	Resolution	Recommendation of independent director candidate	Approved
5th	8.Dec.2022	5/5	Resolution	Recommendation of independent director candidate	Approved
1st	6.Mar.2023	6/6	Resolution	Recommendation of independent director candidate	Approved
2nd	11.May.2023	7/7	Resolution	Appointment of the chair of the Independent Director Recommendation Committee and appointment of acting director in case of absence	Approved
			Reporting items	Reporting of independent director candidates	-

Compensation Committee Operation

Session	Meeting date	Attendance/Size	Agenda		Whether approved
			Category	Details	
1st	11.May.2023	3/3	Resolution	Compensation Committee chair appointment and appointment of acting director in case of absence	Approved
			Resolution	Approval of individual director remuneration for the 2023 business year	Approved

Audit Committee Operation

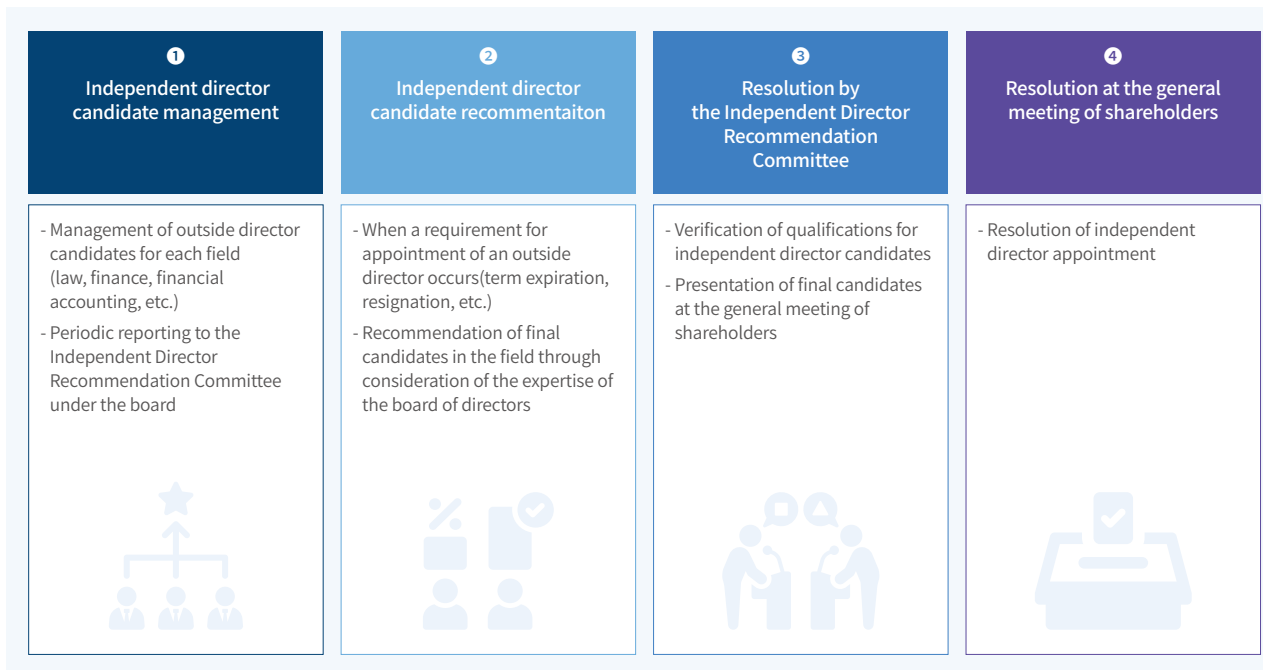
A total of 6 Audit Committee meetings were held in 2022, with a total of 25 agenda items discussed. As of May 2023, a total of 4 meetings have been held, and there are 4 more meetings planned, making a total of 8 meetings scheduled. At each meeting, the number of present members of Audit Committee members exceeds the quorum.

Session	Attendance/Size	Agenda details	Whether approved
1st	3/3	2021 year-end audit plan report, key audit item consultation and internal accounting management system audit progress report	Reported
		2022 internal accounting management system operation plan report	Reported
		2021 audit performance and 2022 work plan report	Reported
2nd	3/3	22nd(Fiscal Year 2021) Report on Financial Statements	Reported
		22nd(Fiscal Year 2021) Annual Report reporting	Reported
3rd	5/5	Resolution on appointment of Audit Committee chair	Approved
		22nd(Fiscal Year 2021) end-of-term audit progress report	Reported
		Report on the operation status of the internal accounting control system	Reported
		22nd(fiscal year 2021) general meeting of shareholders and report on meeting objectives	Reported
		Report on the result of reviewing the operation status of the internal accounting control system	Reported
		22nd(Fiscal Year 2021) Audit Committee audit report preparation and submission	-
		Preparation of an evaluation report on the operation status of the internal accounting control system by the Audit Committee	-
4th	3/3	Preparation of opinions of the Audit Committee on the internal monitoring system	-
		2022 Q1 financial statement review progress report	Reported
		2022 Q1 financial statement report	Reported
		Report on major audit performance	Reported
5th	3/3	Preparation and submission of post evaluation by external auditor(Fiscal year 2021)	Reported
		2022 half-year financial statement review progress report	Reported
		2022 half-year financial statement report	Reported
		2022 Q2 report on the operation status of the internal accounting control system	Reported
		Report on the result of reviewing the operation status of the internal accounting control system	Reported
6th	3/3	Report on major audit results	Reported
		2022 Q3 financial statement review progress report	Reported
		2022 Q3 financial statement report	Reported
		Report on major audit results	Reported

Independent Director Candidates and Selection Principles

The board of directors at Daewoo E&C, as the highest permanent decision-making body, has the authority to appoint and dismiss the CEO, with the number of independent directors accounting for the majority(the board consists of two internal directors and six independent directors). Independent directors are nominated through the Independent Director Recommendation Committee and are appointed by the shareholders' meeting. Independent directors are able to independently participate in important corporate management policy decisions and supervise and support the management as members of the board. In appointing an independent director, we appoint a person with no interest in the company, and in holding the Independent Director Recommendation Committee, we verify the independent director candidate's career to ensure that there is no conflict of interest.

Independent Director Appointment Process



Independent Director Activity Support

Daewoo E&C supports independent directors' activities by enhancing their understanding of their business and providing them with information necessary for performing their duties. In particular, we conduct training for independent directors internally and externally at least annually. In addition, Daewoo E&C purchased liability insurance for damages at the company's expense to support directors' active performance of their duties.

Management of CEO Candidates

To manage management succession procedures and candidates, Daewoo E&C has enacted the CEO Succession Rules. CEO candidates are selected and reported to the board of directors(the 5th board meeting in 2023) after comprehensive consideration of expertise and leadership, and the performance and capabilities of CEO candidates are periodically inspected according to the company evaluation management process. In addition, we nurture competent candidates by providing appropriate internal and external training to candidates.

Outside Expert Support for Independent Director

Daewoo E&C stipulates in the rules of the board of directors to seek advice from external experts when necessary. The Audit Committee, a committee under the Board of Directors, provides advice from external experts to carry out its duties, and the Audit Committee's regulations stipulate that the Audit Committee has the right to receive assistance from external experts at the company's expense, if necessary.

Training for Independent Directors

Training date	Conducted by	Main content	Note
8.Apr.2022	Daewoo E&C	Understanding of PF related to real estate development business, Introduction and understanding of overseas business	Participated by all independent directors
14.Jul.2022	Samjong KPMG	Training on the internal accounting management system	Participated by all members of Audit Committee
14.Jul.2022	Audit Committee Forum	The importance of corporate risk management and internal control	Participated by all members of Audit Committee
14.Sep.2022	Audit Committee Forum	ESG responses by the Audit Committee	
22.Sep.2022	Samjong KPMG	Audit Committee's audit of subsidiaries supervision and related internal accounting management system	

Independence, Expertise, and Diversity of the Board of Directors

Directors are appointed at the general shareholders' meeting, and candidates are selected by the board of directors (inside directors and other non-executive directors) and Independent Director Recommendation Committee (independent directors), and are finalized by the agenda submitted to the shareholders' meeting. The board at Daewoo E&C ensures expertise by appointing independent directors who are experts with rich experience in various fields such as accounting and finance, taxation and administration, and law. This enables us to perform checks and monitoring functions for each specialized field in a complex and rapidly changing environment, contributing to securing the safety of company management and competitiveness.

Board Skill Matrix

Category		Lead-ership	In-dus-try	Fi-nance/ ac-count-ing	Fi-nance	Law	M&A	Global Busi-ness	Partic-ipating com-mit-tees
Internal directors	Baek Jung- wan	√	√					√	
	Kim Bo-hyun	√	√					√	A, C
Independent directors	Youn Gwang- lim	√		√	√		√		A, B
	Kim Jai- woung	√		√		√			A, B
	Lee In-seok	√				√	√		A, B
	Kim Jae- joong	√			√	√			A, C
	Lee Young- hee	√				√	√		A, C
	Ahn Sung- hee	√		√			√		A, B

* Independent Director Recommendation Committee : A
Audit Committee : B
Compensation Committee : C

Evaluation and Compensation

Board of Directors Evaluation

Daewoo E&C seeks to devise effective plans for board operation by board evaluation and further contribute to strengthening the board's roles and responsibilities. In 2023, Article 11 of the Board of Directors Regulations (Board Evaluation) was newly established to prepare a board evaluation system. The board evaluation is scheduled to be conducted annually (in November), with the 2022 evaluation carried out in May 2023. Evaluation is conducted in the form of a survey (self-assessment evaluation), and consists of an evaluation of the overall board, including the roles and responsibilities of the board, composition and independence of the board, and evaluation of committees within the board and evaluation of individual directors.

Execution Date	Details	Evaluators/Subject
11.May.2023	2022 board evaluation	5/5

2022 Board of Directors and Board Committee Evaluation Results

Category		Number of indexes	Average score(out of 5 points)
BOD	Roles and responsibilities of the board	4	4.90
	Composition and independence of the board	2	4.97
	Operation of the board	4	4.71
Committee	Audit Committee	4	4.92
	Independent Director Recommendation Committee	4	4.95
Individual directors	Activities of individual directors	5	4.88

Board of Directors Remuneration¹⁾

At Daewoo E&C, the Directors' compensation is determined based on the company's economic, social, and environmental management performance and the assessment of personal achievements, such as annual committee operations and activities. The annual general meeting of shareholders approves the Director's remuneration within preset limits, and the overall compensation status of Directors is made public in the business report and on the website. In 2022, a deferred performance-based compensation system in which performance-related pay for individual internal directors was divided into short-term and long-term performance was introduced.

Director Remuneration

(Unit : KRW million)

Category	No. of persons	Total remuneration	Average remuneration per person
Registered directors(excluding independent directors and members of the audit committee)	4	2,044	511
Independent directors(excluding members of the Audit Committee)	4	70	18
Members of the Audit Committee	6	204	34
Directors, auditors, and overall	14	2,317	166

1) Daewoo E&C discloses the average remuneration of its executives through its business report, and the information is based on the data.

Operation and Activities of the Board

Number of Board Meetings Held

Daewoo E&C holds a regular board of directors meetings once a month and extraordinary meetings if necessary. The board of directors is operated based on the articles of incorporation and board regulations, and major resolutions at each meeting are disclosed through the annual report. In 2022, a total of 15 board of directors meetings were held to resolve 58 agenda items, with an attendance rate of 96.4%. The proposed agenda is resolved by the attendance of a majority of directors and approval of a majority of the directors present.

Operation of the Board of Directors

Category	Unit	2020	2021	2022
No. of Board meetings held	Times	17	14	15
No. of agenda decided	No. of cases	47	42	58
Directors' attendance rate	%	100	96.6	96.4

ESG Materiality Review by the Board of Directors

Daewoo E&C decides its ESG materiality issues through the resolution of the board. In addition, the board selects separate materiality issues decided by the board among the selected materiality issues. In 2023, the three issues of development of eco-friendly construction method and technology, advancement of industrial safety and health management system, and compliance management and practices have been decided as materiality issues for the board of directors. The selected materiality issues are managed in systematic manner by the board of directors, such as reporting to the board of directors within the year.

Deliberation of ESG Agenda by the Board of Directors

Date	Agenda	Type of consideration	Note
10.Mar.2022	Approval of plans for safety and health in 2022	Resolution	
12.May.2022	Daewoo E&C's countermeasures related to the Serious Accident Punishment Act	Report	
	Establishment of Climate Change Response Committee	Report	
14.Jul.2022	Appointment of Compliance Officer	Resolution	
	Report on the results of the Climate Change Response Committee meeting	Report	
	Report on compliance system status and reinforcement measures	Report	
13.Oct.2022	Establishment of the ESG Committee and enactment of the operating regulations of the ESG Committee	Resolution	
	Review of the ESG materiality issues of 2022	Report	
12.Jan.2023	2022 ESG evaluation results and improvement plan(draft)	Report	
9.Feb.2023	Progress on ESG management improvement(February)	Report	
6.Mar.2023	2022 compliance performance report	Report	
13.Apr.2023	Approval of plans for health and safety in 2023	Resolution	
	Selection of ESG materiality issues for 2023	Resolution	
11.May.2023	Joining the Task Force on Climate-Related Financial Disclosures(TCFD)	Resolution	
	Approval of environmental policies	Resolution	
	Risk management report for 2023	Report	

Shareholders

Daewoo E&C issued a total of 415,622,638 shares as of December 31, 2022, and the largest shareholders are Jungheung Engineering & Construction Co., Ltd. And JungHeung Construction Co., Ltd., holding 50.75% of the company's shares. Daewoo E&C transparently discloses its business information and shares annual reports with its shareholders and stakeholders through the Financial Supervisory Service and the Korea Exchange, following legal disclosure requirements.

