

Dear investors, those from NGOs (Non-Government Organizations), and all other stakeholders,

Hyundai Engineering and Construction (the “**Hyundai E&C**”) has sought sustainable management and global Corporate Social Responsibility (CSR) for the longest period of time in the Korea’s construction industry based on its faith in not only economic values but also social values as absolute ones. Driven by such an effort, Hyundai E&C has been recognized as a leader in the construction industry with maintaining the status as a member of the DJSI (Dow Jones Sustainability Indices) World for eleven (11) consecutive years.

In particular, we have launched the “Hyundai E&C Sustainability Steering Committee” in October 2020 in an effort to further promote sustainable management so that it would take root. We also have overhauled the ESG (Environmental, Social and Governance) management scheme to a level corresponding to a Board of Directors, as a final decision-making body, by amending operational rules of the “Corporate Governance & Transparent Management Committee” for which all members are outside (independent) directors.

This year, the ESG organizations of Hyundai E&C discussed the importance of the ESG agenda and related future business directions. A consensus has been reached that a way to strengthen CSR in response to climate change currently facing us is how enterprises should pursue for sustainable growth in the end as a responsible member of the global community. In this regard, we finally would like to inform all our stakeholders of decisions that have been ratified by the Board of Directors.

1. Hyundai E&C Declaration on Coal Exit

Hyundai E&C decided to totally exclude the possibility of participation in any of investment and/or construction projects to newly build coal-fired power plant either in Korea or abroad subsequently to the completion of construction/bidding and the fulfilment of other contractual commitments of ongoing projects.

2. Renewable energy and environmental business to be expanded

To keep pace with the increasing social interest in low-carbon and eco-friendly economies, Hyundai E&C continues to expand the boundaries of renewable energy including solar power, hydrogen fuel cell, and offshore wind power generation as well as other environmental business and energy-efficient products such as smart farm, biogas, polluted soil purification and water treatment. We aim to further diversify our energy business portfolio by gradually transitioning conventional items which could cause climate change risks on the basis of the “Hyundai E&C Vision 2025” released last year. To be part of the effort, the department engaged in the coal-fired power has been transformed into a renewable energy department aiming at such business transition.

3. Efforts to secure sustainable competitiveness

As mentioned above, we will not spare any effort to invest in green R&D in pursuit of expanded portfolio of renewable energy and environmental business. In addition, we will make an investment in renewable energy and environmental business fields both at home and abroad utilizing the fund raised by issuing ESG bonds this year. Concurrently, we will try to create social values by expanding social contribution campaign for environmental and safety sectors and joining the common effort to solve social problems.

4. Continuous endeavor for global response to climate change

Hyundai E&C has taken part in the Carbon Disclosure Project (CDP) since 2012 and has disclosed all information related to carbon emissions and others including corporate strategy for climate change response. We will continue to practice environmental energy management in terms of climate change response, reducing greenhouse gas emissions, and expanding portfolio of energy efficient products.

In addition, we will identify items for reducing greenhouse gas emissions to apply to the construction sites while carrying out CSR activities to reduce carbon emissions engaging all executives & employees to join. In particular, in an effort to live up to the vigorous trend of socially responsible investment and requirements from stakeholders who tend to evaluate corporate values in the long run, we support the Task Force on Climate-related Financial Disclosures (TCFD) and plan to put more focus on ESG information disclosure by extensively incorporating recommendations from the Sustainability Accounting Standards Board (SASB), TCFD and WEF Stakeholder Capitalism Metrics by 2022.

We hope that this declaration could set a new milestone for our construction industry to follow in the right direction and subsequently bring about a greater impact to the overall economy so that, in the end, it could change the environment of project award in the construction industry. Hyundai E&C will continue to fulfill its roles as a global leader of the engineering & construction industry and make all-out efforts to promote sustainable management staying in contact with all stakeholders.

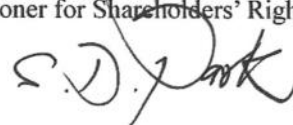
Thank you.

Chairman of the Corporate Governance
& Transparent Management Committee
Hyundai Engineering and Construction Co., Ltd.

Chief Executive Officer
Hyundai Engineering and Construction Co., Ltd.

COO of Plant Division
Hyundai Engineering and Construction Co., Ltd.

Lead Independent Director Sung-duck Park
(Commissioner for Shareholders' Rights)



President Young-joon Yoon



Vice President Won-woo Lee