Compliance/ Ethical Management



2022 Highlights



Declaration of
**Zero-Tolerance for
Corruption**



Pledge of
**Compliance Practice
by all Employees**



**Appointment of
General Compliance
Officer**

Appointment of change of the legal
compliance officer

Approach

Only companies with high moral standards and a sense of ethical compliance can grow into a sustainable company trusted by the society and customers. The employees of Daewoo E&C are raising awareness that compliance is an obligation that everyone must abide by, continuing to take interest in and voluntarily participate in compliance activities. We acquired the anti-corruption management system(ISO 37001) certification in 2018 for the first time as a Korean construction company, establishing our anti-corruption management system. We are expanding and operating the anti-corruption management system through the operation of ethics management compliance system throughout the company, upgrading and integrating the existing compliance system.

Daewoo E&C Action Plan

Daewoo E&C operates the Compliance Committee entrusted with deliberation on major compliance-related matters and the Compliance Council discussing specific activities. To operate the compliance system, activities from the management to each unit are organized in a systematic manner. Compliance operation performance and plan are presented as agenda items to the Compliance Committee for resolution, and the Compliance Officer and the Head of the 'Legal Affairs Group' report the compliance results to the board. Daewoo E&C will continue to improve the system through post-inspection of company-wide anti-corruption management system certification and reflection of nonconformities and improvement recommendations to maintain certification. Furthermore, we will establish a culture of corruption reporting through continuous company-wide publicity and training, taking the lead in preventing recurrence through compliance monitoring and reinforcement of training on violation cases.

Daewoo E&C Ethical Management

<https://www.daewooenc.com/eng/company/management/moral-ethics>

Employee Charter of Ethics

- ① We develop an ethical corporate culture, through fair and transparent business conduct.
- ② We respect customers and put priority on customer satisfaction in management activities.
- ③ We respect individuals' dignity and take the initiative in protecting the rights and interests of the disadvantaged and promoting their equality.
- ④ We comply with all international agreements and laws regarding human rights, environment, culture and economy.
- ⑤ We do not abuse a dominant or privileged position to carry out misconduct against related persons.
- ⑥ We, as a member of the society, fulfill our social responsibility and contribute to the development of community.
- ⑦ We become talented people who continue to practice the core values of the company.

Compliance Prevention System

Fair trade

Ban on unfair joint activities
(collusion, etc.)
Ban on unfair support

IT/information security

Prevention of corporate/personal
information leakage
Ban on the use of illegal S/W

Domestic anti-corruption

Eradication of bribery
Eradication of
corruption/cheating, etc.

Advertisement

Ban on unfair representation and
advertisement
Compliance with criteria for
representation
and advertisement

Prevention of overseas corruption

Ban on unfair joint activities
(collusion, etc.)
Eradication of bribe

HSE-Q

Compliance with safety, health
and environmental management
standards Preventing defective
construction elements, etc.

Win-win cooperation

Ban on unfair discrimination
Ban on unfair demand for
economic gains

Employment and labor

Ban on illegal labor
Ban on discrimination

Ethical Compliance System

In order to realize the company's vision and establish a fair and transparent corporate culture, Daewoo E&C has enacted and is operating the Code of Ethics to establish standards for ideal behavior and value judgment. The Code of Ethics includes the Ethics Charter presenting standards for proper behavior and value judgment that employees must abide by, and Behavior Guidelines specifying the company's standards. In addition, On-site Code of Ethics was added and distributed to all field employees to practice righteousness management.

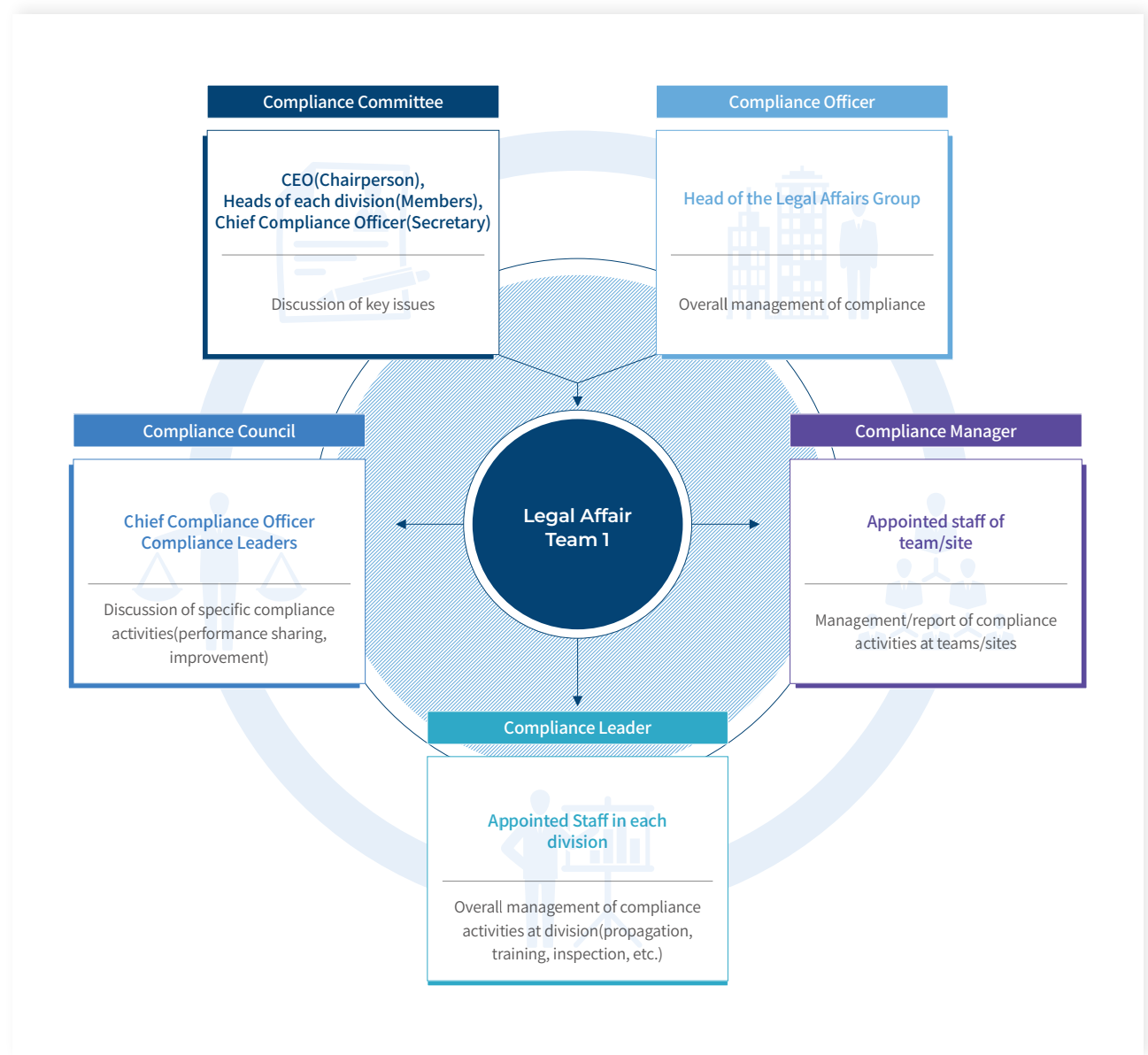
Ethical Management Organization

Daewoo E&C introduced and is operating the compliance system in 2015 for establishment and operation of an autonomous ethics/compliance management system. Roles and activities are decided from the management to each unit organization in order to operate the compliance system. The compliance organization is entrusted with practical tasks such as compliance-related support, inspection, and evaluation. We have established a compliance organization in professional manner to actively practice and establish ethics/compliance management to establish a transparent and upright corporate culture.



▲ Daewoo E&C Compliance Committee

Compliance Organization



Anti-Corruption Management System

All employees of Daewoo E&C can always access the latest regulations and policies, including specific goals, through the compliance system. Compliance operation performance and plans including the anti-corruption management system, are proposed as agenda items at the Compliance Committee in accordance with the Compliance System Operation Regulations, and are subject to resolution. Related details are reported directly to the board of directors by the head of the 'Legal Affairs Group', who is a legal compliance manager and Compliance Officer.

Corporate-wide anti-corruption goal for 2023 'Achieving Zero Company-wide Corruption Cases'

※ Corruption criteria according to the definition of the anti-corruption management system(all three of the following must be satisfied)

Corruption Criteria		YES	NO
(Did the results of the behavior) apply to	Violations of the law (including company regulations)?	✓	
Was the person or the counterpart, to carry out action related to the job performance of a specific person	Induced?	✓	
	Provided Rewards?		
Was the wrongful benefit for a value(for the person or the counterpart)	Proposed?	✓	
	Promised?		
	Provided?		
	Accepted?		
	Requested?		

Anti-Corruption Management System(ISO 37001)

In 2018, Daewoo E&C acquired the anti-corruption management system(ISO 37001) certification for the first time as a Korean construction company. We have established and is complying with an anti-corruption management system in order to establish the anti-corruption management system and build a continuous basis through ethical management and compliance system operation. In 2019, the anti-corruption management system was expanded and operated throughout the company, and the existing compliance system has been upgraded and integrated to this end. Also, a separate ISO 37001 certification was acquired in 2022 for the Singapore business site in June after undergoing a certification examination by TUV SUD for the Singapore business site.

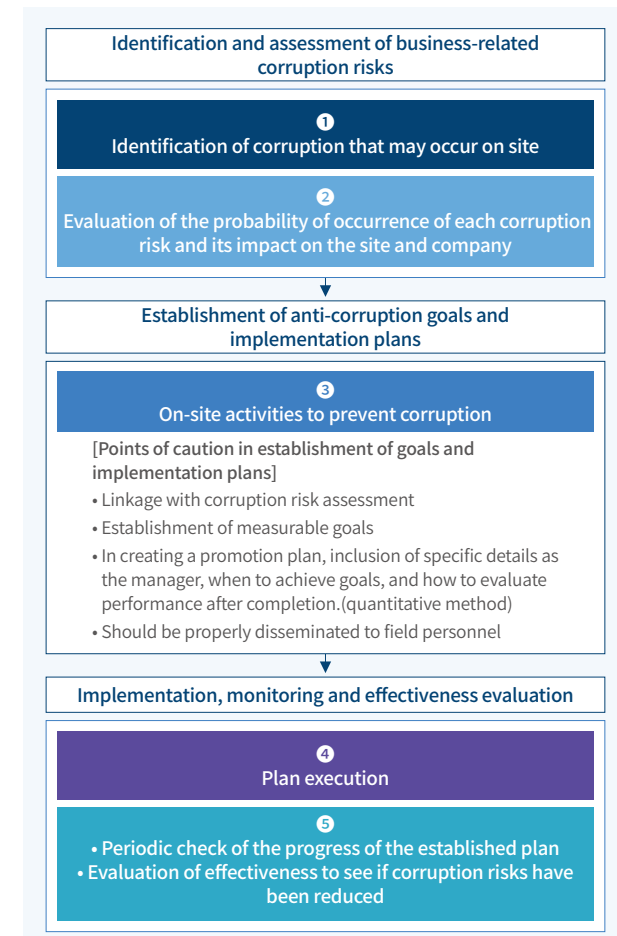


▲ ISO 37001 Certificate

▲ Singapore site ISO 37001 certificate

Operation Of Anti-corruption Management System

Daewoo E&C identifies major risks through corruption risk assessments. At the beginning of each year, the measures prepared for the previous year's corruption risk response plan are reviewed, and the effectiveness of the implementation is evaluated. Through such periodic monitoring, we evaluate whether the identified risks have been reduced, striving to improve the effectiveness of the anti-corruption measures and the system.



Anti-Bribery Policy

Daewoo E&C establishes and complies with the following Anti-bribery Policy to establish Anti-bribery Management System and to establish a foundation for sustainable growth through Corporate Ethics and Compliance System operation.

- ① Employees shall comply with domestic and international laws and corporate regulations on anti-bribery, and shall not commit any corruption.
- ② Company shall build and implement Anti-Bribery Management System and continuously improve the system to achieve anti-bribery goals.
- ③ The Company shall appoint Anti-Bribery Compliance Officer and ensure his/her authority and independence to prevent corruption.
- ④ Employees shall immediately inform through the company's internal reporting procedures when recognizing any act of corruption, and Company shall keep the information of the informant confidential and protect the informant's rights.
- ⑤ In case of any anti-bribery policy violation by employee, Company shall take appropriate measures in accordance with its corporate regulations.

Anti-Bribery Policy

<https://www.daewooenc.com/eng/company/management/moral-fair>

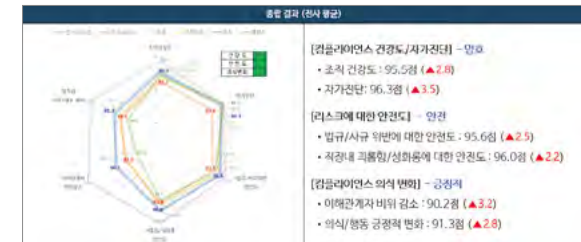
Operation Of Disciplinary System For Ethical Violations

Daewoo E&C takes disciplinary measures against employees violating the company's ethics policy according to the severity of the violation. The Code of Ethics includes details of violations subject to disciplinary action, and other matters related to actual disciplinary actions of employees are carried out in accordance with the Employee Employment Regulations. In addition, a disciplinary system for ethical violations stipulated in the compliance guidelines for each stakeholder, the fair trade compliance manual, and the compliance guide, which are policies and guidelines established to prevent corruption in the entire business process, including the bidding process.

Compliance Program

Monitoring and Evaluation

In 2022, compliance inspections and anti-corruption management system internal reviews were integrated and carried out for a total of 33 sites. Changed perceptions of employees and voluntary management are being encouraged through organizational compliance health surveys, and workplace sexual harassment and bullying are being prevented through employee questionnaires and interviews. In addition, we are striving to prevent recurrence by monitoring compliance and strengthening training on violation cases for internal disciplinary cases and criminal/litigation cases. Compliance is included as an evaluation item in personnel evaluation for employees and executives. In addition, commendation in the name of the CEO is given to employees and organizations carrying out excellent compliance activities in order to encourage employees' compliance. In 2023, we plan to conduct compliance activities by integration with the anti-corruption management system to preemptively prevent compliance violations.



▲ Compliance survey results



▲ Commendation of employees for outstanding compliance activities

2022 Compliance System Operation

Category		Planned	Performed	Major Details
Practice pledge		1 time	1 time	• Employee practice pledge(January) and monitoring of annual pledge rate(1 time)
Compliance Committee/Council/Workshop		3 cases	3 cases	• Compliance Committee(March), Compliance Council(April), Compliance Officer Workshop(October) • Report on compliance system status and strengthening plan to board of directors(July)
Training	Online training	2 times	2 times	• First half/second half online education(Korean/English)(100% completion rate)
	Visiting training	30 times	36 times	• On-site compliance on-site training(13 times in initial stage, conducted 20 times) • Compliance inspection and on-site training(3 times) for subsidiaries introducing compliance system
Advertisement	Monthly compliance training material	12 times	12 times	• Publication of monthly compliance training materials(January-December), distribution of compliance violation cases(3rd and 4th quarters) • Production/distribution of leaflets for suppliers
	Campaign	2 cases	2 cases	• Clean holidays campaign(Seollal, Chuseok)
ISO 37001 (anti-corruption management)	Internal audit	20 times	20 times	• ISO 37001 internal audit(17 times domestically, 3 times overseas)
	Certification audit(BSI)	1 time	2 times	• Company-wide ISO 37001 certification post-inspection(August, BSI) • ISO 37001 certification acquisition audit for Singapore business site(May, TUV)

Employee Training on Fair Trade/Fair Competition

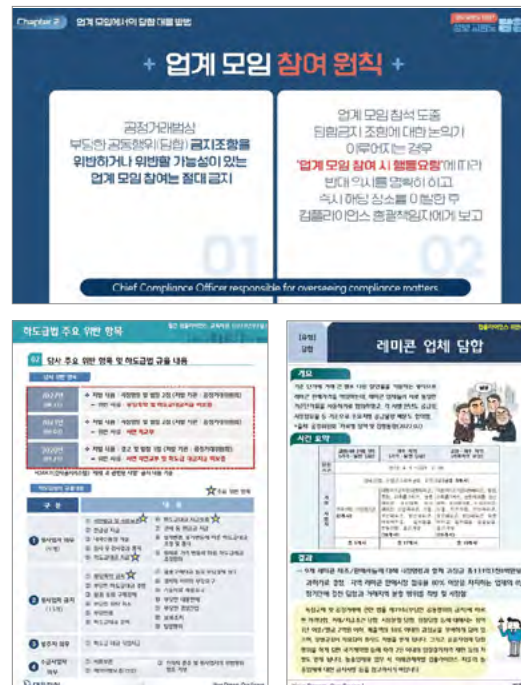
Daewoo E&C conducts various training programs for its employees to practice fair trade and fair competition. Also, various compliance newsletters, including weekly and daily trends, are distributed to all executives and employees, and additional training on understanding the Subcontracting Act is conducted for managers entrusted with construction-related responsibilities in each business division.

Compliance Handbook and Compliance Guide are used by site/team unit organizations to conduct self-inspection on law violations during daily work, carrying out their own compliance activities through monthly compliance talk on the theme of fair trade. If a violation of the law or potential violation is discovered through these sessions, reports are made to the internal reporting channel, and violators are subject to strict disciplinary action in accordance with company regulations. In addition, the compliance department monitors company-wide(including subsidiaries) compliance activities on a monthly basis, conducting compliance inspections through on-site visits. Inspection results and compliance activities are regularly reported to the person in charge of compliance.

Category	Training details	Subject
Bid rigging	• Definition of collusion, types of violations of the law and level of sanctions in case of violation, etc.	All employees
Anti-Solicitation and Graft Act	• Education on the definition of the Improper Solicitation and Graft Act, the scope of money and valuables, standards for prohibition of acceptance, and training on possible cases that may occur during business operations	All employees
Providing and accepting money, valuables and entertainment	• Cases of providing and receiving money, valuables and entertainment, countermeasures, and guidance on internal and external regulations	All employees
Subcontracting Act	• Definition of the Subcontracting Act, major violations of the Construction Subcontracting Act and risks in case of violation, etc.	All employees and construction-related affairs managers

Compliance Training and Advertisement

Two online training sessions were conducted for all employees in the first and second half of the year in 2022. Also, 36 offline trainings for a total of 484 employees, including those at domestic and overseas sites and the headquarters as well as employees at subsidiaries were provided. In addition, a compliance manager workshop was held for 307 compliance managers to strengthen their roles and expertise and develop their capabilities. In addition, we are distributing a compliance newsletter and conducting various campaigns to raise employees' awareness of compliance, and we encourage interest and participation in compliance management from executives and employees by sharing cases of internal and external violations.



▲ Training materials related to fair trade

Reporting Channels For Compliance Violations

Cyber Audit Office/Ethics Help Line

Anyone, including customers, employees, and partner companies are allowed to report corruption, human rights violations, or grievances of executives and employees to Daewoo E&C's Cyber Audit Office/Ethics Help Line. Reports, consultations, and suggestions are handled in a completely confidential manner, and can be submitted with real names or anonymously. The Cyber Audit Office/Ethics Help Line is operated by a 1:1 connection method(not disclosed to third parties) between reporters and is available to anyone.

Daewoo E&C Cyber Audit Office/Ethics Help Line

<https://www.daewooenc.com/eng/customer/report/inquiry>

K-Whistle(External Anonymous Reporting System)

Employees' corruption can be reported through not only the Cyber Audit Office, but also through the external organization website (K-Whistle) help-line anonymous reporting center. The Daewoo E&C Anonymous Reporting Center is entrusted and managed by an independent external professional company to promote reporting of employee irregularities and protect reporters. The reporter's IP is not left behind and cannot be traced, and anonymity is strictly guaranteed.

Report Receiving and Processing (including suppliers)

(Unit: No. of Cases)

Category	2020		2021		2022	
	Re-ceived	Pro-cessed	Re-ceived	Pro-cessed	Re-ceived	Pro-cessed
Cyber Audit Office/ Ethics Help Line	31	31	61	61	50	50
K-Whistle(external reporting system)	39	39	19	19	19	19
Mail, etc.	6	6	17	17	11	11
Total	76	76	97	97	80	80

Supplier Grievance Receiving Channels

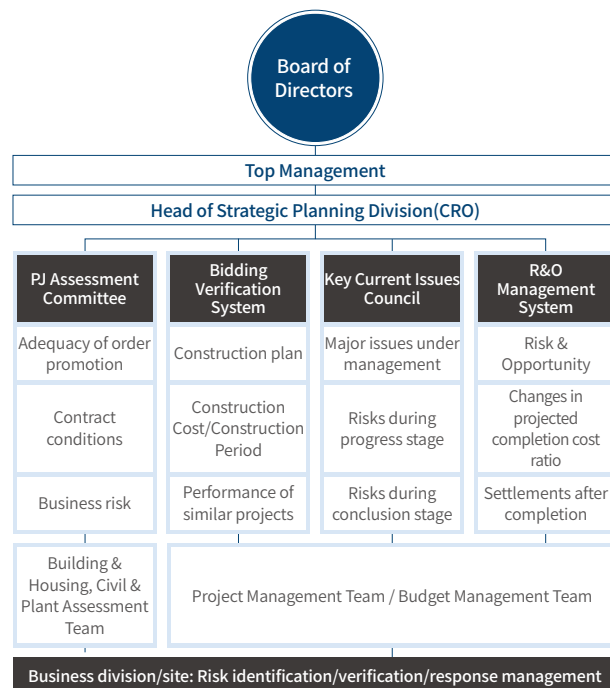
(Unit: No. of Cases)

Category	2020		2021		2022	
	Re-ceived	Pro-cessed	Re-ceived	Pro-cessed	Re-ceived	Pro-cessed
Suppliers	5	5	11	11	10	10

Risk Management Organization

We have strengthened Project Life Cycle Risk Management. The 'PJ Assessment Team', 'Budget Management Team' and 'Project Management Team' within the 'Strategic Planning Division' identifies risks before winning a project and manages risks during implementation of project. Furthermore, the 'Legal Affairs Group' performs the role of managing legal issues and responding to disputes that may arise throughout the entire project life cycle. In 2020, we established the Change Log System to address claims, prevent recurrence of the same events, and ensure that history of contracts can be efficiently managed by working-level personnel in charge of worksite contract management. In order to minimize risks and maximize opportunities, Daewoo E&C tries to detect risks from multiple angles by managing "Risk & Opportunity" and sharing cases of "Lessons Learned".

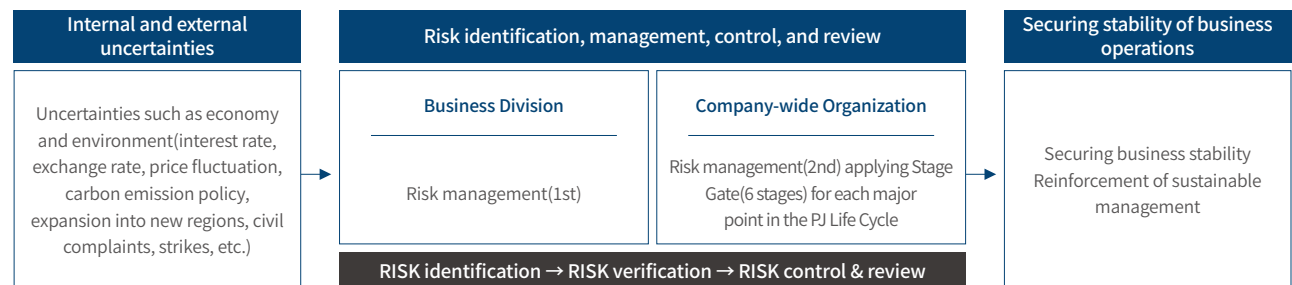
Risk-Management Decision-Making System



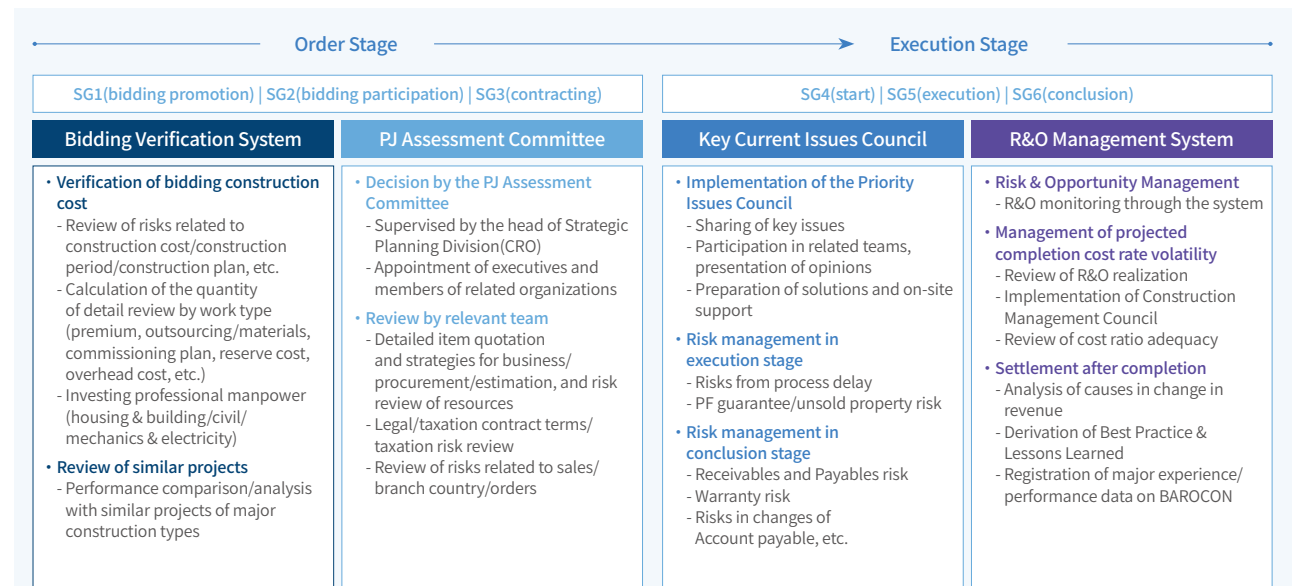
Reporting Risk Management Activities

Risk management is one of the essential factors for a company's sustainable growth. The head of Strategic Planning Division(CRO) has been designated as the Chief Risk Officer(CRO), and the CRO is in charge of all tasks related to finance, business, and other major risks. In addition, Daewoo E&C regularly reports risk management activities to the board of directors at least annually, strengthening the board's supervision on risk management.

Risk Management Outline



Risk Management System at Each Stage



Activities and Performance for Strengthening Risk Management

Utilization of a Development Program(“Baro Answer System”) for Project Risk Management

We filter and manage potential multifaceted risks in the life cycle stages of all products, strengthening the filtering function at the stage of receiving orders and initial stage of the project according to the Stage Gate analysis system, aiming to maximize the profitability of the project upon completion. For overseas EPC business, it is difficult to review up to 7,000 pages of documents such as Invitation To Bid within a limited period of time. To minimize the risk of missing reviews due to the short review period, Daewoo E&C has developed the ‘Baro Answer System’, a bid document analysis program using AI. With this program, we intend to quickly analyze design and business requirements, shortening the review time, and prevent PJ risks proactively.

Ontology¹⁾–DAIA(Daewoo A.I Documents Analysis Program)

The bidding documents provided by the project owner for an overseas project presents information on the owner’s requirements regarding the contract, design, construction, and performance that the bidder should consider. The document also includes contract terms and over-spec. that may be unfavorable to the contractor. Failure to detect such terms may lead to risk when receiving work orders. DAIA is a document analysis system that analyzes documents and detects risks contained therein, so that the person in charge can easily identify the risks and establish countermeasures. DAIA utilizes Ontology, an artificial intelligence-based document analysis technique, for risk analysis. DAIA converts the items that experts in each field regard as risks as well as risks that have already been identified into an ontology, inputs them into the system, and uses them for document analysis. We have established an overseas bidding document analysis system for the civil engineering design field and the legal field such as contracts. We have also built UI/UX to expand application of this system to new fields, and plan to use it for document analysis in various fields.

1) Ontology: a network that reveals knowledge of relational relationships between concepts expressed in language

Enhanced Risk Sensing

Daewoo E&C proactively responds to possible risk factors through risk sensing, the ability to sense and respond agilely to key risk factors. This reduces risks in advance by providing feedback on risks discovered in the bidding stage based on lessons learned from previous projects. Since 2018, we have been proactively managing risks for projects where we have decided to participate in the bidding while maintaining a risk response rate of over 90%(compared to the risks for which measures can be implemented in the current year).

Management of Unfavorable Clauses in Contracts

Daewoo E&C is accumulating data in its Integrated Project Management System by organizing the cases of unfavorable clauses and countermeasures in order to share know-how to prevent and respond to risks arising from construction contracts. The unfavorable clauses in contracts will be organized by country, construction type, and the ordering organization to be used in various ways, and this will be used for overseas projects in the future. As we expand into international markets, we have built a basic information management system for analysis of various aspects including finance, tax, politics, and culture by country, and share the database with employees so that they can identify and respond effectively to country-specific risks.

Non-Financial Risk Management

Daewoo E&C separately manages company-wide risks that affect the company’s management goals and strategic direction, when the risks are not directly related to a specific project. These include national risks in a broad sense as well as social, cultural, and environmental risks. Furthermore, we strive to turn crises into business opportunities by analyzing future trends such as ESG, climate change and the 4th Industrial Revolution and by responding proactively to the risks to come.

Identification and Management of Negative Impact on Local Communities

Daewoo E&C preemptively identifies and establishes countermeasures for negative impacts on the local community at the stage of project implementation. One site in Seoul which started construction in 2022, is adjacent to a daycare center, raising concerns about the safety of children going to and from the daycare center. In response, measures were taken at the site to install a fence on the center line and restrict traffic on the road in front of the daycare center. As such, Daewoo E&C is sparing no effort in minimizing the negative impact on the local community, and we will continue to promote safety at sites by communicating and cooperating with the local community.

Information Security

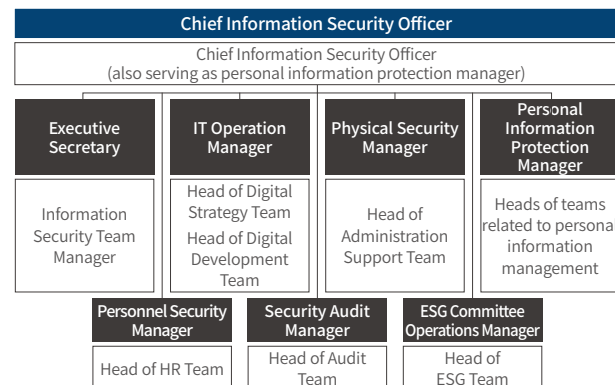
Information Security Policy and Management System

Daewoo E&C has prepared regulations, procedures, and guidelines related to information protection and personal information protection for all executives and employees to view, which can be easily accessed from Baronet, our business portal. The Chief Information Security Officer(CISO) is appointed as the head of the Information Security Organization, an organization directly under the CEO, strengthening the independence of the Information Security Organization and ensuring a more effective organizational system for pursuing information protection activities. Meanwhile, the Information Protection Committee is organized as a subcommittee under the ESG Committee, and matters requiring company-wide decision-making are decided by the ESG Committee after the Information Protection Committee.

Information Security Certification

Daewoo E&C acquired the ISO 27001 Information Security Management System certification in 2013 and continues to maintain the certification, and is carrying out a certification review process to establish an information protection system meeting international requirements. Furthermore, activities to reflect derived improvements are being continuously promoted, and the reliability of the information protection management system and the improvement of the information protection system are being promoted.

Information Protection Committee Organizational Chart



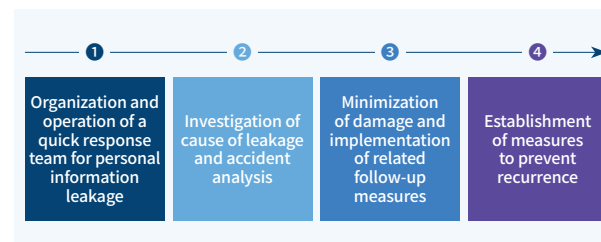
Reinforcement of Information Security Responses

Daewoo E&C is strengthening activities such as prevention, detection, and response to infringement, and security work for networks, servers/applications, and PCs to ensure information safety. We focused our efforts on blocking network intrusions and malicious emails, and strengthening external hacking prevention in 2022. In particular, a server security solution was introduced to prevent unauthorized intrusion and chain hacking from hackers, and focused on mobile vulnerabilities to prevent data leakage by removing application vulnerabilities. We will continue to strive to establish internal information leakage prevention(DLP), and strengthen the personal information protection system and raise employee information protection awareness.

Infringement Incident Response

For thorough information security management, Daewoo E&C has formed the Computer Emergency Response Team(CERT) to inform information security incidents. Due to the nature of information security incidents, which requires rapid response, we have established an emergency contract system with system operation managers and related outsourcing companies, and are responding through an organic cooperation system. In addition, we are striving to prevent damage to internal and external stakeholders in the event of an information security incident, such as responding in cooperation with an external security agency according to the incident. We have established guidelines for personal information leakage and information system infringement incidents, thoroughly managing them to enable prompt responses in case of related incidents.

Personal Information Leakage Response Process



Information Security Training

Daewoo E&C carries out various awareness-raising activities such as regular information protection training to raise employees' awareness of information security. Information protection training is conducted twice a year for all employees, and "Information Protection Plus", delivery on useful security-related information is being provided. In 2022, the Information Protection Plus was conducted a total of 7 times, contributing to the improvement of employees' security awareness level.

Details of Information Security Training

Training name	Details
Working safely with PCs	Protecting internal documents safely with DRM Preparing for ransomware infection, etc.
Information security principles	Preventing email hacking and ensuring email security, In-house document security principles, etc.

Major Activities Related To Information Security In 2022

Category	Major activities	Performance
Training	Company-wide online training	2 times
	Training for new employees	2 times
	Training for executives/team leaders	1 time
Raising awareness	Hacking e-mail mock training	2 times
	Notice of method to prevent security-related damage	7 times
Security inspection	Inspection of personal information protection management status	2 times
	IT process security inspection	7 times
	Prugio Smart Home Complex inspection	3 times

Personal Information Protection

Daewoo E&C discloses information such as how customers use personal information and information protection measures through its website to protect customers' personal information. The disclosed personal information processing policy is structured in a way that information subjects are able to recognize the core of the personal information processing policy through labeling.

<https://www.daewooenc.com/guide/privacy>

APPENDIX

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Economic Performance

Economic Value Creation(consolidated criteria)

Consolidated statements of profit or loss	Unit	2020	2021	2022
Sales	KRW 100 Million	81,367	86,852	104,192
Cost of sales		71,364	74,463	91,655
Gross profit		10,002	12,388	12,536
Selling and administrative expenses		4,420	5,005	4,936
Operating profit(loss)		5,582	7,383	7,600
Share of gain (loss) of associates		(91)	(182)	41
Other income		2,552	2,368	3,427
Other expenses		3,675	3,474	3,908
Financial income		450	502	778
Financial costs		1,045	613	804
Profit(loss) before income tax		3,774	5,983	7,134
Income tax expenses		948	1,134	2,054
Profit(loss) for the year		2,826	4,849	5,080

Consolidated statements of financial positions	Unit	2020	2021	2022
Current assets	KRW 100 Million	59,731	71,488	80,281
Non-current assets		33,327	33,090	31,121
Total assets		93,059	104,579	111,403
Current liabilities		49,363	50,489	54,062
Non-current liabilities		16,925	21,926	20,095
Total liabilities		66,289	72,415	74,157
Share capital		20,781	20,781	20,781
Capital surplus		5,495	5,495	5,495
Other components of equity		(991)	(991)	(992)
Accumulated other comprehensive loss		(3,618)	(2,912)	(3,078)
Retained earnings(accumulated deficit)		5,078	9,746	14,938
Non-controlling interests		25	44	101
Total equity		26,769	32,163	37,246

Environmental Performance

- The disclosure scope of Environmental Performance of Daewoo E&C is for all domestic workplaces. Includes headquarters, technical researchers and construction sites(216), asset management teams(12 other business and sales offices, including central, Yeongnam, and Midwest branches), and housing culture center information
- For any specific reporting ranges and boundaries that require attention, we clearly indicate the details in separate notes for the reference of stakeholders.

Environmental Management

Environmental Management			Unit	2020	2021	2022
Eco-friendly Products and Services	Eco-friendly purchase	Eco-friendly purchasing performance ¹⁾	KRW Million	105,398	139,575	317,663
		Total purchase amount	KRW Million	1,388,048	1,676,627	2,183,622
		Percentage of eco-friendly purchases compared to purchases	%	7.6	8.3	14.5
		Percentage of eco-friendly purchases compared to sales	%	1.4	1.7	3.4
	Eco-friendly Products and Services	Eco-friendly sales	KRW Million	1,013,023	763,647	1,045,603
		Percentage of eco-friendly sales to sales ²⁾	%	13.3	9.4	11.2
	Eco-friendly investment	Environmental investment plan	KRW Million		877	1,378
		Environmental investment performance	KRW Million	419	726	787
		Percentage of investment implementation	%		83	57
		Environmental cost plan	KRW Million		31,432	40,300
		Environmental cost performance	KRW Million	67	25,451	32,709
		Percentage of environmental cost implementation	%		81	81

Environmental Governance		Unit	2020	2021	2022
Violation of environmental regulations ³⁾	Total amount of fines	KRW	0	0	0
	Number of lawsuits filed	Cases	0	0	0
	Non-monetary sanctions	Cases	0	0	0

1) For data such as eco-friendly purchases and some Scope 1&2, data for 2020 and 2021 have been corrected according to changes in standards.

2) It is specified based on the sales amount of Daewoo E&C, a separate corporation.

3) In cases where the Daewoo E&C has been prosecuted for violating environmental laws and received punishment equivalent to or heavier than a fine, the disposition of fines for negligence at workplaces is regarded as a separate case and not included.

Climate Change Response

Climate Change				Unit	2020	2021	2022
Climate Change Response	Objectives/ Indicators of Climate Change Response - Greenhouse Gas emissions	Scope 1&2 emissions	Emission target	tCO ₂ eq	90,154	77,669	76,244
			Scope 1 emissions	tCO ₂ eq	6,943	5,130	6,266
			Scope 2 emissions	tCO ₂ eq	52,040	55,289	52,968
			Total emissions	tCO ₂ eq	58,980	60,416	59,231
			Emission intensity ¹⁾	tCO ₂ eq /KRW 100 Million	0.96	0.89	0.80
			Greenhouse Gas emission intensity	tCO ₂ eq/TJ	50.20	49.10	48.95
		Scope 3 ²⁾ emissions	Total	tCO ₂ eq	-	1,058,352	4,503,832
			Category 1(Purchased goods and services)	tCO ₂ eq	-	1,025,877	1,588,274
			Category 3(Fuel and energy-related activities (not included in scopes 1 or 2))	tCO ₂ eq	-	-	3,185
			Category 4(Upstream transportation and distribution)	tCO ₂ eq	-	-	30,313
			Category 5(Waste generated in operations)	tCO ₂ eq	-	4,886	10,074
			Category 6(Business travel)	tCO ₂ eq	-	747	306
			Category 7(Employee commuting)	tCO ₂ eq	-	57	15
			Category 11(Use of sold products)	tCO ₂ eq	-	26,785	2,808,838
			Category 12(End of life treatment of sold products)	tCO ₂ eq	-	-	62,827
		Performance compared to Greenhouse Gas Emissions Target in the current year		%	65.4	77.8	77.7

1) The amount of emission intensity is calculated based on the domestic sales of Daewoo E&C, a separate legal entity.

2) In the case of Scope 3 in 2020, it was marked as '-' collectively because it was not calculated.

Energy consumption				Unit	2020	2021	2022	
Energy consumption ¹⁾	Total energy consumption	Energy consumption target(internal)		TJ	1,237	1,556	1,520	
		Total		TJ	1,174	1,230	1,210	
				TOE	28,035	29,372	28,894	
		Energy intensity		TJ/KRW 100 Million	0.019	0.018	0.016	
	Direct energy consumption (Scope 1)	Total		TJ	116	87	106	
		Energy intensity		TJ/KRW 100 Million	0.0019	0.0013	0.0014	
		By type	Gasoline	TJ	8.1	7.3	7.2	
			Diesel	TJ	43.8	29.5	29.6	
			LPG for vehicles	TJ	0.2	0.2	0.0	
			City Gas(LNG)	TJ	63.5	48.1	58.2	
			LPG(Propane and Butane)	TJ	0.7	1.3	1.0	
			Kerosene	TJ	0.4	0.5	10.2	
	Indirect energy consumption (Scope 2)	Total		TJ	1,060	1,146	1,105	
		Energy intensity		TJ/KRW 100 Million	0.0173	0.0170	0.0148	
		By type	Electricity energy	TJ	960.6	1,044.8	1,035.4	
			Heat/Steam energy	TJ	100.7	101.6	70.0	
	Carbon intensity		Total energy		tCO ₂ eq/TJ	50.2	49.1	49.0
			Direct energy		tCO ₂ eq/TJ	55.5	61.0	58.9
			Indirect energy		tCO ₂ eq/TJ	49.1	48.2	47.9
	Renewable energy consumption		Total renewable energy consumption		KWh	474,649	514,450	817,788
					TOE	108,694	117,809	187,273
			Total power consumption		MWh	100,064.01	108,840.60	107,862.90
					TOE	22,914,658	24,924,497	24,700,604
			Percentage of renewable energy use to total power consumption		%	0.47	0.47	0.76

1) In the case of Energy Intensity, it is calculated based on domestic sales of Daewoo E&C, a separate legal entity.

Environmental Performance Management

Environmental Performance Management				Unit	2020	2021	2022
Water	Water Management Performance	Water intake	Total amount of water intake by water source	Mega Liters	898.36	980.58	1,018.42
			Surface water	Mega Liters	-	-	3.82
			Underground water	Mega Liters	-	-	1.15
			Sea water	Mega Liters	0	0	0
			The amount of water intake supplied by a third party	Mega Liters	898.36	980.58	1013.45
		Classification of total water intake	Fresh water	Mega Liters	898.36	980.58	1018.42
			Classification outside of fresh water	Mega Liters	0	0	0
			Total amount of water intake in the water stress area ¹⁾	Mega Liters	-	-	4.41
		Water discharge	Percentage of partners managing wastewater	%	100	100	100
		Water Consumption	Water Consumption	Ton	898,361	980,581	1,018,419
Air pollution	Air pollutant emission management and performance	Air pollutant emissions	NOx	kg	0	0	0
			SOx	kg	0	0	0
			VOC(volatile organic compounds)	kg	0	0	0
			HAP(hazardous air pollutants)	kg	0	0	0
			PM(particulate matter)	kg	0	0	0
			Other air pollutant	kg	0	0	0
Ozone Destroying Substances	Ozone Destroying Substances Management Status		Ozone Destroying Substances Production volume	tCFC-11eq	0	0	0
			Ozone Destroying Substances Import volume	tCFC-11eq	0	0	0
			Ozone Destroying Substances Export volume	tCFC-11eq	0	0	0
Raw material and Subsidiary material Usage	Steel bar			Ton	296,491	280,559	275,244
	Ready-mixed concrete			m³	4,014,325	3,709,101	3,899,616
	Recycled aggregate(renewable raw material)			m³	0	4,308	25,931

1) Calculating the water intake volume for two overseas sites in countries(Singapore, Algeria) with a water stress index of 4.0 or higher.

Wastes Management				Unit	2020	2021	2022
Wastes	Waste Management Performance	Total wastes	Total	Ton	532,854	772,730	633,300
			Waste intensity ¹⁾	Ton/KRW 100 Million	8.68	11.42	8.50
			Recycled	Ton	529,156	770,613	633,139
			Incinerated	Ton	1,821	20	136
			Landfill	Ton	1,877	2,097	25
		Self-processing	Recycled	Ton	0	0	0
			Incinerated	Ton	0	0	0
			Landfill	Ton	0	0	0
		Consignment	Recycled	Ton	529,156	770,613	633,139
			Incinerated	Ton	1,821	20	136
			Landfill	Ton	1,877	2,097	25
		Construction waste	Recycled	Ton	526,747	762,670	628,505
			Incinerated	Ton	565	18	30
	Landfill		Ton	0	0	22	
	Business waste	General wastes	Recycled	Ton	2,398	7,934	4,611
			Incinerated	Ton	1,253	0	0
			Landfill	Ton	1,877	2,097	2
		Designated (harmful) wastes	Recycled	Ton	11	9	23
			Incinerated	Ton	3	2	105
			Landfill	Ton	0	0	1

1) In the case of waste Intensity, it is calculated based on domestic sales of Daewoo E&C, a separate legal entity.

Biodiversity			Unit	2020	2021	2022
Biodiversity	Biodiversity management and performance	Number of bioprotective species in the area affected by the organization(based on IUCN Red List)	Species	4	4	3
		- Critically endangered species	Species	0	0	0
		- Endangered species	Species	0	0	0
		- Vulnerable species	Species	0	0	0
		- Near-threatened species	Species	2	2	1
		- Least-concern species	Species	2	2	2
		Number of bioprotective species in the area affected by the organization(based on domestic)	Species	24	24	19
		- Endangered Class I	Species	2	2	2
		- Endangered Class II	Species	13	13	10
		- Marine conservation organisms	Species	1	1	1
		- Natural monument	Species	7	7	5
		- Rare and Specialized plants	Species	1	1	1

Social Performance

Employee

Employee				Unit	2020	2021	2022
Composition of employees	No. of employees	Total		Persons	5,452	5,433	5,842
		Male		Persons	4,844	4,765	5,088
				%	88.85	87.70	87.09
		Female		Persons	608	668	754
				%	11.15	12.30	12.91
	By contract type	Executive	Male	Persons	34	34	96
			Female	Persons	0	0	1
		Employees without fixed term contracts ¹⁾	Male	Persons	3,456	3,365	3,316
			Female	Persons	327	329	359
		Employees with fixed term contracts ²⁾	Male	Persons	1,354	1,366	1,676
			Female	Persons	281	339	394
		Number of workers who are not employees but are under the management of the organization ³⁾		Persons	15,907	14,619	16,094
	By age group	Under 30		%	9.78	10.84	11.66
		Aged 30~50		%	71.46	67.68	64.64
		Over 50		%	18.76	21.48	23.71
	By position ⁴⁾	Executives (above the rank of Senior Vice President)	Male	Persons	91	94	96
			Female	Persons	0	1	1
		General Manager	Male	Persons	838	840	870
			Female	Persons	14	14	17
		Deputy General Manager	Male	Persons	781	784	834
			Female	Persons	34	36	37
		Manager	Male	Persons	979	1,022	974
			Female	Persons	70	78	83
		Assistant Manager	Male	Persons	548	425	317
			Female	Persons	116	114	117
		Staff	Male	Persons	253	234	321
			Female	Persons	93	86	105

1) Calculating the number of employees excluding executives.

2) Data for employees with fixed-term contracts corrected 2020 and 2021 figures due to changes in data aggregation methods.

3) It is based on the annual report 'non-affiliated workers'.

4) It is based on executives and full-time employees.

Recruitment of Human Resources

Employee			Unit	2020	2021	2022
New hires	Number of new hires ¹⁾	Total	Persons	135	187	266
		Male	Persons	113	168	213
			%	83.7	89.84	80.08
		Female	Persons	22	19	53
			%	16.3	10.16	19.92
	Composition of new hires by age group	Under 30	Persons	129	76	175
		Aged 30~50	Persons	6	110	90
		Over 50	Persons	0	1	1
Turnover	Turnover of employees	Total	Persons	40	148	92
		Male	Persons	39	142	82
		Female	Persons	1	6	10
	Turnover rate ²⁾	Voluntary turnover ³⁾	%	1.06	4.01	2.5
		Male	%	1.03	3.84	2.23
		Female	%	0.03	0.16	0.27
	Turnover of employees	Under 30	Persons	2	22	13
		Aged 30~50	Persons	38	126	78
		Over 50	Persons	0	0	1
	Employee turnover rate	Under 30	%	0.05	0.6	0.35
		Aged 30~50	%	1.00	3.41	2.12
		Over 50	%	0.00	0.00	0.03

1) The number of new hires includes new employees, experienced workers, and status change.

2) Data for 2020 and 2021 have been changed due to changes in data aggregation standards.

3) The voluntary turnover rate is limited to the reason for retirement being "transfer" and does not include turnover due to retirement or dismissal.

Diversity and Inclusion

Diversity and Inclusion				Unit	2020	2021	2022
Gender diversity	Total number of female employees		Number of persons	Persons	608	668	754
			Ratio	%	11.15	12.30	12.91
	Female workforce by position	Female managers (above the rank of Manager)	Number of persons	Persons	118	128	137
			Ratio ¹⁾	%	4.34	4.61	4.87
		Female executives ²⁾	Number of persons	Persons	0	1	1
			Ratio	%	0	1.01	1.01
Minority group	Elderly people(over 55 years old)		Number of persons	Persons	361	430	576
	Foreigner		Number of persons	Persons	21	17	18
	Disabled person ³⁾		Number of persons	Persons	42	44	50
	Person with at least a high school diploma		Number of persons	Persons	303	315	322
	Veteran of the country		Number of persons	Persons	46	44	45
Salary ⁴⁾	Total annual salary		Total	KRW Million	449,216	455,616	548,081
			Male	KRW Million	418,091	421,690	503,297
			Female	KRW Million	31,125	33,926	44,784
	Average salary amount		Total	KRW Million	82	84	94
			Male	KRW Million	86	88	99
			Female	KRW Million	51	51	59
	Ratio of basic remuneration and compensation for women to men			%	100	100	100
	Average remuneration for internal directors			KRW Million	595	674	681
	Average remuneration increase ratio for internal directors			%	22.7	13.2	1.1
	Average remuneration for employees			KRW Million	83	84	94
	Average remuneration increase ratio for employees			%	0.3	1.8	11.9

1) Data for 2020 and 2021 have been changed due to changes in data aggregation standards.

2) It is calculated above the executive secretary and expert committee members, and the data in 2021 has been changed due to changes in data aggregation standards.

3) It is corrected the figures due to data errors in 2021.

4) It is specified based on the published contents of the annual report related to the salary of executives and employees.

Human resource development and Human resource management

Human resource development and Human resource management				Unit	2020	2021	2022
Training under the supervision of personnel department	Education ¹⁾	No. of participants ²⁾	Total	Persons	68,466	67,872	55,557
			Male	Persons	13,170	8,199	8,763
			Female	Persons	1,222	991	1,240
		Training hours ²⁾	Total training hours	Hr	241,909	265,411	212,496
			Training hours/person	Hr	44	53	37
			Male	Hr	137,931	121,289	115,498
			Female	Hr	16,859	17,006	19,458
		Training cost	Total training cost	KRW	2,325,416,005	2,554,049,829	2,539,048,631
			Training cost/person	KRW	426,525	508,370	437,089
	Human rights education	Status of Sexual harassment prevention and Human rights Education completion	Total training hours	Hr	5,415	5,482	5,701
			Rate of completion	%	100	100	100
Performance Assessment ³⁾ and Compensation		Percentage of employees who have received regular performance assessments(Female)		%	100	100	100
		Percentage of employees who have received regular performance assessments(Male)		%	100	100	100
		Percentage of employees who have received regular performance assessments(Staff-Assistant Manager)		%	100	100	100
		Percentage of employees who have received regular performance assessments(Manager)		%	100	100	100
		Percentage of employees who have received regular performance assessments(Deputy General Manager-General Manager)		%	100	100	100

1) Data for 2020 and 2021 have been changed due to changes in data aggregation standards.

2) The total number of participants and total training hours include headquarters education and outside education in addition to training organized by the Human resource development team, but the classification of personnel and training hours by gender includes only training organized by the Human resource development team.

3) In the case of employee performance assessment, it is based on full-time employees.

Benefits and Organizational culture

Benefits			Unit	2020	2021	2022
Parental Leave ¹⁾	Status of maternity leave	Total	Persons	169	171	170
		Male	Persons	149	158	145
		Female	Persons	20	13	25
		Rate of reinstatement of maternity leave	%	99.41	99.42	99.41
	Employees subject to parental leave(a)		Persons	1,661	1,547	1,490
	Employees on parental leave(b)	Total	Persons	46	52	69
		Male	Persons	26	31	48
		Female	Persons	20	21	21
	Employees returned from parental leave(c)	Total	Persons	33	33	52
		Male	Persons	18	22	36
		Female	Persons	15	11	16
	Employees working 12 months after return from parental leave(d)	Total	Persons	31	27	49
		Male	Persons	16	19	35
		Female	Persons	15	8	14
	Percentage of return from parental leave(c/b)	Total	%	71.74	63.46	75.36
		Male	%	69.23	70.97	75.00
		Female	%	75.00	52.38	76.19
	Percentage of employees working 12 months after return from parental leave(d/b)	Total	%	67.39	51.92	71.01
		Male	%	61.54	61.29	72.92
		Female	%	75.00	38.10	66.67
Organizational culture	Labor union	Number of employees subject to registration	Persons	4,205	4,311	4,620
		Number of Subscribers	Persons	1,928	2,304	2,658
		Subscription Rate	%	46	53	58
		Percentage of collective agreement application	%	75.7	77.7	78.5
		Minimum period for notification of changes in management	Days	60	60	60
	Labor-management council	Number of council meetings	No. of times	4	4	4
		Number of agenda items	Cases	22	26	32

1) Due to the change in the data aggregation standard, the data for 2020 and 2021 of maternity leave(female), reinstatement rates, and the number of employees returning from the end of parental leave have been changed.

Safety

Safety			Unit	2020	2021	2022
Safety and Health Accident	Number of workers subject to the Occupational Safety and Health Management System ¹⁾		Persons	32,982	32,415	33,813
	Percentage of workers subject to the Occupational Safety and Health Management System		%	100	100	100
	Number of fatalities		Persons	4	4	3
	Mortality rate		‰	1	1.07	0.89(anticipated)
	Accident rate(employee)	Number of industrial accidents	Cases	0	1	0
		Number of industrial accident victims	Persons	0	1	0
		Industrial accident rate ²⁾	%	0	0.01	0
	Accident rate(partner companies)	Number of industrial accidents	Cases	229	285	398
		Number of industrial accident victims	Persons	229	285	398
		Industrial accident rate	%	0.64	0.61	0.80
Safety Education ³⁾	Safety and Health Education Course		No. of session	6	10	16
	Personnel who have completed Safety and Health Education		Persons	873	7,283	8,137
Safety checks, Screening and Support ⁴⁾	Executive inspection(including CEO inspection)		Cases	2	10	10
	On-site Safety and Health System Screening of Business Divisions		Cases	87	75	119
	Safety and Health System Monitoring of Business Divisions		Cases	8	9	9
	Safety Patrol Check		Cases	66	342	346
	Support for inspection of construction machinery		Cases	1,813	1,739	1,970
	Nearmiss Excavation Campaign at Domestic Sites		Cases	384	2,987	4,785
	Number of activations of the work suspension system		Cases	198	1,575	3,146

1) It is written by referring to the number of regular workers per day at the Korea Occupational Safety and Health Service.

2) It is calculated for the proportion of the number of victims per 100 workers.

3) It is written as a reference to the company's safety and health education status, and for the number of people, it was prepared by referring to the report of the board of directors.

4) Due to the change in the data aggregation standard, the data for 2020 and 2021 of the number of activations of the domestic site near miss excavation campaign and work suspension system have been changed.

Supply network and win-win growth

Supply network and win-win growth				Unit	2020	2021	2022
Supplier Status	Number of outsourcing and material-related partners ¹⁾			Cases	1,843	1,840	1,817
	Total amount of outsourcing contract ²⁾			KRW 100 Million	32,496	38,187	48,027
Major partner companies	Number of major partner companies ³⁾			Cases	113	119	127
	Total amount of outsourced major partner contracts			KRW 100 Million	10,358	11,049	13,594
	Ratio of the total amount of contracts of major outsourced partners to the total amount of outsourced contracts			%	32	29	28
Status of outsourced partners who conducted Environmental and Safety assessments	Number of new companies that have received Environmental assessments ⁴⁾			Cases	-	-	16
	Percentage of new companies that have received Environmental assessments ⁴⁾			%	-	-	57.1
	Number of new companies that have received Safety assessments			Cases	52	46	28
	Percentage of new companies that have received Safety assessments			%	100	100	100
Status of Fair Trade Violations	Number of violations			Cases	0	0	0
	The amount of a fine imposed			KRW Million	0	0	0
Co-prosperity	Partner communication channel	Number of complaints received from suppliers		Cases	5	11	10
		Number of Resolved Complaints from Partner Companies		Cases	5	11	10
		Ratio of Resolved Complaints from Partner Companies		%	100	100	100
Financial support to suppliers	Operational status of win-win growth fund	The amount of fund raised	Total	KRW 100 Million	140	200	96
			Deposits(supported by Daewoo E&C)	KRW 100 Million	40	80	80
			Support by financial institutions	KRW 100 Million	100	120	16
		The amount executed(loans)		KRW 100 Million	133.2	195	10

1) It is written based on a domestic company at the end of December of the current year.

2) Data for 2020 has been changed due to changes in data aggregation criteria.

3) As a result of the comprehensive assessment for the current year, it is prepared based on the number of outsourced partners in the main grade.

4) In the case of the environmental sector assessment of newly registered outsourced partners, the results of 2020 and 2021, which were not calculated as a newly introduced system in 2022, were marked “-” collectively.

Quality and customer-satisfaction oriented management

Quality and customer-satisfaction oriented management			Unit	2020	2021	2022
Enterprise Quality Monitoring	Quality Assessment of Equipment and Materials Partners	New	No. of times	42	39	46
		Reassessment	No. of times	9	50	30
	Factory Inspection		No. of times	524	221	1,133
	Factory Resident Inspection		No. of times	1	1	6
	Third Party Inspection Company Annual Unit Price Agreement		No. of times	10	10	10
Protect customer privacy	Number of reports received externally related to customer privacy violations		Cases	0	0	0
	Number of reports filed by regulators related to customer privacy violations		Cases	0	0	0
	Number of data Leaks, Thefts and Losses		Cases	0	0	0
Customer complaint consultation	Average number of consultations per month at Prugio Customer Center		Cases	21,385	18,679	16,507
	Response Rate at Prugio Customer Center		%	92	80	86
	Instant Response Rate at Prugio Customer Center		%	85	74	81
	Average number of consultations per month at Prugio Customer Center chat consultations ¹⁾		Cases	-	-	1,352
	Average number of customer voice(VOC) calls per month		Cases	1,155	782	506
	Customer Voice(VOC) Processing Ratio		%	97	98	94
	Happy Call Average Processing Date		Days	10	10	8
	Customer Satisfaction(NCSI) Survey Results		Ranking	3	3	5

1) The data was newly introduced in 2022, the data for 2020 and 2021 were marked as “-” collectively because it was not calculated.

Social contribution

Sharing management			Unit	2020	2021	2022
Performance of Social contribution activities	Number of participants per year		Persons	1,311	1,041	3,432 ¹⁾
	Total amount of expenditure		KRW Million	749	967	1,644
	Operating expenses		KRW Million	379	57	61
	Donations(culture and arts, etc.)		KRW Million	390	910	1,583
	Average participation time per person		Hours	4.54	4.46	5.9
Relay Volunteer service activities	Number of trials		No. of times	5	0	6
	Number of participants		Persons	402	0	486

1) It includes 2,033 executives and employees who participate in the “Practice Love by Collecting Coins” and is calculated only in 2022 data due to the inability to count the number of participants in 2020 and 2021.

Governance Performance

Board of Directors¹⁾

Board of Directors				Unit	2020	2021	2022
Organization and Operation of the Board of Directors	Governance Structure and Committee Formation	Board of Directors	Total number of members of the Board of Directors	Persons	7	7	6
			Number of External Directors on the Board of Directors	Persons	4	4	5
		Management performance of the Board of Directors	Number of cases in which External Directors have expressed Objections or Amendments	Cases	1	5	0
			Number of board meetings held	No. of session	17	14	15
			Number of agenda items	Cases	47	42	58
	Board of Directors Diversity	Number of Women on the Board of Directors		Persons	0	0	1
		Number of Men on the Board of Directors		Persons	7	7	5
		Number of Members on the Board of Directors(Aged 30~50)		Persons	0	0	0
		Number of Members on the Board of Directors(Over 50)		Persons	7	7	6
	External Director Candidate Recommendation Committee	Total number of External Director Candidate Recommendation Committee members		Persons	6	6	5
		Number of External Directors within the External Director Candidate Recommendation Committee		Persons	4	4	4
		Participation rate of External Directors of the External Director Candidate Recommendation Committee		%	100	Not held	95.2
	Audit organization	Total number of members of the Audit committee		Persons	3	3	3
		Number of External Directors within the Audit committee		Persons	3	3	3
		Number of Audit committee meetings		No. of session	7	6	6
		Participation rate of External Directors of Audit committee		%	100	100	95
		Remuneration for audit services paid to external auditors		KRW Million	1,830	1,850	1,880
		Remuneration for non-audit services paid to external auditors		KRW Million	607	96	244
		A member of the Audit Committee who meets the requirements of accounting under the law or financial expert		Persons	1	1	1
	Number of committees under the Board of Directors	Audit committee		No. of session	7	6	6
		External Director Candidate Recommendation Committee		No. of session	1	0	5
		Compensation committee ²⁾		No. of session	-	-	-

1) Information related to the composition and operation of Daewoo E&C's board of directors was prepared based on business reports and corporate governance reports.

2) The Compensation Committee was established in 2023.

Board of Directors Remuneration

Board of Directors			Unit	2020	2021	2022
Board of Directors Remuneration	Number of people	Registered director (Excluding External Directors and members of the Audit committee)	Persons	3	3	4
		External Directors(Excluding members of the Audit committee)	Persons	1	1	4
		Member of the Audit committee	Persons	6	3	6
	Total remuneration	Registered director (Excluding External Directors and members of the Audit committee)	KRW Million	1,190	1,348	2,044
		External Directors(Excluding members of the Audit committee)	KRW Million	60	60	70
		Member of the Audit committee	KRW Million	193	191	204
	Average remuneration per person	Registered director (Excluding External Directors and members of the Audit committee)	KRW Million	397	449	511
		External Directors(Excluding members of the Audit committee)	KRW Million	60	60	18
		Member of the Audit committee	KRW Million	32	64	34

Shareholder Rights

Shareholder Rights			Unit	2020	2021	2022
Publication General	Number of corporate briefing sessions		No. of session	162	216	197
Status of shareholder composition	Jungheung Engineering & Construction Co., Ltd	Ratio	%	-	-	40.6
		Number of shares	Stock	-	-	168,744,967
	JungHeung Construction Co., Ltd	Ratio	%	-	-	10.15
		Number of shares	Stock	-	-	42,186,242
	KDB Investment Co., Ltd	Ratio	%	50.75	50.75	-
		Number of shares	Stock	210,931,209	210,931,209	-
	National Pension Service	Ratio	%	7.76	5.45	5.64
		Number of shares	Stock	32,236,218	22,643,062	23,421,563
	Employee stock ownership association	Ratio	%	0.42	0.24	0.21
		Number of shares	Stock	1,761,246	1,017,047	873,536
Credit rating	Etc.	Ratio	%	41.07	43.56	43.4
		Number of shares	Stock	170,693,965	181,031,320	180,396,330
	Korea ratings	Commercial paper	Rating	A2-	A2-	A2
		Corporate bond	Rating	A-	A-	A
	NICE Investors Service	Commercial paper	Rating	A2-	A2-	A2
		Corporate bond	Rating	A-	A-	A

Ethics and Compliance Management

Anti-Corruption and Integrity				Unit	2020	2021	2022
Ethical policy	Anti-Corruption and Bribery policy	Anti-Corruption Policy Communication	Number of board members with shared anti-corruption policies	Persons	7	7	6
			Percentage of board members with shared anti-corruption policies	%	100	100	100
			Number of employees with shared anti-corruption policies	Persons	5,452	5,433	5,842
			Percentage of employees with shared anti-corruption policies	%	100	100	100
Management system of Ethical Management	Report Channel Operation		Number of reports received in the reporting channel	Cases	76	97	80
			Number of cases handled of the number of reports received in the reporting channel	Cases	76	97	80
			Percentage of cases handled of the number of reports received in the reporting channel	%	100	100	100
Anti-Corruption and Integrity				Unit	2020	2021	2022
Establishment of an Ethical Culture	Anti-Corruption (Ethical Management) Education		Number of employees with Anti-Corruption Education	Persons	5,339	5,297	5,691
			Percentage of employees with Anti-Corruption Education	%	100	100	100
	Compliance Education(online)		Percentage of completed education	%	100	100	100
	Compliance Education(offline)		Number of attendees	Persons	470	471	484
	Autonomous compliance activities		Talk(once a month)	%	100	100	100
			Message(once/quarter)	%	98	99.6	100
			Self-education(one/half)	%	92	96.3	100
Ethical management assessment and measures	Assessment of Corruption Risk		Number of workplaces that have conducted a corruption risk assessment	No. of places	319	313	322
			Percentage of workplaces that have conducted a corruption risk assessment	%	100	100	100
	Ethics violations and actions	Occurrence of Corruption Cases	Number of incidents that violate codes of conduct and ethical policies	Cases	6	8	5
			Number of Corruption Cases	Cases	5	10	9
			Number of cases in which workers have been fired or disciplined for corruption	Cases	5	10	9
	Violation of the law ¹⁾		Number of violations of the law and regulations	Cases	4	2	1
			- Number of violations of the law and regulations (Where a penalty is incurred due to violation of laws and regulations)	Cases	2	1	0
			- Number of violations of the law and regulations (Where non-financial sanctions have incurred due to violation of laws and regulations)	Cases	2	1	1
			Penalty for violating the law and regulations	KRW Million	41.6	30	0

1) The non-issuance of written documents was calculated as 0 cases because there was no penalty, and corrective orders were excluded.

Environmental Management Policy

Purpose

The purpose of this policy is to secure the sustainability of the company and the satisfaction of stakeholders including internal and external customers through continuous improvement such as environmental accident prevention, environmental pollution prevention, and climate change response.

Scope of Application

The policy applies to the overall environmental management activities of all executives and employees, and is applied to all tasks such as domestic and overseas project management, design, procurement, construction and site management of Daewoo E&C. But the following 5 items are set as main policy directions.

Major Policies

① Eco-friendly site management

Daewoo E&C operates its workplaces based on the ISO 14001 environmental management system to promote eco-friendly workplaces. An environmental manager is deployed to each business site to conduct an environmental impact assessment, establish environmental goals and action plans, conduct environmental training, and conduct environmental inspections to minimize environmental pollutions such as scattering dust, noise, vibration, and waste from construction, and to reduce greenhouse gas emissions. Furthermore, we strive to prevent environmental pollution through application of eco-friendly technologies and construction methods, installation of scattering dust suppression facilities, installation of waste separation storage facilities, use of low-noise and low-vibration construction machinery, and installation of water pollution prevention facilities.

② Promotion of eco-friendly business

Daewoo E&C enhances the brand value of the Housing & Building Division by promoting zero-energy apartment houses increasing energy efficiency, establishing digital transformation eliminating inefficient resource waste, and applying eco-friendly construction methods. Furthermore, Daewoo E&C holds a number of patents for hydrogen/CCUS, and strives to secure independent technology and discover business models to realize carbon neutrality and advance into the hydrogen economy with these patents. Daewoo E&C promotes strategic changes in the business structure in line with the government's environmental policies and global trends such as EU regulations, K-taxonomy, and carbon neutrality policies, expanding its value chain through development and investment projects for new renewable and clean energy businesses including hydrogen energy.

③ Development of eco-friendly products and service

Daewoo E&C makes company-wide efforts to turn environmental risks such as demands for carbon neutrality and carbon tax into opportunity factors. We will develop 'Green Premium', an energy-saving residential protect, striving to realize zero-energy housing with complete energy self-reliance by applying various energy-saving systems and ICT technologies. In addition, we strive to develop eco-friendly technologies such as carbon dioxide capture, advanced water purification and sewage treatment, and organic waste energy conversion, and also put eco-friendliness into consideration in purchasing materials by establishing a green purchasing process to minimize environmental impact in the use of materials. Furthermore, we will develop eco-friendly concrete and cement materials mixed with industrial by-products, reducing resource consumption and minimizing greenhouse gas emissions through the

④ Management of suppliers

Daewoo E&C enhances environmental management competitiveness throughout the supply chain by taking environment, safety, quality, society, and governance into consideration in selection and evaluation of suppliers, and through encouragement of suppliers to participate in the promotion of sustainable management. In addition, Daewoo E&C conducts environmental training for suppliers, and provides incentives to suppliers with excellent environmental management performance.

⑤ Response to climate change

Daewoo E&C establishes and manages greenhouse gas emission reduction targets every year, developing company-wide climate change responses based on the climate change framework proposed by the Carbon Disclosure Project (CDP). Furthermore, Daewoo E&C identifies, evaluates, and manages risks and opportunities related to climate change through the Climate Change Response Committee, a subcommittee of the ESG Committee, in order to actively and proactively respond to climate change.

GRI Contents Index

GRI Standard 2021	Note	
GRI 1: Foundation 2021	Overview	Daewoo E&C reports data for the period from January 1, 2022 to December 31, 2022, based on the revised GRI Standard 2021. (Including some information for March 2023)
	Apply GRI Standard	GRI: Foundation 2021
	Applicable GRI Sector Standards	Currently(as of the 2023 reporting date), the ‘GRI Sector Standard’ standard of construction industries applicable to Daewoo E&C has not been announced.

GRI Standard 2021	Indicators Content		Reporting page/Reason for Non-reporting
General disclosures			
GRI 2: General Disclosures 2021	2-1	Organization Details	8-9
	2-2	Corporations included in the organization’s Sustainable Management Report	2, 8-9
	2-3	Reporting period, cycle, and contact information	2
	2-4	Re-description of information (impact of modifications to information provided in previous reports and reasons for modification)	96, 101-107
	2-5	External Verification	120-121
	2-6	Activities, value chains, and other business relationships(the organization’s supply chain)	11, 12-20, 74-76
	2-7	Employee employment status(employee, worker)	101
	2-8	Non-executive worker	101
	2-9	Governance Structure and Configuration	81-82
	2-10	Recommendation and selection of the highest decision-making body	82-83
	2-11	Chairman of the supreme decision-making body	81
	2-12	Role of the highest decision-making body for impact management	24-26, 29, 82
	2-13	Delegation of responsibility for impact management	24-26, 29, 82
	2-14	The role of the highest decision-making body in sustainability reporting	25
	2-15	Conflict of interest	81
	2-16	Communication on important issues	91-92
	2-17	Comprehensive knowledge of the highest decision-making body	83
	2-18	Evaluation of the performance of the highest decision-making body	84
	2-19	Compensation policy	84, 110
	2-20	Remuneration decision procedure	82
	2-21	Percentage of total annual compensation	103
	2-22	Statement on Sustainable Growth Strategy	6-7, 22-23
	2-23	Policy commitment	65-67
	2-24	Inherent policy commitment	65-67
	2-25	Negative Impact Improvement Process	91-92
	2-26	Mechanisms for concerns and advice raised	89-90
	2-27	Compliance with legal regulations	89-90, 111
	2-28	Affiliated society	123
	2-29	Access to stakeholder involvement in the organization	27-28
	2-30	Collective agreement	105

GRI Standard 2021	Indicators Content		Reporting page/Reason for Non-reporting
Material Topics			
GRI 3: Material Topics 2021	3-3	Procedures for determining critical issues	29-30
	3-2	List of critical issues	30
Advancement of Occupational Safety and Health Management System			
GRI 3: Material Topcis 2021	3-3	Managing Critical Issues	54
GRI 403:Occupational Safety and Health(2018)	403-1	Industrial Health and Safety Management System	55
	403-2	Risk identification, Risk assessment, Accident investigation	57-59
	403-3	Occupational Safety and Health Service	57-59
	403-4	Participation and Communication of workers on health and safety in the workplace	57
	403-5	Training for workplace health and safety workers	58
	403-6	Promotion of workers' health	58
	403-7	Prevention and Mitigation of workplace safety and health and direct impact	58-59
	403-8	Workers subject to workplace safety and health management system	55
	403-9	Accident rate	106
Improve customer satisfaction			
GRI 3: Material Topcis 2021	3-3	Managing Critical Issues	68
GRI 418: Customer Personal Information	418-1	Complaints relating to customer privacy violations and loss of customer data	108
Sustainable supply chain management			
GRI 3: Material Topcis 2021	3-3	Managing Critical Issues	74
GRI 204: Procurement practices	204-1	Percentage spent on local suppliers	107
GRI 308: Environmental Assessment of partner companies	308-2	Negative environmental impacts within the supply chain and actions taken against them	75, 107
GRI 414: Social Assessment of Supply Chain	414-1	New partner companies screened through social impact assessment	75, 107
	414-2	Negative social impacts within the supply chain and actions taken against them	107
Fair personnel system and enhancing of executives and employees' capabilities			
GRI 3: Material Topcis 2021	3-3	Managing Critical Issues	60
GRI 401: Employment(2016)	401-1	New recruitment and turnover	102
	401-2	Benefits offered to full-time employees	62, 66-67
	401-3	Parental leave	66-67, 105
GRI 402: Labor management(2016)	402-1	Minimum notice period for operational changes	105

GRI Standard 2021	Indicators Content		Reporting page/Reason for Non-reporting
Fair personnel system and enhancing of executives and employees' capabilities			
GRI 404: Training and Education (2016)	404-1	Average training/Training time per employee(year)	61, 104
	404-2	Employee Capability Enhancement and Transition Support Program	61-63
	404-3	Percentage of employees subject to regular performance assessment and career development inspection	64, 104
GRI 405: Diversity and Equal Opportunity (2016)	405-1	Diversity of Board and Members	81, 103
	405-2	Ratio of basic salary and remuneration for men and women	103
GRI 406: No Discrimination(2016)	406-1	Discrimination Cases and Corrective Actions	111
[Economic-related major issues] R&D capability enhancing/eco-friendly construction methods and technology development/management performance and profit generation			
GRI 3: Material Topcis 2021	3-3	Managing Critical Issues	40
GRI 201: Economic performance (2016)	201-2	Financial impacts and other risks and opportunities of Climate Change	35-36
GRI 203: Indirect economic effects	203-1	Infrastructure investment and service support	77-79
	203-2	Significant indirect economic effects, such as the scale of impacts	12-19, 77-79
Compliance management and compliance practices			
GRI 3: Material Topcis 2021	3-3	Managing Critical Issues	86
GRI 205: Anti-Corruption(2016)	205-1	Evaluation of workplace corruption risk	88-89
	205-2	Communication and Training procedures related to anti-corruption policies	87-90, 111
	205-3	Confirmed corruption cases and actions taken against them	90, 111
Climate Change Response			
GRI 3: Material Topcis 2021	3-3	Managing Critical Issues	32
GRI 305: Emission(2016)	305-1	Direct GHG emissions(Scope 1)	39, 97
	305-2	Energy indirect GHG emissions(Scope 2)	39, 97
	305-3	Other indirect GHG emissions(Scope 3)	39, 97
	305-4	Greenhouse Gas (GHG) Emissions Intensity	97
	305-5	GHG reduction	97
GRI 302: Energy(2016)	302-1	Energy consumption within an organization	39, 98
	302-2	Energy consumption outside the organization	39, 97
	302-3	Energy Intensity	39, 98
Compliance with environmental regulations			
GRI 3: Material Topcis 2021	3-3	Managing Critical Issues	40
Non-GRI	-	No Topic Standards available to connect to	-

GRI Standard 2021	Indicators Content		Reporting page/Reason for Non-reporting
General disclosures			
GRI 303: Water and Wastewater(2016)	303-2	Waterproof Impact Management	45
	303-3	Water intake	45, 99
	303-5	Water consumption	45, 99
GRI 304: Biodiversity(2016)	304-1	Places owned, leased, or managed in protected areas and areas of high biodiversity value or surrounding areas	48, 100
	304-2	Significant impact of organizational activities, products and services on biodiversity	48, 100
	304-3	Protected or Restored habitat	48, 100
	304-4	IUCN Red List and List of National Protected Species within the Areas affected by Organizational Business	48, 100
GRI 306: Waste(2020)	306-1	Discharge by water quality and destination	47
	306-2	Waste by type and treatment method	47
	306-3	Discharged waste	47, 100
	306-4	Converted waste	47, 100
	306-5	Disposed Waste	47, 100

GRI Standard 2021	Indicators Content		Reporting page/Reason for Non-reporting
General disclosures			
GRI 407: Freedom of collective bargaining and the Right to unite	407-1	Workplaces and Partner companies deemed to be infringing on workers’ freedom of association and collective bargaining	65-66
GRI 408: Child labor	408-1	Workplaces and Partner companies at high risk of child labor	65-66
GRI 409: Forced labor	409-1	Workplaces and Partner companies at high risk of forced labor	65-66
GRI 413: Community	413-1	Workplaces where participation, impact assessment, and development programs for local communities have been conducted	79
GRI 415: Public Policy	415-1	Political contributions	123

SASB Contents Index

Daewoo E&C belongs to the Engineering & Construction Service among the industries classified according to the sustainability accounting standards of the SASB(Sustainability Accounting Standards Board). It is displayed based on the disclosure items required by the accounting standards of the industry group, and information for each code is disclosed.

Theme	Code	Category	Accounting Metric	Daewoo E&C data
Environmental Impact of Project Development	IF-EN-160a.1	Quantitative	Number of violations of environmental permits, standards and regulations	• Daewoo E&C complies with environmental laws and regulations and as of December 31, 2022, there are no violations of environmental laws and regulations that have been confirmed to be disposed of under the corporate name.
	IF-EN-160a.2	Qualitative	Discussion procedures for evaluating and managing environmental hazards related to project design, site, and construction	• Daewoo E&C is establishing an environmental accident response system based on ISO 14001. In addition, we conduct an environmental impact assessment to minimize environmental risks and environmental impacts that may be caused by our business activities. In particular, collective training for field environmental managers and field environmental training conducted at least once a month by field environmental managers are conducted to raise environmental awareness of the field, we are implementing response strategies to prevent environmental pollution and minimize damage through simulation training to respond to environmental accidents.
Structural Stability and Safety	IF-EN-250a.2	Quantitative	The amount of financial losses incurred due to legal procedures resulting from defects and safety-related accidents	• There are no expenses paid due to the confirmation of legal procedures in 2022. (Based on business report)
Workplace Safety and Health	IF-EN-320a.1	Quantitative	Total Recorded Accident Rate(TRIR) and Fatality Rate for People direct employed and Contractors	• Daewoo E&C's safety and health management index is reported on page 106.
Building and Infrastructure Impact	IF-EN-410a.1	Quantitative	Number of projects that have been certified for sustainable management by third parties and related certification during the reporting period	• As of 2022, there are 17 completion sites that have received green building certification, and 18 completion sites that have received building energy efficiency ratings.
	IF-EN-410a.2	Qualitative	Procedures for considering energy and water efficiency in project planning and design	• Daewoo E&C is strengthening its risk management function according to the project life cycle. In particular, in order to reduce the impact on the environment, we are striving to increase investment in eco-friendly construction methods and technology development, environmental review-inspection, and water, pollutants, and waste management to protect the ecosystem. In particular, it achieves 99.97% of waste recycling and operates a monitoring system through "Allbaro" system interworking.
Business Ethics	IF-EN-510a.2	Quantitative	The amount of financial losses incurred by legal proceedings resulting from bribery, corruption, or anti-competitive acts	• As of the end of 2022, there were no penalty surcharge, fines and settlements due to bribery and corruption, anti-competitive acts.
	IF-EN-510a.3	Qualitative	Policies or guidelines prohibiting bribery, corruption, and anti-competitive acts in the bidding process	• There are Code of Ethics / Code of Conduct / Code of Field Ethics / Anti-Corruption Management Policy / Guide to Self-Compliance of Fair Trade and Compliance Guide by Field / Anti-Corruption Procedures.
Activity Indicators	IF-EN-000.B	Quantitative	Number of completed projects	• As of 2022, 41 domestic and one overseas sites were completed.
	IF-EN-000.C	Quantitative	Total order balance	• As of the end of 2022, the total order balance was KRW 45.0545 trillion, which is the sum of KRW 37.9485 trillion in Korea and KRW 7.1059 trillion overseas.(Based on annual report)

TCFD Contents Index

Classification	TCFD recommendation	Page of report	CDP indicators
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	34	C1.1, C1.1a, C1.1b
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	34	C1.2, C1.2a
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	35-36	C2.3a, C2.4a
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	36	C3.4
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	35-36	C3.2, C3.2a
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	37	C2.1, C2.2
	b) Describe the organization's processes for managing climate-related risks.	37-38	C2.1, C2.2
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	37-38	C2.1, C2.2
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	36	C2.1b, C3.3
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas(GHG) emissions, and the related risks.	38-39	C6.1, C6.3, C6.5
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	38-39	C4.1, C4.1a, 4.2, 4.3, C4.1b

Greenhouse Gas Verification



GHG Verification Opinion

DAEWOO E&C Co., Ltd.

Verification Scope

Korean Standards Association has conducted verification for GHG emissions based on GHG report provided by DAEWOO E&C Co., Ltd. which includes Scope1 and Scope2 emissions.

Verification Standards and Guidelines

To conduct verification activities, verification team applied verification standards and guidelines. The standards and guidelines are as follows.

- Guidance for reporting and verification of GHG emissions trading scheme (No. 2022-279 provided by Ministry of Environment, Republic of Korea)
- ISO 14064-1, 3 : 2006
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories

Level of Assurance

DAEWOO E&C Co., Ltd.'s GHG emissions satisfies the under Reasonable Assurance (less than $\pm 5\%$ of total emissions).

Verification Conclusion

As a result of verification activities, verification team has found no significant errors, omissions, and misstatements. Therefore, Korean Standards Association confirms that following emissions data are adequately quantified.

2022 Emissions (Scope1, Scope2)

(Unit : tCO ₂ eq)			
Year	Scope 1	Scope 2	Total
2022	6,266.832	52,968.005	59,231

* Decimal place is not considered when calculating the emission of each workplace

June 20, 2023

Myung So Kang

KOREAN STANDARDS ASSOCIATION

KSA GHG Emission Verification Statement

DAEWOO E&C Co., Ltd.

1. Verification Goal

The goals of greenhouse gas (GHG) emission verification (hereinafter referred to as 'verification') conducted by the Korean Standards Association are as follows.

- Confirming the conformity with standards and procedures of GHG emission and GHG emissions calculated within the scope of verification
- Checking the validity of declarations related to the organization's GHG emissions or removals
- Confirming the effective implementation of the organization's management of GHG emissions or removals
- Confirming the conformity of processes for implementing, managing and improving the organization's GHG emissions or removals estimates

2. Verification Scope

Korea Standards Association conducted verification of Scope 3 for Greenhouse Gas Declaration of DAEWOO E&C Co., Ltd.

- Boundary : Scope3
- Category 1. Purchased Goods and Services (Purchased Goods and Services)
- Category 5. Waste generated in operations (Construction waste generation treatment)
- Category 5. Business travel (Employee travel transportation)
- Category 7. Employee commuting (Transportation for employees to and from work)
- Category 11. Use of sold products (Use of manufactured (completed) apartments)
- Year : 2022

3. Verification Criteria and Guidelines

Korean Standards Association conducted verification according to international standards and the standards and guidelines of the National Institute of Environmental Research.

- ISO 14064-1, 3 : 2006
- Guidelines for reporting and certification of emissions from the GHG Emissions Trading System (Notification of the Ministry of Environment: No. 2022-279)
- 2006 IPCC Guidelines for National GHG Inventories
- WRI (World Resources Institute) Greenhouse Gas Protocol
- The Corporate Value Chain (Scope3) Accounting and Reporting Standard

4. Level of assurance verification and Responsibility

Korea Standards Association provides verification at limited level of assurance to strengthen GHG management for your company's GHG emissions.

5. Verification Limit

GHG emissions can be affected by factors such as data limits and uncertainties in the scope of verification, and inherent limitations may exist accordingly.

6. Verification Conclusion

No errors or false facts were found in DAEWOO E&C Co., Ltd.'s GHG emissions verified through the ISO 14064-3 verification procedure within the scope of verification.

Appendix. GHG emission in 2022 (Scope3)

(unit : tCO ₂ eq)	
Categories	GHG Emissions
1. Purchased Goods and Services	1,588,274
5. Waste generated in operations	10,074
6. Business travel	306
7. Employee commuting	15
11. Use of sold products	2,808,838
Total	4,407,507

* Note : There is a difference between the total amount of emissions for each business site and total amount of emissions by types because when GHG emission is calculated, decimal point is round down.

June 21, 2023

Myung So Kang

KOREAN STANDARDS ASSOCIATION

Third-Party Verification

To: The Stakeholders of DAEWOO ENGINEERING & CONSTRUCTION CO., LTD.

Introduction and Objectives of Work

BSI Group Korea (hereinafter “the Assurer”) was requested to verify Daewoo E&C 2023 Sustainability Report (hereinafter “the Report”). This assurance statement applies only to the relevant information included in the scope of the assurance. Daewoo E&C is solely responsible for all information and assertion contained in the Report. The responsibility of the Assurer is to provide Daewoo E&C Management with independent assurance statement based on its expert opinions by applying the verification methodology for the specified assurance scope. It is also to provide the information to all stakeholders of Daewoo E&C.

Standards and Levels

This assurance was based on the AA1000AS (Assurance Standard) v3 (2020) Assurance Standard and confirmed that the Report was prepared in accordance with the GRI Standards, the international standards guidelines of sustainability reports. In accordance with the AA1000 AS, the assurance level was Moderate Level, and conducted against Type 1 to confirm compliance with the four principles of the AA1000 AP (AccountAbility Principles) 2018 and the Type 2 assurance that verified the quality and reliability of the information disclosed in the report. Type 2 was limitedly verified against the topic standards below, based on the data and information provided by the reporting organization.

► **GRI Topic Standards:** 201-2, 203-1~2, 204-1, 205-1~3, 206-1, 302-1~3, 305-1~5, 308-2, 401-1~3, 402-1, 404-1~3, 405-1~2, 406-1, 414-1~2, 403-1~9, 418-1

Scope

The scope of assurance applied to the Report is as follows;

- Report contents during the period from January 1st to December 31st 2022 included in the report, some data included 2023.
- Major assesstion included in the report, such as sustainability management policies and strategies, goals, projects, and performance, and the report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review

The following contents were not included in the scope of assurance.

- Financial information in Appendix
- Index items related to other international standards and initiatives other than the GRI
- Other related additional information such as the website, business annual report.

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Review of the evidence to support the material issues through interviews with senior managers with responsibility for them
- Verification of data generation, collection and reporting for each performance index

Limitation

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Assurance Opinion

On the basis of our methodology and the activities described above, it is our opinion that

- The information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement.
- The report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards)
- The assurance opinions on the four principles presented in the AA1000 AP (2018) are as follows.

AA1000 AP(2018)

Inclusivity: Stakeholder Engagement and Opinion

Daewoo E&C defined employees, Government/relevant organizations, Shareholders/investors, customers, Society/Associations/Institutions, Community and suppliers as key stakeholders groups, and operated communication channels for each stakeholder group for engagement. Daewoo E&C reflected key issues drawn through stakeholder channels in sustainability management decisions and disclosed the process in the Report.

Materiality: Identification and reporting of material sustainability topics

Daewoo E&C established the strategy related to sustainability management and established the process to derive reporting issues. Daewoo E&C identified financial and social/environmental impacts and derived 10 material issues based on the analysis of media research, benchmarking global advanced companies in its field, and analysis of major global initiatives related to sustainability.

Responsiveness: Responding to material sustainability topics and related impacts

Daewoo E&C established the management process for material issues determined by the materiality assessment, implemented a response plan for each issue to appropriately respond to the derived material issues that reflects the expectations of stakeholders. Daewoo E&C disclosed the process including policy, indicator, activity and response performance on key reporting issues in the Report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

Daewoo E&C established the process to identify and evaluate the impact on organizations and stakeholders related to material issues. Daewoo E&C used impacts, risk and opportunity factor analysis results for material issues to make decisions to develop response strategies for each issue, and disclosed the process in the Report.

Key areas for ongoing development

- It may be helpful to advance the sustainability management system by clarifying the scope and definition of the value-chain, including raw material purchases, design, supervision, and implementers, and identifying and managing sustainability issues within the value chain based on characteristics of the construction industry.
- It may be helpful to advance the sustainability management system by developing sustainability technologies and implementing mid-to long-term ESG strategies based on major sustainability issues in the construction industry, such as biodiversity strategies and carbon emission reduction.

Statement of independence and competence

The Assurer is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services. No member of the assurance team has a business relationship with Daewoo E&C. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Evaluation against GRI 'In Accordance' Criteria

The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the following Universal Standards and Topic Standards Indicators based on the data provided by Daewoo E&C, the sector standard was not applied.

[Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

[Topic Standards]

201-2, 203-1~2, 204-1, 205-1~3, 206-1, 302-1~3, 303-2~3, 303-5, 304-1~4, 305-1~5, 306-1~5, 308-2, 401-1~3, 402-1, 403-1~9, 404-1~3, 405-1~2, 406-1, 407-1, 408-1, 409-1, 413-1, 414-1~2, 415-1, 418-1



28.June.2023

BSI Group Korea, Managing Director **S. H. LIM**

Awards

Key Awards Performance in 2022			
Divisions	Name of the award ceremony	Award category	Supervision
Civil	2022 Civil Engineering Day	Silver Award for Civil Structures of the Year	Korean Civil Society
	ACECC Civil Engineering Project Awards	ACECC Civil Engineering Project Award	The Asian Civil Engineering Coordinating Council
	Korea Civil Engineering and Construction Technology Awards	Top Prize in Roads and Transportation Facilities	Maeil Business Newspaper, MBN
Housing & Building	IF Design awards	Awarded for Interior, Architecture, and Applications	Intenational Forum Design
	Green Construction Awards	Grand Prize in Housing - Gwangyang Prugio Center Park	Seoul Shinmun
	Residential Culture Awards in the Second Half of the Year	Environmentally Friendly Grand Prize - Unjeong New Town Prugio Farsena	The Korea Economic Daily
	“A House I Want to Live In.” 2022	Seoul Residential Culture Grand Prize - Seodaemun Prugio Center Park	The Herald Business
	Green Housing Awards	Green Design - Eumseong Prugio Markber	Hankookilbo
	Green Construction Awards	Grand Prize in the efficiency apartment category - Pungmu Station Prugio City	ASIATODAY
	Construction Awards	Grand Prize in the Brand category - Prugio Summit	Aju Business Daily
	Good Design Awards	Selected as ‘Good Design’ in 7 categories	Korea Design Promotion Agency
	Asia Comprehensive Construction Awards	Asia Economic TV President Award in the Brand category - Prugio/Prugio Summit	The Asia Business Daily
	Korea Economic Television Presidential Award	IoT Smart Home category - Dalseo prugio Signature	The Korea Economic Daily TV
	Luxury Housing Awards	Top Prize in the Environmental category - Prugio the First, west Chung-ju	MONEYTODAY
	Livable Apartment	Excellence Prize for General Large-Scale category - Geomdan New Town Prugio the Venue	Maeil Business Newspaper
	Residential Culture Awards in the First Half of the Year	Grand Prize for the Environment-Friendly Award category - Chuncheon Central Tower Prugio	The Korea Economic Daily
	Smart Construction Awards	Smart efficiency apartment Grand Prize - Pungmu Station Prugio City	e - Daehan Business Daily
	Korea Service Awards	Apartment category Overall Grand Prize - Prugio	Korea Standards Association
	Well-being Apartment Awards	Brand category Grand Prize - Dongdaegu Prugio Bricent	HANKYUNG BUSINESS
	Housing Brand Awards	Green category Grand Prize - Jeju Prugio the First	NEWSWAY
	Brand Awards	Power Brand Grand Prize – Dalseo Prugio Signature	The Asia Business Daily
	Korea Residential Service Awards	Top Prize in the Design category - Dongdaegu Prugio Bricent	MONEYTODAY
Plant	2022 Plant EPC Win-Win Cooperation Forum	2022 Plant 人’s Award(President’s Award)	Korea Plant Industry Association
		Export expansion merit(Ministerial commendation)	
	Construction Day	Minister of Land, Infrastructure and Transport Commendation	Korea Construction Association
	Overseas Construction Plant Day	Minister of Land, Infrastructure and Transport Commendation	Overseas Construction Association
	Nuclear Safety and Promotion Day	Ministerial Commendation of Trade, Industry and Energy	Korea Atomic Energy Industry Conference
Institute of Construction Technology	15th Construction Technology Research Best Practices Presentation	Minister of Land, Infrastructure and Transport and Korea Institute of Construction Technology Commendation	(corporation) Korea Construction Management Association

Membership

Status of Association and Institutes Membership in 2023(88)

Divisions	Association and Institutes
Civil	AWC(Asia Water Council)
	Korean Society of Transportation
	Korean Society for Land and Urban Planning
	Korea Geotechnical Engineering Society
	Korean Civil Society
	Korean Society of Steel Structures
	Grand Dam Society of Korea
	Korea Highway Society
	Korea Highway Association
	Korean Society for Disaster Prevention
	Korean Water Resources Society
	Korean Society for Coastal Disaster Prevention
	Korea Ground Engineering Society
	Korean Society of Ground New Materials
	Korea Railroad Construction Engineering Association
	Korean Railway Society
	Korea Railroad Association
	Korean Society of Concrete
	Korean Tunnel Underground Space Society
	Korea Council of Waste Resources Energy Technology
Housing and Building	Korea Port Association
	Korea Coastal Marine Engineering Association
	Korea Environmental Industry Association
	Korea Wind Industry Association
	(corporation) Korea BIM Society
	(corporation) Korea Remodeling Association
	Korean Society of Architecture
	Korean Society of Equipment Engineering
	Korean Electrical Society
	(corporation) Korea Intelligent Smart Building Association
	World Association of Super Tall Urban Architecture (CTBUH)

Divisions	Association and Institutes
Housing and Building	Smart Modular Forum
	Korean Society of Building Construction
	Korean Military Lead Association
	Korea Real Estate Development Association
	Korea Association of Equipment Technology
	Korea Smart Home Industry Association
	Korean Society of Landscape Architecture
	Korean Society of Lighting and Electrical Equipment
	Korea Housing Association
Plant	K-CCUS Promotion Team
	Korea Electrical Association
	Korea Plant Industry Association
	Korean Society for Radioactive Waste
	Korea Engineering Association
	Korea Atomic Energy Industry Association
	Korean Atomic Energy Society
	Korea Nuclear Power Export Industry Association
	Korea Electrical Engineers Association
	Korea Plant Industry Association(PEA Club)
Management Support	Overseas Resource Development Association
	(corporation) Korea Emergency Planning Officers Association
	seriCEO
	Construction Personnel Management Council
	Emergency Planning Officers' Council, Ministry of Land, Infrastructure and Transport
	National Reserve Power Federation
	Jung-gu District Integrated Defense Council
	Korea HRD Association
	Korea Construction Engineers Association
	Korea Employers Federation
	Korea Fire Facility Association
	Korea Human Resources Management Association

Divisions	Association and Institutes
HSE-Q	KEPIC WEEK(Korea Electrical Association)
	KOSHA-MS Council
	Construction Safety Manager Council
	Construction Safety Executive Council
	Construction Safety Council
	Maekyung Institute of Safety and Environment
	Korea Construction Quality Research Association
	Korea Construction Environment Association
Strategic Planning	Korea Chamber of Commerce and Industry
	(corporation) Construction Management Strategy Research Association of Korea Construction Management Association
	Korea Institute of Construction Industry
	Overseas Construction Association
	Korea-Vietnam Friendship Association
Finance	(corporation) Korea Listed Companies Council
	Korea CFO Association
	Korea International Trade Association
Public Business	Korea Construction Association
	Korea Mechanical Equipment Construction Association
	Korea Infrastructure Maintenance Association
	Korea Professional Construction Association
	Korea CM Association
	Korea Construction Management Association
	Korea Electrical Engineering Association
	Korea Information and Communication Corporation Association
Institute of Construction Technology	Korea Construction Transportation
	New Technology Association
	Korea Industrial Technology Promotion Association

* Daewoo E&C adheres to the Korean political funding laws and regulations and refrains from participating in lobbying activities, making contributions to interest groups, or supporting any similar political organizations. Moreover, the organizations and associations mentioned on this page are collaborative partnerships, exclusively aimed at knowledge development and networking within the scope of our business. These affiliations have no connection whatsoever with any political funding initiatives.



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